

**LAWS = NEW JERSEY
2001**

New Jersey State Library

ACTS
OF THE
Second Annual Session
OF THE
Two Hundred and Ninth Legislature
OF THE
STATE OF NEW JERSEY



2001

New Jersey State Library

The following laws, enacted by the Second Annual Session of the Two Hundred and Ninth Legislature, and an index of the laws are published in accordance with R.S. 1:3-1 et seq.

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¹Resigned 10/23/01.

²Sworn in 11/26/01.

³Resigned 4/16/01.

⁴Sworn in 5/3/01.

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¹Resigned 5/3/01.

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³Resigned 3/31/01.

⁴Sworn in 4/19/01.

⁵Resigned 2/13/01.

⁶Sworn in 3/8/01.

LAWS

ACTS

ENACTED BY THE

Second Annual Session

OF THE

Two Hundred and Ninth Legislature

CHAPTER 1

AN ACT concerning the Independent Health Care Appeals Program and amending P.L.1997, c.192.

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

1. Section 12 of P.L.1997, c.192 (C.26:2S-12) is amended to read as follows:

C.26:2S-12 Contract to conduct appeal reviews; procedures.

12. a. The commissioner shall contract with one or more independent utilization review organizations in the State that meet the requirements of this act to conduct the appeal reviews. The independent utilization review organization shall be independent of any carrier. The commissioner may establish additional requirements, including conflict of interest standards, consistent with the purposes of this act that an organization shall meet in order to qualify for participation in the Independent Health Care Appeals Program.

b. The commissioner shall establish procedures for transmitting the completed application for an appeal review to the independent utilization review organization.

c. The independent utilization review organization shall promptly review the pertinent medical records of the covered person to determine the appropriate, medically necessary health care services the person should receive, based on applicable, generally accepted practice guidelines developed by the federal government, national or professional medical societies, boards or associations and any applicable clinical protocols or practice guidelines developed by the carrier. The organization shall complete its review and make its determination within 90 days of receipt of a completed application for an appeal review or within less time, as prescribed by the commissioner.

Upon completion of the review, the organization shall state its findings in writing and make a determination of whether the carrier's denial, reduction or termination of benefits deprived the covered person of medically necessary services covered by the person's health benefits plan. If the organization determines that the denial, reduction or termination of benefits deprived the person of medically necessary covered services, it shall convey to the covered person and carrier its decision regarding the appropriate, medically necessary health care services that the person should receive, which shall be binding on the carrier. If all or part of the organization's decision is in favor of the covered person, the carrier shall promptly provide coverage for the health care services found by the organization to be medically necessary covered services. If the covered person is not in agreement with the organization's decision, the person may seek the desired health care services outside of his health benefits plan, at his own expense.

d. If the commissioner determines that a carrier has failed to comply with the decision of an independent utilization review organization or is otherwise in violation of patient rights and other applicable regulations, the commissioner may impose such penalties and sanctions on the carrier, as provided by regulation, as the commissioner deems appropriate.

e. The commissioner shall require the independent utilization review organization to establish procedures to provide for an expedited review of a carrier's denial, reduction or termination of a benefit decision when a delay in receipt of the service could seriously jeopardize the health or well-being of the covered person.

f. The covered person's medical records provided to the Independent Health Care Appeals Program and the independent utilization review organization and the findings and recommendations of the organization made pursuant to this act are confidential and shall be used only by the department, the organization and the affected carrier for the purposes of this act. The medical records and findings and recommendations shall not otherwise be divulged or made public so as to disclose the identity of any person to whom they relate, and shall not be included under materials available to public inspection pursuant to P.L.1963, c.73 (C.47:1A-1 et seq.).

g. The commissioner shall establish a reasonable, per case reimbursement schedule for the independent utilization review organization.

h. The cost of the appeal review shall be borne by the carrier pursuant to a schedule of fees established by the commissioner.

2. This act shall take effect immediately.

Approved January 16, 2001.

CHAPTER 2

AN ACT concerning the regulation of health maintenance organizations and reserve requirements for health insurance policies and amending P.L.1973, c.337, P.L.1970, c.22 and N.J.S.17B:19-5.

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

1. Section 25 of P.L.1973, c.337 (C.26:2J-25) is amended to read as follows:

C.26:2J-25 Statutory construction and relationship to other laws.

25. Statutory construction and relationship to other laws.

a. Except as otherwise provided in this act, provisions of the insurance law and provisions of hospital or medical service corporation laws shall not be applicable to any health maintenance organization granted a certificate of authority under this act. This provision shall not apply to an insurer or hospital or medical service corporation licensed and regulated pursuant to the insurance laws or the hospital or medical service corporation laws of this State except with respect to its health maintenance organization activities authorized and regulated pursuant to this act. Charges paid by or on behalf of enrollees of a health maintenance organization with respect to health care services shall not be subject to taxation by the State or any of its political subdivisions.

b. Solicitation of enrollees by a health maintenance organization granted a certificate of authority, or its representatives, shall not be construed to violate any provision of law relating to solicitation or advertising by health professionals.

c. Any health maintenance organization authorized under this act shall not be deemed to be practicing medicine and shall be exempt from the provision of chapter 9 of Title 45, Medicine and Surgery, of the Revised Statutes relating to the practice of medicine.

d. No person participating in the arrangements of a health maintenance organization other than the actual provider of health care services or supplies directly to enrollees and their families shall be liable for negligence, misfeasance, nonfeasance or malpractice in connection with the furnishings of such services and supplies.

e. A health maintenance organization shall be subject to the provisions of P.L.1970, c.22 (C.17:27A-1 et seq.), including those relating to merger or acquisition of control.

2. Section 1 of P.L.1970, c.22 (C.17:27A-1) is amended to read as follows:

C.17:27A-1 Definitions.

1. Definitions.

As used in P.L.1970, c.22 (C.17:27A-1 et seq.), the following terms shall have the respective meanings hereinafter set forth, unless the context shall otherwise require:

a. An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

b. The term "commissioner" shall mean the Commissioner of Banking and Insurance or his deputies, except that when a health maintenance organization is the subject of an acquisition of control or merger, the commissioner shall consult with the Commissioner of Health and Senior Services on matters relating to quality of, and access to, health care services.

c. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, 10% or more of the voting securities of any other person, provided that no such presumption of control shall of itself relieve any person so presumed to have control from any requirement of P.L.1970, c.22 (C.17:27A-1 et seq.). This presumption may be rebutted by a showing made in the manner provided by subsection j. of section 3 of P.L.1970, c.22 (C.17:27A-3) that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and an opportunity to be heard, and making specific findings of fact to support such determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

d. An "insurance holding company system" consists of two or more affiliated persons, one or more of which is an insurer.

e. The term "insurer" means any person or persons, corporation, partnership or company authorized by the laws of this State to transact the business of insurance or to operate a health maintenance organization in this State, except that it shall not include agencies, authorities or instrumentalities of the United States, its possessions and territories, the Commonwealth of Puerto Rico, the District of Columbia, or a state or political subdivision of a state.

f. A "person" is an individual, a corporation, a partnership, an association, a joint stock company, a trust, an unincorporated organization, any similar entity or any combination of the foregoing acting in concert.

g. (Deleted by amendment, P.L.1993, c.241.)

h. A "subsidiary" of a specified person is an affiliate controlled by such person directly, or indirectly through one or more intermediaries.

i. The term "voting security" shall include any security convertible into or evidencing a right to acquire a voting security.

j. "Acquisition" means any agreement, arrangement or activity, the consummation of which results in a person acquiring directly or indirectly the control of another person, and includes but is not limited to the acquisition of voting securities, and assets, and bulk reinsurance and mergers.

k. "Health maintenance organization" means any person operating under a certificate of authority issued pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.).

3. N.J.S.17B:19-5 is amended to read as follows:

Calculations of policy and loss reserves for health insurance.

17B:19-5. The commissioner shall annually make or cause to be made or shall annually require the insurer to make calculations of policy and loss reserves for health insurance written by insurers authorized to write health insurance in this State as defined in N.J.S.17B:17-4. The commissioner shall promulgate regulations establishing the minimum standards applicable to the valuation of health insurance reserves.

4. This act shall take effect immediately, except that section 3 shall take effect January 1, 2001. The Commissioner of Banking and Insurance may immediately undertake action to promulgate any regulation necessary to implement the provisions of this act.

Approved January 16, 2001.

CHAPTER 3

AN ACT concerning handgun purchase permits and firearms purchaser identification cards in certain cases and amending N.J.S.2C:58-3 and P.L.1982, c.79.

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

1. N.J.S.2C:58-3 is amended to read as follows:

Purchase of firearms.

2C:58-3. Purchase of Firearms.

a. Permit to purchase a handgun. No person shall sell, give, transfer, assign or otherwise dispose of, nor receive, purchase, or otherwise acquire a handgun unless the purchaser, assignee, donee, receiver or holder is licensed as a dealer under this chapter or has first secured a permit to purchase a handgun as provided by this section.

b. Firearms purchaser identification card. No person shall sell, give, transfer, assign or otherwise dispose of nor receive, purchase or otherwise acquire an antique cannon or a rifle or shotgun, other than an antique rifle or shotgun, unless the purchaser, assignee, donee, receiver or holder is licensed as a dealer under this chapter or possesses a valid firearms purchaser identification card, and first exhibits said card to the seller, donor, transferor or assignor, and unless the purchaser, assignee, donee, receiver or holder signs a written certification, on a form prescribed by the superintendent, which shall indicate that he presently complies with the requirements of subsection c. of this section and shall contain his name, address and firearms purchaser identification card number or dealer's registration number. The said certification shall be retained by the seller, as provided in section 2C:58-2a., or, in the case of a person who is not a dealer, it may be filed with the chief of police of the municipality in which he resides or with the superintendent.

c. Who may obtain. No person of good character and good repute in the community in which he lives, and who is not subject to any of the disabilities set forth in this section or other sections of this chapter, shall be denied a permit to purchase a handgun or a firearms purchaser identification card, except as hereinafter set forth. No handgun purchase permit or firearms purchaser identification card shall be issued:

(1) To any person who has been convicted of a crime, whether or not armed with or possessing a weapon at the time of such offense;

(2) To any drug dependent person as defined in section 2 of P.L. 1970, c.226 (C.24:21-2), to any person who is confined for a mental disorder to a hospital, mental institution or sanitarium, or to any person who is presently an habitual drunkard;

(3) To any person who suffers from a physical defect or disease which would make it unsafe for him to handle firearms, to any person who has ever been confined for a mental disorder, or to any alcoholic unless any of the foregoing persons produces a certificate of a medical doctor or psychiatrist licensed in New Jersey, or other satisfactory proof, that he is no longer suffering from that particular disability in such a manner that would interfere with or handicap him in the handling of firearms; to any person

who knowingly falsifies any information on the application form for a handgun purchase permit or firearms purchaser identification card;

(4) To any person under the age of 18 years for a firearms purchaser identification card and to any person under the age of 21 years for a permit to purchase a handgun;

(5) To any person where the issuance would not be in the interest of the public health, safety or welfare;

(6) To any person who is subject to a court order issued pursuant to section 13 of P.L.1991, c.261 (C.2C:25-29) prohibiting the person from possessing any firearm; or

(7) To any person who as a juvenile was adjudicated delinquent for an offense which, if committed by an adult, would constitute a crime and the offense involved the unlawful use or possession of a firearm.

d. Issuance. The chief of police of an organized full-time police department of the municipality where the applicant resides or the superintendent, in all other cases, shall upon application, issue to any person qualified under the provisions of subsection c. of this section a permit to purchase a handgun or a firearms purchaser identification card.

Any person aggrieved by the denial of a permit or identification card may request a hearing in the Superior Court of the county in which he resides if he is a resident of New Jersey or in the Superior Court of the county in which his application was filed if he is a nonresident. The request for a hearing shall be made in writing within 30 days of the denial of the application for a permit or identification card. The applicant shall serve a copy of his request for a hearing upon the chief of police of the municipality in which he resides, if he is a resident of New Jersey, and upon the superintendent in all cases. The hearing shall be held and a record made thereof within 30 days of the receipt of the application for such hearing by the judge of the Superior Court. No formal pleading and no filing fee shall be required as a preliminary to such hearing. Appeals from the results of such hearing shall be in accordance with law.

e. Applications. Applications for permits to purchase a handgun and for firearms purchaser identification cards shall be in the form prescribed by the superintendent and shall set forth the name, residence, place of business, age, date of birth, occupation, sex and physical description, including distinguishing physical characteristics, if any, of the applicant, and shall state whether the applicant is a citizen, whether he is an alcoholic, habitual drunkard, drug dependent person as defined in section 2 of P.L.1970, c.226 (C.24:21-2), whether he has ever been confined or committed to a mental institution or hospital for treatment or observation of a mental or psychiatric condition on a temporary, interim or permanent basis, giving the name and location of the institution or hospital and the dates of such confinement or

commitment, whether he has been attended, treated or observed by any doctor or psychiatrist or at any hospital or mental institution on an inpatient or outpatient basis for any mental or psychiatric condition, giving the name and location of the doctor, psychiatrist, hospital or institution and the dates of such occurrence, whether he presently or ever has been a member of any organization which advocates or approves the commission of acts of force and violence to overthrow the Government of the United States or of this State, or which seeks to deny others their rights under the Constitution of either the United States or the State of New Jersey, whether he has ever been convicted of a crime or disorderly persons offense, whether the person is subject to a court order issued pursuant to section 13 of P.L.1991, c.261 (C.2C:25-29) prohibiting the person from possessing any firearm, and such other information as the superintendent shall deem necessary for the proper enforcement of this chapter. For the purpose of complying with this subsection, the applicant shall waive any statutory or other right of confidentiality relating to institutional confinement. The application shall be signed by the applicant and shall contain as references the names and addresses of two reputable citizens personally acquainted with him.

Application blanks shall be obtainable from the superintendent, from any other officer authorized to grant such permit or identification card, and from licensed retail dealers.

The chief police officer or the superintendent shall obtain the fingerprints of the applicant and shall have them compared with any and all records of fingerprints in the municipality and county in which the applicant resides and also the records of the State Bureau of Identification and the Federal Bureau of Investigation, provided that an applicant for a handgun purchase permit who possesses a valid firearms purchaser identification card, or who has previously obtained a handgun purchase permit from the same licensing authority for which he was previously fingerprinted, and who provides other reasonably satisfactory proof of his identity, need not be fingerprinted again; however, the chief police officer or the superintendent shall proceed to investigate the application to determine whether or not the applicant has become subject to any of the disabilities set forth in this chapter.

f. Granting of permit or identification card; fee; term; renewal; revocation. The application for the permit to purchase a handgun together with a fee of \$2.00, or the application for the firearms purchaser identification card together with a fee of \$5.00, shall be delivered or forwarded to the licensing authority who shall investigate the same and, unless good cause for the denial thereof appears, shall grant the permit or the identification card, or both, if application has been made therefor, within 30 days from the date of receipt of the application for residents of this State and within 45 days for nonresident applicants. A permit to purchase a handgun shall be

valid for a period of 90 days from the date of issuance and may be renewed by the issuing authority for good cause for an additional 90 days. A firearms purchaser identification card shall be valid until such time as the holder becomes subject to any of the disabilities set forth in subsection c. of this section, whereupon the card shall be void and shall be returned within five days by the holder to the superintendent, who shall then advise the licensing authority. Failure of the holder to return the firearms purchaser identification card to the superintendent within the said five days shall be an offense under section 2C:39-10a. Any firearms purchaser identification card may be revoked by the Superior Court of the county wherein the card was issued, after hearing upon notice, upon a finding that the holder thereof no longer qualifies for the issuance of such permit. The county prosecutor of any county, the chief police officer of any municipality or any citizen may apply to such court at any time for the revocation of such card.

There shall be no conditions or requirements added to the form or content of the application, or required by the licensing authority for the issuance of a permit or identification card, other than those that are specifically set forth in this chapter.

g. Disposition of fees. All fees for permits shall be paid to the State Treasury if the permit is issued by the superintendent, to the municipality if issued by the chief of police, and to the county treasurer if issued by the judge of the Superior Court.

h. Form of permit; quadruplicate; disposition of copies. The permit shall be in the form prescribed by the superintendent and shall be issued to the applicant in quadruplicate. Prior to the time he receives the handgun from the seller, the applicant shall deliver to the seller the permit in quadruplicate and the seller shall complete all of the information required on the form. Within five days of the date of the sale, the seller shall forward the original copy to the superintendent and the second copy to the chief of police of the municipality in which the purchaser resides, except that in a municipality having no chief of police, such copy shall be forwarded to the superintendent. The third copy shall then be returned to the purchaser with the pistol or revolver and the fourth copy shall be kept by the seller as a permanent record.

i. Restriction on number of firearms person may purchase. Only one handgun shall be purchased or delivered on each permit, but a person shall not be restricted as to the number of rifles or shotguns he may purchase, provided he possesses a valid firearms purchaser identification card and provided further that he signs the certification required in subsection b. of this section for each transaction.

j. Firearms passing to heirs or legatees. Notwithstanding any other provision of this section concerning the transfer, receipt or acquisition of a

firearm, a permit to purchase or a firearms purchaser identification card shall not be required for the passing of a firearm upon the death of an owner thereof to his heir or legatee, whether the same be by testamentary bequest or by the laws of intestacy. The person who shall so receive, or acquire said firearm shall, however, be subject to all other provisions of this chapter. If the heir or legatee of such firearm does not qualify to possess or carry it, he may retain ownership of the firearm for the purpose of sale for a period not exceeding 180 days, or for such further limited period as may be approved by the chief law enforcement officer of the municipality in which the heir or legatee resides or the superintendent, provided that such firearm is in the custody of the chief law enforcement officer of the municipality or the superintendent during such period.

k. Sawed-off shotguns. Nothing in this section shall be construed to authorize the purchase or possession of any sawed-off shotgun.

l. Nothing in this section and in N.J.S.2C:58-2 shall apply to the sale or purchase of a visual distress signalling device approved by the United States Coast Guard, solely for possession on a private or commercial aircraft or any boat; provided, however, that no person under the age of 18 years shall purchase nor shall any person sell to a person under the age of 18 years such a visual distress signalling device.

2. Section 1 of P.L.1982, c.79 (C.2A:4A-60) is amended to read as follows:

C.2A:4A-60 Disclosure of juvenile information; penalties for disclosure.

1. Disclosure of juvenile information; penalties for disclosure. a. Social, medical, psychological, legal and other records of the court and probation division, and records of law enforcement agencies, pertaining to juveniles charged as a delinquent or found to be part of a juvenile-family crisis, shall be strictly safeguarded from public inspection. Such records shall be made available only to:

- (1) Any court or probation division;
- (2) The Attorney General or county prosecutor;
- (3) The parents or guardian and to the attorney of the juvenile;
- (4) The Department of Human Services, if providing care or custody of the juvenile;
- (5) Any institution or facility to which the juvenile is currently committed or in which the juvenile is placed;
- (6) Any person or agency interested in a case or in the work of the agency keeping the records, by order of the court for good cause shown, except that information concerning adjudications of delinquency, records of custodial confinement, payments owed on assessments imposed pursuant to section 2 of

P.L.1979, c.396 (C.2C:43-3.1) or restitution ordered following conviction of a crime or adjudication of delinquency, and the juvenile's financial resources, shall be made available upon request to the Victims of Crime Compensation Board established pursuant to section 3 of P.L.1971, c.317 (C.52:4B-3), which shall keep such information and records confidential;

(7) The Juvenile Justice Commission established pursuant to section 2 of P.L.1995, c.284 (C.52:17B-170); and

(8) Law enforcement agencies for the purpose of reviewing applications for a permit to purchase a handgun or firearms purchaser identification card.

b. Records of law enforcement agencies may be disclosed for law enforcement purposes, or for the purpose of reviewing applications for a permit to purchase a handgun or a firearms purchaser identification card to any law enforcement agency of this State, another state or the United States, and the identity of a juvenile under warrant for arrest for commission of an act that would constitute a crime if committed by an adult may be disclosed to the public when necessary to execution of the warrant.

c. At the time of charge, adjudication or disposition, information as to the identity of a juvenile charged with an offense, the offense charged, the adjudication and disposition shall, upon request, be disclosed to:

(1) The victim or a member of the victim's immediate family;

(2) Any law enforcement agency which investigated the offense, the person or agency which filed the complaint, and any law enforcement agency in the municipality where the juvenile resides; and

(3) On a confidential basis, the principal of the school where the juvenile is enrolled for use by the principal and such members of the staff and faculty of the school as the principal deems appropriate for maintaining order, safety or discipline in the school or to planning programs relevant to the juvenile's educational and social development, provided that no record of such information shall be maintained except as authorized by regulation of the Department of Education; or

(4) A party in a subsequent legal proceeding involving the juvenile, upon approval by the court.

d. A law enforcement or prosecuting agency shall, at the time of a charge, adjudication or disposition, advise the principal of the school where the juvenile is enrolled of the identity of the juvenile charged, the offense charged, the adjudication and the disposition if:

(1) The offense occurred on school property or a school bus, occurred at a school-sponsored function or was committed against an employee or official of the school; or

(2) The juvenile was taken into custody as a result of information or evidence provided by school officials; or

(3) The offense, if committed by an adult, would constitute a crime, and the offense:

(a) resulted in death or serious bodily injury or involved an attempt or conspiracy to cause death or serious bodily injury; or

(b) involved the unlawful use or possession of a firearm or other weapon; or

(c) involved the unlawful manufacture, distribution or possession with intent to distribute a controlled dangerous substance or controlled substance analog; or

(d) was committed by a juvenile who acted with a purpose to intimidate an individual or group of individuals because of race, color, religion, sexual orientation or ethnicity; or

(e) would be a crime of the first or second degree.

Information provided to the principal pursuant to this subsection shall be treated as confidential but may be made available to such members of the staff and faculty of the school as the principal deems appropriate for maintaining order, safety or discipline in the school or for planning programs relevant to a juvenile's educational and social development, and no record of such information shall be maintained except as authorized by regulation of the Department of Education.

e. Nothing in this section prohibits a law enforcement or prosecuting agency from providing the principal of a school with information identifying one or more juveniles who are under investigation or have been taken into custody for commission of any act that would constitute an offense if committed by an adult when the law enforcement or prosecuting agency determines that the information may be useful to the principal in maintaining order, safety or discipline in the school or in planning programs relevant to the juvenile's educational and social development. Information provided to the principal pursuant to this subsection shall be treated as confidential but may be made available to such members of the staff and faculty of the school as the principal deems appropriate for maintaining order, safety or discipline in the school or for planning programs relevant to the juvenile's educational and social development. No information provided pursuant to this section shall be maintained.

f. Information as to the identity of a juvenile adjudicated delinquent, the offense, the adjudication and the disposition shall be disclosed to the public where the offense for which the juvenile has been adjudicated delinquent if committed by an adult, would constitute a crime of the first, second or third degree, or aggravated assault, destruction or damage to property to an extent of more than \$500.00, unless upon application at the time of disposition the juvenile demonstrates a substantial likelihood that specific and extraordinary harm would result from such disclosure in the

specific case. Where the court finds that disclosure would be harmful to the juvenile, the reasons therefor shall be stated on the record.

g. Nothing in this section shall prohibit the establishment and maintaining of a central registry of the records of law enforcement agencies relating to juveniles for the purpose of exchange between State or local law enforcement agencies of this State, another state, or the United States.

h. Whoever, except as provided by law, knowingly discloses, publishes, receives, or makes use of or knowingly permits the unauthorized use of information concerning a particular juvenile derived from records listed in subsection a. or acquired in the course of court proceedings, probation, or police duties, shall, upon conviction thereof, be guilty of a disorderly persons offense.

i. The court may, upon application by the juvenile or his parent or guardian, the prosecutor or any other interested party, including the victim or complainant or members of the news media, permit public attendance during any court proceeding at a delinquency case, where it determines that a substantial likelihood that specific harm to the juvenile would not result, and the court shall permit a victim, or a family member of a victim to make a statement prior to ordering a disposition in any delinquency proceeding involving an offense that would constitute a crime if committed by an adult. The court shall have the authority to limit and control the attendance in any manner and to the extent it deems appropriate.

j. The Department of Education, in consultation with the Attorney General, shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations concerning the creation, maintenance and disclosure of pupil records including information acquired pursuant to this section.

3. This act shall take effect immediately.

Approved January 16, 2001.

CHAPTER 4

AN ACT concerning pensions payable to certain retirants from the Consolidated Police and Firemen's Pension Fund, the Police and Firemen's Retirement System of New Jersey, and the Public Employees' Retirement System of New Jersey, amending R.S.43:16-1, P.L.1944, c.255, P.L.1954, c.84 and P.L.1964, c.241 and supplementing P.L.1955, c.257 (C.43:15A-97 et seq.) and P.L.1958, c.143 (C.43:3B-1 et seq.).

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

1. R.S.43:16-1 is amended to read as follows:

Retirement for age and service.

43:16-1. a. In all municipalities any active member of a police department or of a paid or part-paid fire department or of a county police department including active members of the paid or part-paid fire department of any fire district located in any township which has adopted the provisions of an act entitled "An act providing for the retirement of policemen and firemen of the police and fire departments in municipalities of this State, including all police officers having supervision or regulation of traffic upon county roads, and providing a pension for such retired policemen and firemen and members of the police and fire departments, and the widows, children and sole dependent parents of deceased members of said department," approved April 15, 1920 (P.L.1920, c.160) or of chapter 16 of Title 43 of the Revised Statutes, who shall have served honorably in the police or fire department for a period of 25 years, or any employee member of any such department who shall have served honorably in such department for a period of 25 years and who has reached the age of 60 years shall, on his own application, be retired on a service retirement pension equal to 60% of his final compensation. Any active member of the police or paid or part-paid fire department including active members of the paid or part-paid fire department of any fire district as aforesaid who shall have served honorably for a period of 25 years and reached the age of 65 years and any employee member of any such department who shall have served honorably in such department for a period of 25 years and reached the age of 70 years shall be retired on a service retirement pension equal to 60% of his final compensation.

The amount of the service retirement pension of any member of such police or paid or part-paid fire department, who has served for more than 25 years and who retires after August 8, 1984, shall be increased by an amount equal to 1% of his final compensation for each year of service in excess of 25 years but not more than 30 years and 1% of his final compensation for each year of service in excess of 30 years rendered prior to his reaching age 65.

b. The service retirement pension payable under subsection a. of this section to any person who served honorably in a police or fire department for a period of 25 years and retired from the service of the department prior to the effective date of this act, P.L.2001, c.4, shall be increased by an amount equal to 5% of the person's final compensation or by such lesser amount as would, if added to the pension payable at the time of retirement, provide a total service retirement pension of 70% of final compensation.

The provisions of this subsection shall not be construed either to require a reduction in the pension payable to any retirant or to provide for the payment of any adjustment in such a benefit with respect to any period of time prior to the first day of the month following that effective date. The State shall be liable for any increased cost to local government employers participating in the Consolidated Police and Firemen's Pension Fund as a result of the increased benefit provided for in this subsection.

2. Section 16 of P.L.1964, c.241 (C.43:16A-11.1) is amended to read as follows:

C.43:16A-11.1 Special retirement; resignation with 25 years of creditable service; allowance; death benefit.

16. a. Should a member resign after having established 25 years of creditable service, he may elect "special retirement," provided, that such election is communicated by such member to the retirement system by filing a written application, duly attested, stating at what time subsequent to the execution and filing thereof he desires to be retired. He shall receive, in lieu of the payment provided in section 11, a retirement allowance which shall consist of:

(1) An annuity which shall be the actuarial equivalent of his aggregate contributions, and

(2) A pension in the amount which, when added to the member's annuity, will provide a total retirement allowance of 65% of his final compensation, plus 1% of his final compensation multiplied by the number of years of creditable service over 25 but not over 30; provided, however, that any member who has earned, prior to July 1, 1979, more than 30 years of creditable service, shall receive an additional 1% of his final compensation for each year of his creditable service over 30.

The board of trustees shall retire him at the time specified or at such other time within one month after the date so specified as the board finds advisable.

Upon the receipt of proper proofs of the death of such a retired member, there shall be paid to his beneficiary an amount equal to one-half of the final compensation received by the member.

b. The "special retirement" allowance payable under subsection a. of this section to any person who retired under the retirement system prior to December 20, 1989 shall be increased by an amount equal to 5% of the person's final compensation or by such lesser amount as would, if added to the allowance payable at the time of retirement, provide a total retirement allowance of 70% of final compensation, except that in the case of such a retirant who retired on or after July 1, 1979 and had earned prior to that date more than 30 years of creditable service, the amount of the increase shall be equal to 5% of the person's final compensation irrespective of the total

retirement allowance which such an increase would provide. The provisions of this subsection shall not be construed either to require a reduction in the retirement allowance payable to any retirant or to provide for the payment of any adjustment in such an allowance with respect to any period of time prior to the first day of the month following that effective date.

3. Section 15 of P.L.1944, c.255 (C.43:16A-15) is amended to read as follows:

C.43:16A-15 Contributions, expenses of administration.

15. (1) The contributions required for the support of the retirement system shall be made by members and their employers.

(2) The uniform percentage contribution rate for members shall be 8.5% of compensation.

(3) (Deleted by amendment, P.L.1989, c.204).

(4) Upon the basis of the tables recommended by the actuary which the board adopts and regular interest, the actuary shall compute annually, beginning as of June 30, 1991, the amount of contribution which shall be the normal cost as computed under the projected unit credit method attributable to service rendered under the retirement system for the year beginning on July 1 immediately succeeding the date of the computation. This shall be known as the "normal contribution."

(5) (Deleted by amendment, P.L.1989, c.204).

(6) (Deleted by amendment, P.L.1994, c.62.)

(7) Each employer shall cause to be deducted from the salary of each member the percentage of earnable compensation prescribed in subsection (2) of this section. To facilitate the making of deductions, the retirement system may modify the amount of deduction required of any member by an amount not to exceed 1/10 of 1% of the compensation upon which the deduction is based.

(8) The deductions provided for herein shall be made notwithstanding that the minimum salary provided for by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided for herein, and payment of salary or compensation less said deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the service rendered by such person during the period covered by such payment, except as to the benefits provided under this act. The chief fiscal officer of each employer shall certify to the retirement system in such manner as the retirement system may prescribe, the amounts deducted; and when deducted shall be paid into said annuity savings fund, and shall be credited to the individual account of the member from whose salary said deduction was made.

(9) With respect to employers other than the State, upon the basis of the tables recommended by the actuary which the board adopts and regular interest, the actuary shall compute the amount of the accrued liability as of June 30, 1991 under the projected unit credit method, which is not already covered by the assets of the retirement system, valued in accordance with the asset valuation method established in this section. Using the total amount of this unfunded accrued liability, the actuary shall compute the initial amount of contribution which, if the contribution is increased at a specific rate and paid annually for a specific period of time, will amortize this liability. The State Treasurer shall determine, upon the advice of the Director of the Division of Pensions and Benefits, the board of trustees and the actuary, the rate of increase for the contribution and the time period for full funding of this liability, which shall not exceed 40 years on initial application of this section as amended by this act, P.L.1994, c.62. This shall be known as the "accrued liability contribution." Any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for the 10 valuation years following valuation year 1991 shall serve to increase or decrease, respectively, the unfunded accrued liability contribution. Thereafter, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years shall serve to increase or decrease, respectively, the amortization period for the unfunded accrued liability, unless an increase in the amortization period will cause it to exceed 30 years. If an increase in the amortization period as a result of actuarial losses for a valuation year would exceed 30 years, the accrued liability contribution shall be computed for the valuation year in the same manner provided for the computation of the initial accrued liability contribution under this section.

With respect to the State, upon the basis of the tables recommended by the actuary which the board adopts and regular interest, the actuary shall annually determine if there is an amount of the accrued liability, computed under the projected unit credit method, which is not already covered by the assets of the retirement system, valued in accordance with the asset valuation method established in this section. This shall be known as the "unfunded accrued liability." If there was no unfunded accrued liability for the valuation period immediately preceding the current valuation period, the actuary, using the total amount of this unfunded accrued liability, shall compute the initial amount of contribution which, if the contribution is increased at a specific rate and paid annually for a specific period of time, will amortize this liability. The State Treasurer shall determine, upon the advice of the Director of the Division of Pensions and Benefits, the board of trustees and the actuary, the rate of increase for the contribution and the time period for full funding of this liability, which shall not exceed 30 years.

This shall be known as the "accrued liability contribution." Thereafter, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years shall serve to increase or decrease, respectively, the amortization period for the unfunded accrued liability, unless an increase in the amortization period will cause it to exceed 30 years. If an increase in the amortization period as a result of actuarial losses for a valuation year would exceed 30 years, the accrued liability contribution shall be computed for the valuation year in the same manner provided for the computation of the initial accrued liability contribution under this section. The State may pay all or any portion of its unfunded accrued liability under the retirement system from any source of funds legally available for the purpose, including, without limitation, the proceeds of bonds authorized by law for this purpose.

The value of the assets to be used in the computation of the contributions provided for under this section for valuation periods shall be the value of the assets for the preceding valuation period increased by the regular interest rate, plus the net cash flow for the valuation period (the difference between the benefits and expenses paid by the system and the contributions to the system) increased by one half of the regular interest rate, plus 20% of the difference between this expected value and the full market value of the assets as of the end of the valuation period. This shall be known as the "valuation assets." Notwithstanding the first sentence of this paragraph, the valuation assets for the valuation period ending June 30, 1995 shall be the full market value of the assets as of that date and, with respect to the valuation assets allocated to the State, shall include the proceeds from the bonds issued pursuant to the "Pension Bond Financing Act of 1997," P.L.1997, c.114 (C.34:1B-7.45 et seq.), paid to the system by the New Jersey Economic Development Authority to fund the unfunded accrued liability of the system. Notwithstanding the first sentence of this paragraph, the percentage of the difference between the expected value and the full market value of the assets to be added to the expected value of the assets for the valuation period ending June 30, 1998 for the State shall be 100% and for other employers shall be 57%. Notwithstanding the first sentence of this paragraph, the amount of the difference between the expected value and the full market value of the assets to be added to the expected value of the assets for the valuation period ending June 30, 1999 shall include an additional amount of the market value of the assets sufficient to fund the unfunded accrued liability for the supplementary "special retirement" allowances provided under subsection b. of section 16 of P.L.1964, c.241 (C.43:16A-11.1).

"Excess valuation assets" means, with respect to the valuation assets allocated to the State, the valuation assets allocated to the State for a valuation period less the actuarial accrued liability of the State for the valuation period, and beginning with the valuation period ending June 30, 1998, less the

present value of the expected additional normal cost contributions attributable to the provisions of P.L.1999, c.428 (C.43:16A-15.8 et al.) payable on behalf of the active members employed by the State as of the valuation period over the expected working lives of the active members in accordance with the tables of actuarial assumptions applicable to the valuation period, if the sum is greater than zero. "Excess valuation assets" means, with respect to the valuation assets allocated to other employers, the valuation assets allocated to the other employers for a valuation period less the actuarial accrued liability of the other employers for the valuation period, excluding the unfunded accrued liability for early retirement incentive benefits pursuant to P.L.1993, c.99 for the other employers, and beginning with the valuation period ending June 30, 1998, less the present value of the expected additional normal cost contributions attributable to the provisions of P.L.1999, c.428 (C.43:16A-15.8 et al.) payable on behalf of the active members employed by other employers as of the valuation period over the expected working lives of the active members in accordance with the tables of actuarial assumptions applicable to the valuation period, if the sum is greater than zero.

If there are excess valuation assets allocated to the State or to the other employers for the valuation period ending June 30, 1995, the normal contributions payable by the State or by the other employers for the valuation periods ending June 30, 1995, and June 30, 1996 which have not yet been paid to the retirement system shall be reduced to the extent possible by the excess valuation assets allocated to the State or to the other employers, respectively, provided that with respect to the excess valuation assets allocated to the State, the General Fund balances that would have been paid to the retirement system except for this provision shall first be allocated as State aid to public schools to the extent that additional sums are required to comply with the May 14, 1997 decision of the New Jersey Supreme Court in *Abbott v. Burke*.

If there are excess valuation assets allocated to the other employers for the valuation period ending June 30, 1998, the accrued liability contributions payable by the other employers for the valuation period ending June 30, 1997 shall be reduced to the extent possible by the excess valuation assets allocated to the other employers.

If there are excess valuation assets allocated to the State or to the other employers for a valuation period ending after June 30, 1998, the State Treasurer may reduce the normal contribution payable by the State or by other employers for the next valuation period as follows:

(1) for valuation periods ending June 30, 1996 through June 30, 2000, to the extent possible by up to 100% of the excess valuation assets allocated to the State or to the other employers, respectively;

(2) for the valuation period ending June 30, 2001, to the extent possible by up to 84% of the excess valuation assets allocated to the State or to the other employers, respectively;

(3) for the valuation period ending June 30, 2002, to the extent possible by up to 68% of the excess valuation assets allocated to the State or to the other employers, respectively; and

(4) for valuation periods ending on or after June 30, 2003, to the extent possible by up to 50% of the excess valuation assets allocated to the State or to the other employers, respectively.

The normal and accrued liability contributions shall be certified annually by the retirement system and shall be included in the budget of the employer and levied and collected in the same manner as any other taxes are levied and collected for the payment of the salaries of members.

(10) The treasurer or corresponding officer of the employer shall pay to the State Treasurer no later than April 1 of the State's fiscal year in which payment is due the amount so certified as payable by the employer, and shall pay monthly to the State Treasurer the amount of the deductions from the salary of the members in the employ of the employer, and the State Treasurer shall credit such amount to the appropriate fund or funds, of the retirement system.

If payment of the full amount of the employer's obligation is not made within 30 days of the due date established by this act, interest at the rate of 10% per annum shall commence to run against the unpaid balance thereof on the first day after such 30th day.

If payment in full, representing the monthly transmittal and report of salary deductions, is not made within 15 days of the due date established by the retirement system, interest at the rate of 10% per annum shall commence to run against the total transmittal of salary deductions for the period on the first day after such 15th day.

(11) The expenses of administration of the retirement system shall be paid by the State of New Jersey. Each employer shall reimburse the State for a proportionate share of the amount paid by the State for administrative expense. This proportion shall be computed as the number of members under the jurisdiction of such employer bears to the total number of members in the system. The pro rata share of the cost of administrative expense shall be included with the certification by the retirement system of the employer's contribution to the system.

(12) Notwithstanding anything to the contrary, the retirement system shall not be liable for the payment of any pension or other benefits on account of the employees or beneficiaries of any employer participating in the retirement system, for which reserves have not been previously created from funds, contributed by such employer or its employees for such benefits.

(13) (Deleted by amendment, P.L.1992, c.125.)

(14) Commencing with valuation year 1991, with payment to be made in Fiscal Year 1994, the Legislature shall annually appropriate and the State Treasurer shall pay into the pension accumulation fund of the retirement system an amount equal to 1.1% of the compensation of the members of the system for the valuation year to fund the benefits provided by section 16 of P.L.1964, c.241 (C.43:16A-11.1), as amended by P.L.1979, c.109.

(15) If the valuation assets are insufficient to fund the normal and accrued liability costs attributable to P.L.1999, c.428 (C.43:16A-15.8 et al.) as provided hereinabove, the normal and unfunded accrued liability contributions required to fund these costs for the State and other employers shall be paid by the State.

C.43:15A-100.1. Supplementary "special" retirement allowance to certain retired law enforcement officers.

4. a. Should a law enforcement officer member retire after having established 25 years of creditable service, the member shall receive, in addition to the service retirement allowance provided in section 4 of P.L.1955, c.257 (C.43:15A-100), a supplementary "special" retirement allowance equal to 5% of the member's final compensation or such lesser amount as will, if added to the member's service retirement allowance, provide a total retirement allowance of 70% of the member's final compensation.

b. The supplementary "special" retirement allowance provided under subsection a. of this section shall be payable to any former member of the retirement system who, prior to the effective date of this act, P.L.2001, c.4, retired as a law enforcement officer member of the retirement system after having established 25 years of creditable service. The provisions of this subsection shall not be construed either to require a reduction in the retirement allowance payable to any retirant or to provide for the payment of any adjustment in such an allowance with respect to any period of time prior to the first day of the month following that effective date.

5. Section 24 of P.L.1954, c.84 (C.43:15A-24) is amended to read as follows:

C.43:15A-24 Contingent reserve fund.

24. The contingent reserve fund shall be the fund in which shall be credited contributions made by the State and other employers.

a. Upon the basis of the tables recommended by the actuary which the board adopts and regular interest, the actuary shall compute annually, beginning as of March 31, 1992, the amount of contribution which shall be the normal cost as computed under the projected unit credit method attributable to service rendered under the retirement system for the year

beginning on July 1 immediately succeeding the date of the computation. This shall be known as the "normal contribution."

b. With respect to employers other than the State, upon the basis of the tables recommended by the actuary which the board adopts and regular interest, the actuary shall compute the amount of the accrued liability of the retirement system as of March 31, 1992 under the projected unit credit method, excluding the liability for pension adjustment benefits for active employees funded pursuant to section 2 of P.L. 1990, c.6 (C.43:15A-24.1), which is not already covered by the assets of the retirement system, valued in accordance with the asset valuation method established in this section. Using the total amount of this unfunded accrued liability, the actuary shall compute the initial amount of contribution which, if the contribution is increased at a specific rate and paid annually for a specific period of time, will amortize this liability. The State Treasurer shall determine, upon the advice of the Director of the Division of Pensions and Benefits, the board of trustees and the actuary, the rate of increase for the contribution and the time period for full funding of this liability, which shall not exceed 40 years on initial application of this section as amended by this act, P.L. 1994, c.62. This shall be known as the "accrued liability contribution." Any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for the 10 valuation years following valuation year 1992 shall serve to increase or decrease, respectively, the unfunded accrued liability contribution. Thereafter, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years shall serve to increase or decrease, respectively, the amortization period for the unfunded accrued liability, unless an increase in the amortization period will cause it to exceed 30 years. If an increase in the amortization period as a result of actuarial losses for a valuation year would exceed 30 years, the accrued liability contribution shall be computed for the valuation year in the same manner provided for the computation of the initial accrued liability contribution under this section.

With respect to the State, upon the basis of the tables recommended by the actuary which the commission adopts and regular interest, the actuary shall annually determine if there is an amount of the accrued liability of the retirement system, computed under the projected unit credit method, which is not already covered by the assets of the retirement system, valued in accordance with the asset valuation method established in this section. This shall be known as the "unfunded accrued liability." If there was no unfunded accrued liability for the valuation period immediately preceding the current valuation period, the actuary, using the total amount of this unfunded accrued liability, shall compute the initial amount of contribution which, if the contribution is increased at a specific rate and paid annually for

a specific period of time, will amortize this liability. The State Treasurer shall determine, upon the advice of the Director of the Division of Pensions and Benefits, the commission and the actuary, the rate of increase for the contribution and the time period for full funding of this liability, which shall not exceed 30 years. This shall be known as the "accrued liability contribution." Thereafter, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years shall serve to increase or decrease, respectively, the amortization period for the unfunded accrued liability, unless an increase in the amortization period will cause it to exceed 30 years. If an increase in the amortization period as a result of actuarial losses for a valuation year would exceed 30 years, the accrued liability contribution shall be computed for the valuation year in the same manner provided for the computation of the initial accrued liability contribution under this section. The State may pay all or any portion of its unfunded accrued liability under the retirement system from any source of funds legally available for the purpose, including, without limitation, the proceeds of bonds authorized by law for this purpose.

The value of the assets to be used in the computation of the contributions provided for under this section for valuation periods shall be the value of the assets for the preceding valuation period increased by the regular interest rate, plus the net cash flow for the valuation period (the difference between the benefits and expenses paid by the system and the contributions to the system) increased by one half of the regular interest rate, plus 20% of the difference between this expected value and the full market value of the assets as of the end of the valuation period. This shall be known as the "valuation assets." Notwithstanding the first sentence of this paragraph, the valuation assets for the valuation period ending March 31, 1996 shall be the full market value of the assets as of that date and, with respect to the valuation assets allocated to the State, shall include the proceeds from the bonds issued pursuant to the "Pension Bond Financing Act of 1997," P.L.1997, c.114 (C.34:1B-7.45 et seq.), paid to the system by the New Jersey Economic Development Authority to fund the unfunded accrued liability of the system. Notwithstanding the first sentence of this paragraph, the amount of the difference between the expected value and the full market value of the assets to be added to the expected value of the assets for the valuation period ending June 30, 1999 shall include an additional amount of the market value of the assets sufficient to fund the unfunded accrued liability for the supplementary "special" retirement allowances provided under section 4 of P.L.2001, c.4 (C.43:15A-100.1).

"Excess valuation assets" for a valuation period means, with respect to the valuation assets allocated to the State:

- (1) the valuation assets allocated to the State; less

(2) the actuarial accrued liability of the State for basic benefits and pension adjustment benefits under the retirement system; less

(3) the contributory group insurance premium fund, created by section 4 of P.L.1955, c.214 (C.43:15A-91), as amended by section 4 of P.L.1960, c.79; less

(4) the post retirement medical premium fund, created pursuant to section 2 of P.L.1990, c.6 (C.43:15A-24.1), as amended by section 8 of P.L.1994, c.62; less

(5) the present value of the projected total normal cost for pension adjustment benefits in excess of the projected total phased-in normal cost for pension adjustment benefits for the State authorized by section 2 of P.L.1990, c.6 (C.43:15A-24.1) over the full phase-in period, determined in the manner prescribed for the determination and amortization of the unfunded accrued liability of the system, if the sum of the foregoing items is greater than zero.

"Excess valuation assets" for a valuation period means, with respect to the valuation assets allocated to other employers:

(1) the valuation assets allocated to the other employers; less

(2) the actuarial accrued liability of the other employers for basic benefits and pension adjustment benefits under the retirement system, excluding the unfunded accrued liability for early retirement incentive benefits pursuant to P.L.1991, c.229, P.L.1991, c.230, P.L.1993, c.138, and P.L.1993, c.181, for employers other than the State; less

(3) the contributory group insurance premium fund, created by section 4 of P.L.1955, c.214 (C.43:15A-91), as amended by section 4 of P.L.1960, c.79; less

(4) the present value of the projected total normal cost for pension adjustment benefits in excess of the projected total phased-in normal cost for pension adjustment benefits for the other employers authorized by section 2 of P.L.1990, c.6 (C.43:15A-24.1) over the full phase-in period, determined in the manner prescribed for the determination and amortization of the unfunded accrued liability of the system, if the sum of the foregoing items is greater than zero.

If there are excess valuation assets allocated to the State or to the other employers for the valuation period ending March 31, 1996, the normal contributions payable by the State or by the other employers for the valuation periods ending March 31, 1996 and March 31, 1997 which have not yet been paid to the retirement system shall be reduced to the extent possible by the excess valuation assets allocated to the State or to the other employers, respectively, provided that with respect to the excess valuation assets allocated to the State, the General Fund balances that would have been paid to the retirement system except for this provision shall first be allocated as State aid to public schools to the extent that additional sums are required to comply with the May 14, 1997 decision of the New Jersey

Supreme Court in *Abbott v. Burke*. If there are excess valuation assets allocated to the State or to the other employers for a valuation period ending after March 31, 1996, the State Treasurer may reduce the normal contribution payable by the State or by the other employers for the next valuation period as follows:

(1) for valuation periods ending March 31, 1997 through March 31, 2001, to the extent possible by up to 100% of the excess valuation assets allocated to the State or to the other employers, respectively;

(2) for the valuation period ending March 31, 2002, to the extent possible by up to 84% of the excess valuation assets allocated to the State or to the other employers, respectively;

(3) for the valuation period ending March 31, 2003, to the extent possible by up to 68% of the excess valuation assets allocated to the State or to the other employers, respectively; and

(4) for valuation periods ending on or after March 31, 2004, to the extent possible by up to 50% of the excess valuation assets allocated to the State or to the other employers, respectively.

For calendar years 1998 and 1999, the rate of contribution of members of the retirement system under section 25 of P.L. 1954, c.84 (C.43:15A-25) shall be reduced by 1/2 of 1% from excess valuation assets and for calendar years 2000 and 2001, the rate of contribution shall be reduced by 2% from excess valuation assets. Thereafter, the rate of contribution of members of the retirement system under that section for a calendar year shall be reduced equally with normal contributions to the extent possible, but not by more than 2%, from excess valuation assets if the State Treasurer determines that excess valuation assets shall be used to reduce normal contributions by the State and local employers for the fiscal year beginning immediately prior to the calendar year, or for the calendar year for local employers whose fiscal year is the calendar year, and excess valuation assets above the amount necessary to fund the reduction for that calendar year in the member contribution rate plus an equal reduction in the normal contribution shall be available for the further reduction of normal contributions, subject to the limitations prescribed by this subsection.

c. The retirement system shall certify annually the aggregate amount payable to the contingent reserve fund in the ensuing year, which amount shall be equal to the sum of the amounts described in this section. The State shall pay into the contingent reserve fund during the ensuing year the amount so determined. The death benefits, payable as a result of contribution by the State under the provisions of this chapter upon the death of an active or retired member, shall be paid from the contingent reserve fund.

d. The disbursements for benefits not covered by reserves in the system on account of veterans shall be met by direct contributions of the State and other employers.

C.43:3B-8.6 Inapplicability of C.43:3B-8 to P.L.2001, c.4.

6. The provisions of section 7 of P.L.1969, c.169 (C.43:3B-8) shall not apply to R.S.43:16-1 or section 16 of P.L.1964, c.241 (C.43:16A-11.1) as amended by P.L.2001, c.4 (C. 43:15A-100.1 et al.), or to section 4 of that P.L.2001, c.4 (C.43:15A-100.1), and the annual cost of living adjustment received by retirants and beneficiaries under P.L.1958, c.143 (C.43:3B-1 et seq.) shall be calculated as of the date of the benefit year of the member of the appropriate pension fund or retirement system.

7. This act shall take effect on the 90th day following enactment.

Approved January 16, 2001.

CHAPTER 5

AN ACT concerning rule-making and the Office of Administrative Law, amending P.L.1968, c.410, P.L.1978, c.67 and P.L.1981, c.27, supplementing P.L.1968, c.410 (C.52:14B-1 et seq.) and repealing parts of P.L.1981, c.27.

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

1. Section 3 of P.L.1968, c.410 (C.52:14B-3) is amended to read as follows:

C.52:14B-3 Additional requirements for rule-making.

3. In addition to other rule-making requirements imposed by law, each agency shall:

(1) adopt as a rule a description of its organization, stating the general course and method of its operations and the methods whereby the public may obtain information or make submissions or requests;

(2) adopt rules of practice setting forth the nature and requirements of all formal and informal procedures available, including a description of all forms and instructions used by the agency, and if not otherwise set forth in an agency's rules, a table of all permits and their fees, violations and penalties, deadlines, processing times and appeals procedures;

(3) make available for public inspection all final orders, decisions, and opinions, in accordance with the provisions of chapter 73 of the laws of 1963 as amended and supplemented (C.47:1A-1 et seq.);

(4) publish in the New Jersey Register a quarterly calendar setting forth a schedule of the agency's anticipated rule-making activities for the next six months. The calendar shall include the name of the agency and agency head, a citation to the legal authority authorizing the rule-making action and a synopsis of the subject matter and the objective or purpose of the agency's proposed rules.

In a manner prescribed by the Director of the Office of Administrative Law, each agency shall appropriately publicize that copies of its calendar are available to interested persons for a reasonable fee. The amount of the fee shall be set by the director.

An agency shall notify the Director of the Office of Administrative Law when it wishes to amend its calendar of rule-making activities. Any amendment which involves the addition of any rule-making activity to an agency's calendar shall provide that the agency shall take no action on that matter until at least 45 days following the first publication of the amended calendar in which the announcement of that proposed rule-making activity first appears.

The provisions of this paragraph shall not apply to rule-making:

(a) required or authorized by federal law when failure to adopt rules in a timely manner will prejudice the State ;

(b) subject to a specific statutory authorization requiring promulgation in a lesser time period;

(c) involving an imminent peril subject to provisions of subsection (c) of section 4 of P.L.1968, c.410 (C.52:14B-4);

(d) for which the agency has published a notice of pre-proposal of a rule in accordance with rules adopted by the Director of the Office of Administrative Law; or

(e) for which a comment period of at least 60 days is provided.

A proposed rule falling within any of the exceptions to the provisions of this subsection shall so indicate in the notice of proposal .

2. Section 4 of P.L.1968, c.410 (C.52:14B-4) is amended to read as follows:

C.52:14B-4 Adoption, amendment, repeal of rules.

4. (a) Prior to the adoption, amendment, or repeal of any rule, except as may be otherwise provided, the agency shall:

(1) Give at least 30 days' notice of its intended action. The notice shall include a statement of either the terms or substance of the intended action or a description of the subjects and issues involved, and the time when, the

place where, and the manner in which interested persons may present their views thereon. The notice shall be mailed to all persons who have made timely requests of the agency for advance notice of its rule-making proceedings and in addition to other public notice required by law shall be published in the New Jersey Register. Notice shall also be distributed to the news media maintaining a press office to cover the State House Complex, and made available electronically through the largest nonproprietary cooperative public computer network. Each agency shall additionally publicize the intended action and shall adopt rules to prescribe the manner in which it will do so, and inform those persons most likely to be affected by or interested in the intended action. Methods that may be employed include publication of the notice in newspapers of general circulation or in trade, industry, governmental or professional publications, distribution of press releases to the news media and posting of notices in appropriate locations. The rules shall prescribe the circumstances under which each additional method shall be employed;

(2) Prepare for public distribution at the time the notice appears in the Register a statement setting forth a summary of the proposed rule, a clear and concise explanation of the purpose and effect of the rule, the specific legal authority under which its adoption is authorized, a description of the expected socio-economic impact of the rule, a regulatory flexibility analysis, or the statement of finding that a regulatory flexibility analysis is not required, as provided in section 4 of P.L.1986, c.169 (C.52:14B-19), a jobs impact statement which shall include an assessment of the number of jobs to be generated or lost if the proposed rule takes effect, and an agriculture industry impact statement as provided in section 7 of P.L.1998, c.48 (C.4:1C-10.3); and

(3) Afford all interested persons reasonable opportunity to submit data, views, or arguments, orally or in writing. The agency shall consider fully all written and oral submissions respecting the proposed rule. If within 30 days of the publication of the proposed rule sufficient public interest is demonstrated in an extension of the time for submissions, the agency shall provide an additional 30 day period for the receipt of submissions by interested parties. The agency shall not adopt the proposed rule until after the end of that 30 day extension.

The agency shall conduct a public hearing on the proposed rule at the request of a committee of the Legislature, or a governmental agency or subdivision, or if sufficient public interest is shown, provided such request is made to the agency within 30 days following publication of the proposed rule in the Register. The agency shall provide at least 15 days' notice of such hearing, which shall be conducted in accordance with the provisions of subsection (g) of this section.

The head of each agency shall adopt as part of its rules of practice adopted pursuant to section 3 of P.L.1968, c.410 (C.52:14B-3) definite standards of what constitutes sufficient public interest for conducting a public hearing and for granting an extension pursuant to this paragraph.

(4) Prepare for public distribution a report listing all parties offering written or oral submissions concerning the rule, summarizing the content of the submissions and providing the agency's response to the data, views and arguments contained in the submissions.

(b) A rule prescribing the organization of an agency may be adopted at any time without prior notice or hearing. Such rules shall be effective upon filing in accordance with section 5 of this act or upon any later date specified by the agency.

(c) If an agency finds that an imminent peril to the public health, safety, or welfare requires adoption of a rule upon fewer than 30 days' notice and states in writing its reasons for that finding, and the Governor concurs in writing that an imminent peril exists, it may proceed without prior notice or hearing, or upon any abbreviated notice and hearing that it finds practicable, to adopt the rule. The rule shall be effective for a period of not more than 60 days unless each house of the Legislature passes a resolution concurring in its extension for a period of not more than 60 additional days. The rule shall not be effective for more than 120 days unless repromulgated in accordance with normal rule-making procedures.

(d) No rule hereafter adopted is valid unless adopted in substantial compliance with this act. A proceeding to contest any rule on the ground of noncompliance with the procedural requirements of this act shall be commenced within one year from the effective date of the rule.

(e) An agency may file a notice of intent with respect to a proposed rule-making proceeding with the Office of Administrative Law, for publication in the New Jersey Register at any time prior to the formal notice of action required in subsection (a) of this section. The notice shall be for the purpose of eliciting the views of interested parties on an action prior to the filing of a formal rule proposal. An agency may use informal conferences and consultations as means of obtaining the viewpoints and advice of interested persons with respect to contemplated rule-making. An agency may also appoint committees of experts or interested persons or representatives of the general public to advise it with respect to any contemplated rule-making.

(f) An interested person may petition an agency to adopt a new rule, or amend or repeal any existing rule. Each agency shall prescribe by rule the form for the petition and the procedure for the submission, consideration and disposition of the petition. The petition shall state clearly and concisely:

(1) The substance or nature of the rule-making which is requested;

- (2) The reasons for the request and the petitioner's interest in the request;
- (3) References to the authority of the agency to take the requested action.

The petitioner may provide the text of the proposed new rule, amended rule or repealed rule.

Within 60 days following receipt of any such petition, the agency shall either: (i) deny the petition, giving a written statement of its reasons; (ii) grant the petition and initiate a rule-making proceeding within 90 days of granting the petition ; or (iii) refer the matter for further deliberations which shall be concluded within 90 days of referring the matter for further deliberations. Upon conclusion of such further deliberations, the agency shall either deny the petition and provide a written statement of its reasons or grant the petition and initiate a rule-making proceeding within 90 days. Upon the receipt of the petition, the agency shall file a notice stating the name of the petitioner and the nature of the request with the Office of Administrative Law for publication in the New Jersey Register. Notice of formal agency action on such petition shall also be filed with the Office of Administrative Law for publication in the Register.

If an agency fails to act in accordance with the time frame set forth in the preceding paragraph, upon written request by the petitioner, the Director of the Office of Administrative Law shall order a public hearing on the rule-making petition and shall provide the agency with a notice of the director's intent to hold the public hearing if the agency does not. If the agency does not provide notice of a hearing within 15 days of the director's notice, the director shall schedule and provide the public with a notice of that hearing at least 15 days prior thereto. If the public hearing is held by the Office of Administrative Law, it shall be conducted by an administrative law judge, a person on assignment from another agency, a person from the Office of Administrative Law assigned pursuant to subsection o. of section 5 of P.L.1978, c.67 (C.52:14F-5), or an independent contractor assigned by the director. The petitioner and the agency shall participate in the public hearing and shall present a summary of their positions on the petition, a summary of the factual information on which their positions on the petition are based and shall respond to questions posed by any interested party. The hearing procedure shall otherwise be consistent with the requirements for the conduct of a public hearing as prescribed in subsection (g) of section 4 of P.L.1968, c.410 (C.52:14B-4), except that the person assigned to conduct the hearing shall make a report summarizing the factual record presented and the arguments for and against proceeding with a rule proposal based upon the petition. This report shall be filed with the agency and delivered or mailed to the petitioner. A copy of the report shall be filed with the Legislature along with the petition for rule-making.

(g) All public hearings shall be conducted by a hearing officer, who may be an official of the agency, a member of its staff, a person on assignment from another agency, a person from the Office of Administrative Law assigned pursuant to subsection o. of section 5 of P.L.1978, c.67 (C.52:14F-5) or an independent contractor. The hearing officer shall have the responsibility to make recommendations to the agency regarding the adoption, amendment or repeal of a rule. These recommendations shall be made public. At the beginning of each hearing, or series of hearings, the agency, if it has made a proposal, shall present a summary of the factual information on which its proposal is based, and shall respond to questions posed by any interested party. Hearings shall be conducted at such times and in locations which shall afford interested parties the opportunity to attend. A verbatim record of each hearing shall be maintained, and copies of the record shall be available to the public at no more than the actual cost, which shall be that of the agency where the petition for rule-making originated.

3. Section 5 of P.L.1968, c.410 (C.52:14B-5) is amended to read as follows:

C.52:14B-5 Filing of rules; concurrent resolution of the Legislature; effect of publication.

5. (a) Each agency shall file with the Director and Chief Administrative Law Judge of the Office of Administrative Law a certified copy of each rule adopted by it.

(b) Deleted by amendment, P.L.2001, c.5.

(c) The director shall: (1) accept for filing or publication any rule duly adopted and submitted by any agency pursuant to this act and which meets all of the requirements and standards of P.L.2001, c.5 (C.52:14B-4.1a et al.); (2) endorse upon the certified copy of each rule accepted for filing pursuant to this act the date and time upon which such rule was filed; (3) maintain the certified copy of each rule so filed in a permanent register open to public inspection; and (4) accept for publication a duly adopted concurrent resolution of the Legislature invalidating any rule or regulation, in whole or in part, or prohibiting the proposed rule or regulation, in whole or in part, from taking effect.

(d) The filing of a certified copy of any rule shall be deemed to establish the rebuttable presumptions that: (1) it was duly adopted; (2) it was duly submitted for prepublication and made available for public inspection at the hour and date endorsed upon it; (3) all requirements of this act and of interagency rules of the director relative to such rule have been complied with; (4) its text is the text of the rule as adopted. Judicial notice shall be taken of the text of each rule, duly filed.

(e) The publication of a rule in the New Jersey Administrative Code or the New Jersey Register shall be deemed to establish the rebuttable

presumption that the rule was duly filed and that the text of the rule as so published is the text of the rule adopted. Judicial notice shall be taken of the text of each rule published in the New Jersey Administrative Code or the New Jersey Register.

4. Section 10 of P.L.1968, c.410 (C.52:14B-10) is amended to read as follows:

C.52:14B-10 Evidence; judicial notice; recommended report and decision; final decision; effective date.

10. In contested cases:

(a) The parties shall not be bound by rules of evidence whether statutory, common law, or adopted formally by the Rules of Court. All relevant evidence is admissible, except as otherwise provided herein. The administrative law judge may in his discretion exclude any evidence if he finds that its probative value is substantially outweighed by the risk that its admission will either (i) necessitate undue consumption of time or (ii) create substantial danger of undue prejudice or confusion. The administrative law judge shall give effect to the rules of privilege recognized by law. Any party in a contested case may present his case or defense by oral and documentary evidence, submit rebuttal evidence and conduct such cross-examination as may be required, in the discretion of the administrative law judge, for a full and true disclosure of the facts.

(b) Notice may be taken of judicially noticeable facts. In addition, notice may be taken of generally recognized technical or scientific facts within the specialized knowledge of the agency or administrative law judge. Parties shall be notified either before or during the hearing, or by reference in preliminary reports or otherwise, of the material noticed, including any staff memoranda or data, and they shall be afforded an opportunity to contest the material so noticed. The experience, technical competence, and specialized knowledge of the agency or administrative law judge may be utilized in the evaluation of the evidence, provided this is disclosed of record.

(c) All hearings of a State agency required to be conducted as a contested case under this act or any other law shall be conducted by an administrative law judge assigned by the Director and Chief Administrative Law Judge of the Office of Administrative Law, except as provided by this amendatory and supplementary act. A recommended report and decision which contains recommended findings of fact and conclusions of law and which shall be based upon sufficient, competent, and credible evidence shall be filed, not later than 45 days after the hearing is concluded, with the agency in such form that it may be adopted as the decision in the case and

delivered or mailed, to the parties of record with an indication of the date of receipt by the agency head; and an opportunity shall be afforded each party of record to file exceptions, objections, and replies thereto, and to present argument to the head of the agency or a majority thereof, either orally or in writing, as the agency may direct. The head of the agency, upon a review of the record submitted by the administrative law judge, shall adopt, reject or modify the recommended report and decision no later than 45 days after receipt of such recommendations. In reviewing the decision of an administrative law judge, the agency head may reject or modify findings of fact, conclusions of law or interpretations of agency policy in the decision, but shall state clearly the reasons for doing so. The agency head may not reject or modify any findings of fact as to issues of credibility of lay witness testimony unless it is first determined from a review of the record that the findings are arbitrary, capricious or unreasonable or are not supported by sufficient, competent, and credible evidence in the record. In rejecting or modifying any findings of fact, the agency head shall state with particularity the reasons for rejecting the findings and shall make new or modified findings supported by sufficient, competent, and credible evidence in the record. Unless the head of the agency modifies or rejects the report within such period, the decision of the administrative law judge shall be deemed adopted as the final decision of the head of the agency. The recommended report and decision shall be a part of the record in the case. For good cause shown, upon certification by the director and the agency head, the time limits established herein may be subject to extension.

(d) A final decision or order adverse to a party in a contested case shall be in writing or stated in the record. A final decision shall include findings of fact and conclusions of law, separately stated and shall be based only upon the evidence of record at the hearing, as such evidence may be established by rules of evidence and procedure promulgated by the director.

Findings of fact, if set forth in statutory language, shall be accompanied by a concise and explicit statement of the underlying facts supporting the findings. The final decision may incorporate by reference any or all of the recommendations of the administrative law judge. Parties shall be notified either personally or by mail of any decision or order. Upon request a copy of the decision or order shall be delivered or mailed forthwith by registered or certified mail to each party and to his attorney of record.

(e) Except where otherwise provided by law, the administrative adjudication of the agency shall be effective on the date of delivery or on the date of mailing, of the final decision to the parties of record whichever shall occur first, or shall be effective on any date after the date of delivery or mailing, as the agency may provide by general rule or by order in the case. The date of delivery or mailing shall be stamped on the face of the decision.

5. Section 9 of P.L.1978, c.67 (C.52:14F-7) is amended to read as follows:

C.52:14F-7 Construction of act.

9. a. Nothing in this amendatory and supplementary act shall be construed to deprive the head of any agency of the authority pursuant to section 10 of P.L.1968, c.410 (C.52:14B-10) to determine whether a case is contested or to adopt, reject or modify the findings of fact and conclusions of law of any administrative law judge consistent with the standards for the scope of review to be applied by the head of the agency as set forth in that section and applicable case law.

b. Nothing in this amendatory and supplementary act shall be construed to affect the conduct of any contested case initiated prior to the effective date of this act, or the making of any administrative adjudication in such contested case.

6. Section 1 of P.L.1981, c.27 (C.52:14B-4.1) is amended to read as follows:

C.52:14B-4.1 Rules, submission to Legislature; referral to committee.

1. Every rule hereafter proposed by a State agency shall be submitted by the Office of Administrative Law to the Senate and General Assembly within two business days of its receipt by the office, and the President of the Senate and the Speaker of the General Assembly shall immediately refer the proposed rule to the appropriate committee in each House.

7. Section 3 of P.L.1981, c.27 (C.52:14B-4.3) is amended to read as follows:

C.52:14B-4.3 Concurrent resolution of Legislature to invalidate rules in whole or in part.

3. If, pursuant to Article V, Section IV, paragraph 6 of the New Jersey Constitution, the Senate and General Assembly adopt a concurrent resolution invalidating a rule or regulation, in whole or in part, or prohibiting a proposed rule or regulation, in whole or in part, from taking effect, the presiding officer of the House of final adoption shall cause the concurrent resolution to be transmitted to the Office of Administrative Law for publication in the New Jersey Register and the New Jersey Administrative Code as an annotation to the rule or regulation.

8. a. There is established a Regulatory Impact Analysis Advisory Task Force as an advisory body to the Governor and the Legislature, hereinafter referred to as the "task force." The task force shall consist of seventeen members as follows:

(1) the Commissioner of the Department of Environmental Protection; the Commissioner of the Department of Community Affairs; the Commissioner of the Department of Transportation; the Commissioner of the Department of Health and Senior Services; the State Treasurer; the Attorney General; and the Chief Administrative Law Judge, or their designees, who shall serve as ex-officio members;

(2) Six public members to be appointed by the Governor, at least two of whom shall represent business interests in the state and at least one of whom shall be an attorney with experience in administrative law;

(3) Four members of the Legislature, two of whom shall be State Senators appointed by the President of the Senate, no more than one of whom shall be from the same political party, and two of whom shall be Assembly members appointed by the Speaker of the General Assembly, no more than one of whom shall be from the same political party;

(4) The Governor shall designate a chairperson and vice-chairperson from among the members of the task force.

b. The task force shall organize as soon as possible after the appointment of its members. Vacancies shall be filled in the same manner as the original appointments. Members of the task force shall serve without compensation. The task force may request the assistance and services of the employees of any State department, board, bureau, commission, task force or agency as it may require and as may be available to it for its purposes. The task force may meet and hold hearings at any place or places in the State it shall designate.

c. It shall be the objective of the task force to comprehensively review and analyze the current requirements upon agencies to conduct regulatory impact analyses and recommend necessary and appropriate changes to these requirements. In conducting its review and making its recommendations, the task force shall seek to achieve efficiency and accessibility in the regulatory process.

The task force shall review current regulatory impact analyses requirements and determine whether and to what extent the required statements and analyses may be consolidated and streamlined. The task force may consider the following factors, along with any others it deems appropriate:

(1) overall efficiency to departments in determining whether a proposed major rule meets tests for necessity, reasonableness, consistency and non-duplication with existing rules, and in assessing a proposed rule's impact on measurable risks to human health or the environment, cost efficiency, jobs, and paperwork burden;

(2) the costs to regulated parties for compliance; and

(3) the nature, number and size of parties to be regulated or affected by the rule.

d. The task force shall issue to the Governor, the Senate President and the Speaker of the General Assembly a report of its findings, including any recommendations for legislative changes to the Administrative Procedure Act, no later than one year from the date that the task force convenes, and the task force shall dissolve 60 days after the issuance of the report.

C.52:14B-4.1a Compliance with interagency rules required; OAL review for clarity.

9. a. The director is authorized to refuse to accept from an agency a notice of proposal or notice of adoption which adopts, readopts or amends a rule or regulation, if the director determines that the rule or regulation and its accompanying materials do not comply satisfactorily with the interagency rules of the director. The State agency shall not be authorized to adopt, readopt or amend a rule or regulation where notice of proposal or notice of adoption is refused by the director in accordance with this provision, except by proposing the adoption, readoption or amendment in compliance with agency rules.

b. The Office of Administrative Law, upon its review and determination, shall not accept for publication any notice of intention to adopt, readopt or amend a rule or regulation, a proposed rule, summary of the proposed rule, regulatory impact analysis, or other accompanying materials which lacks a standard of clarity.

As used in this section, "standard of clarity" means the document is written in a reasonably simple and understandable manner which is easily readable. The document is drafted to provide adequate notice to affected persons and interested persons with some subject matter expertise. The document conforms to commonly accepted principles of grammar. The document contains sentences that are as short as practical, and is organized in a sensible manner. The document does not contain double negatives, confusing cross references, convoluted phrasing or unreasonably complex language. Terms of art and words with multiple meanings that may be misinterpreted are defined. The document is sufficiently complete and informative as to permit the public to understand accurately and plainly the legal authority, purposes and expected consequences of the adoption, readoption or amendment of the rule or regulation.

c. The provisions of subsection b. of this section shall not apply to any administrative rule that a State agency adopts to conform to a model code, federal rule, interstate agreement or other similar regulatory measure not written by the State agency but incorporated into an administrative rule. The State agency shall append to the proposed rule for publication a written statement describing the rule which complies with subsection b. of this section.

d. The Governor may, upon written request of a State agency, waive the requirements of this section with respect to the repromulgation, without amendment, of any rule or provision of a rule.

C.52:14B-5.1 Expiration of rules in five years; continuation.

10. a. Every rule in effect on the enactment date of P.L.2001, c.5 (C.52:14B-4.1a et al.) shall expire five years following the effective date of this act unless a sooner expiration date has been established for the rule.

b. Every rule adopted on or after the effective date of P.L.2001, c.5 (C.52:14B-4.1a et al.) shall expire five years following the effective date of the rule unless a sooner expiration date has been established for the rule. The expiration date shall be included in the adoption notice of the rule in the New Jersey Register and noted in the New Jersey Administrative Code.

c. An agency may continue in effect an expiring rule for a five year period by duly proposing and readopting the rule prior to its expiration. Upon the filing of a notice of proposed reoption, the expiration date of the rule shall be extended for 180 days, if such notice is filed prior to the expiration of the rule.

d. The Governor may, upon the request of an agency head, and prior to the expiration date of the rule, continue in effect an expiring rule for a period to be specified by the Governor.

e. This section shall not apply to any rule repealing a rule or any rule prescribed by federal law or whose expiration would violate any other federal or State law, in which case the federal or State law shall be cited in the publication of the rule.

Repealer.

11. Section 2 and sections 4 through 7, inclusive, of P.L.1981, c.27 (C.52:14B-4.2 and 52:14B-4.4 through 52:14B-4.7) are repealed.

12. This act shall take effect on the first day of the sixth month following enactment but shall not apply to any rule proposed in the New Jersey Register or to any contested case filed prior to the effective date.

Approved January 16, 2001.

CHAPTER 6

AN ACT concerning the transfer of certain service credit between the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System of New Jersey and amending chapter 66 of Title 18A of the New Jersey Statutes and P.L.1954, c.84.

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

1. N.J.S.18A:66-15.1 is amended to read as follows:

Transfer or purchase of credit for service in other systems.

18A:66-15.1. a. A member who is a member of another State-administered retirement system or pension fund at the time of enrollment in the Teachers' Pension and Annuity Fund and who does not contribute to the other system or fund after that time may transfer the service credit in the other system or fund to the Teachers' Pension and Annuity Fund upon application and transfer of the member's contributions from the other system or fund to the fund. If the member has withdrawn the contributions to the other retirement system or pension fund, the member may purchase credit for the service in the other system or fund. The purchase shall be made in the same manner and be subject to the same terms and conditions provided for the purchase of previous membership service by N.J.S.18A:66-9.

b. A member of the retirement system who had established service credit in a municipal or county retirement system or pension fund, and who was ineligible to transfer the service credit to the retirement system and withdrew contributions from the municipal or county retirement system or pension fund, may purchase credit for all of the member's service in that retirement system or pension fund by paying into the annuity savings fund the amount required by applying the factor, supplied by the actuary, as being applicable to the member's age at the time of the purchase, to the member's salary at that time, or to the highest annual compensation for service in this State for which contributions were made during any prior fiscal year of membership, whichever is greater. The terms of the purchase and the credit granted shall be identical, except as otherwise herein provided, to those stipulated for the purchase of previous membership service by members of the retirement system as provided by N.J.S.18A:66-9.

c. A member who is a member of the Public Employees' Retirement System, established pursuant to P.L.1954, c.84 (C.43:15A-1 et seq.), at the time of enrollment in the Teachers' Pension and Annuity Fund and who within two years of the date of that enrollment ceases to be an active contributing member of the Public Employees' Retirement System may transfer all service credit in the Public Employees' Retirement System to the Teachers' Pension and Annuity Fund upon application and transfer of the member's contributions from the Public Employees' Retirement System to the Teachers' Pension and Annuity Fund. If the member has withdrawn the contributions to the Public Employees' Retirement System, the member may purchase credit for the service. The purchase shall be made in the same manner and be subject to the same terms and conditions provided for the purchase of previous membership service by N.J.S.18A:66-9.

2. Section 14 of P.L.1954, c.84 (C.43:15A-14) is amended to read as follows:

C.43:15A-14 Transfer or purchase of credit for service in other systems.

14. a. A member who is a member of another State-administered retirement system or pension fund at the time of enrollment in the Public Employees' Retirement System and does not contribute to the other system or fund after that time may transfer the service credit in the other system or fund to the Public Employees' Retirement System upon application and transfer of the member's contributions from the other system or fund to the system. If the member has withdrawn the contributions to the other retirement system or pension fund, the member may purchase credit for the service in the other system or fund. The purchase shall be made in the same manner and be subject to the same terms and conditions provided for the purchase of previous membership service by section 8 of P.L.1954, c.84 (C.43:15A-8).

b. A member who is a member of the Teachers' Pension and Annuity Fund, established pursuant to N.J.S.18A:66-1 et seq., at the time of enrollment in the Public Employees' Retirement System and who within two years of the date of that enrollment ceases to be an active contributing member of the Teachers' Pension and Annuity Fund may transfer all service credit in the Teachers' Pension and Annuity Fund to the Public Employees' Retirement System upon application and transfer of the member's contributions from the Teachers' Pension and Annuity Fund to the Public Employees' Retirement System. If the member has withdrawn the contributions to the Teachers' Pension and Annuity Fund, the member may purchase credit for the service. The purchase shall be made in the same manner and be subject to the same terms and conditions provided for the purchase of previous membership service by section 8 of P.L.1954, c.84 (C.43:15A-8).

3. This act shall take effect immediately.

Approved January 16, 2001.

CHAPTER 7

AN ACT concerning the Ombudsman for the Institutionalized Elderly and amending P.L.1983, c.43.

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

1. Section 3 of P.L.1983, c.43 (C.52:27G-7.2) is amended to read as follows:

C.52:27G-7.2 Investigation by ombudsman.

3. a. Upon receiving a report that an elderly person may be or may have been abused or exploited, the ombudsman shall conduct a prompt and thorough investigation pursuant to section 8 of P.L.1977, c.239 (C.52:27G-8). Within 24 hours of receipt of the report, the ombudsman shall notify the Commissioner of Health and Senior Services, or the Commissioner of Human Services in the case of a facility regulated or operated by the Department of Human Services, and any other governmental agency which regulates or operates the facility that the report has been received.

b. The investigation shall include a visit with the elderly person and consultation with others who have knowledge of the particular case. When the investigation is completed, findings and recommended action shall be prepared in a written report and submitted to the Commissioner of Health and Senior Services or the Commissioner of Human Services, as appropriate, and any other governmental agency which regulates or operates the facility.

c. The person who reported the suspected abuse or exploitation shall be promptly notified that action is being taken.

d. If a determination is made that an elderly person may have been criminally abused or exploited, the ombudsman shall refer such findings, in writing, to the county prosecutor.

e. Notwithstanding the provisions of any other statute or regulation to the contrary, upon completion of an investigation, the ombudsman shall furnish a copy of the written report prepared pursuant to subsection b. of this section to the resident and shall send a copy by certified and regular mail to the legal guardian or other person named on the consent form pursuant to section 2 of P.L.2001, c.7 (C.52:27G-7.3), as applicable.

f. The ombudsman shall make all reasonable effort to obtain the name and address of the person named on the consent form, either from their own records or information or those of the facility.

g. The ombudsman shall have the discretion to withhold notification upon evidence that said person was a party to the abuse or exploitation of the elderly.

C.52:27G-7.3 Preparation, distribution of consent form for release of reports.

2. The ombudsman shall prepare and distribute to each facility a written consent form which sets forth that in the event of an elderly abuse investigation, the patient, resident or client of the facility consents to the release of the investigative report to the legal guardian or other person named on the consent form. The ombudsman shall not be required to disclose the results of any investigation or furnish a copy of the written report prepared pursuant to subsection b. of section 3 of P.L.1983, c.43 (C.52:27G-7.2) to any person other than the resident, legal guardian or named person on the consent form.

This written consent form shall be given to every patient, resident or client upon admission to the facility.

3. This act shall take effect immediately.

Approved January 24, 2001.

CHAPTER 8

A SUPPLEMENT to "An Act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 2001 and regulating the disbursement thereof," approved June 30, 2000 (P.L.2000, c.53).

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

1. In addition to the amounts appropriated under P.L.2000, c.53, there is appropriated out of the General Fund the following sum for the purpose specified:

42 DEPARTMENT OF ENVIRONMENTAL PROTECTION
40 Community Development and Environmental Management
42 Natural Resource Management
DIRECT STATE SERVICES

11-4870 Forest Resource Management	<u>\$95,000</u>
Total Direct State Services	
Appropriation, Forest Resource Management	<u>\$95,000</u>
<i>Special Purpose:</i>	
11 Oak Tree Disease Survey	(\$95,000)

2. This act shall take effect immediately.

Approved January 24, 2001.

CHAPTER 9

AN ACT concerning tuition assistance for members of the New Jersey National Guard and amending P.L.1999, c.46.

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

1. Section 21 of P.L.1999, c.46 (C.18A:62-24) is amended to read as follows:

C.18A:62-24 Tuition benefits for members of New Jersey National Guard.

21. Any member of the New Jersey National Guard shall be permitted to attend regularly-scheduled courses at any public institution of higher education in this State enumerated in N.J.S.18A:62-1 and receive up to 15 credits per semester tuition-free provided that:

- a. the member has completed Initial Active Duty Training and is in good standing as an active member of the New Jersey National Guard;
- b. the member has been accepted to pursue a course of undergraduate study and is enrolled as an undergraduate student in good standing at that institution or a course of graduate study and is enrolled as a graduate student in good standing at that institution;
- c. the member has applied for all available State student grants and scholarships and all available federal student grants and scholarships for which the member is eligible; and
- d. available classroom space permits and tuition-paying students constitute the minimum number required for the course.

2. Section 22 of P.L.1999, c.46 (C.18A:62-25) is amended to read as follows:

C.18A:62-25 Eligibility of child, surviving spouse of certain members of New Jersey National Guard for tuition benefits.

22. Any child or surviving spouse of a member of the New Jersey National Guard who heretofore completed Initial Active Duty Training and was killed in the performance of his duties while on active duty with the New Jersey National Guard, or who hereafter completes Initial Active Duty Training and is killed in the performance of his duties while a member of the New Jersey National Guard, shall be permitted to attend regularly-scheduled courses at any public institution of higher education in this State enumerated in N.J.S.18A:62-1 and receive up to 15 credits per semester tuition-free provided that:

- a. the child or spouse has been accepted to pursue a course of undergraduate study and is enrolled as an undergraduate student in good standing at that institution or a course of graduate study and is enrolled as a graduate student in good standing at that institution;

b. the child or spouse has applied for all available State student grants and scholarships and all available federal student grants and scholarships for which the child or spouse is eligible; and

c. available classroom space permits and tuition-paying students constitute the minimum number required for the course.

3. This act shall take effect immediately.

Approved January 29, 2001.

CHAPTER 10

AN ACT concerning reforestation of land, and amending and supplementing P.L.1993, c.106.

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

1. Section 2 of P.L.1993, c.106 (C.13:1L-14.2) is amended to read as follows:

C.13:1L-14.2 Plan for compensatory reforestation.

2. a. Each State entity, by July 1, 1993, and at least annually thereafter, shall develop, and submit to the Division of Parks and Forestry in the Department of Environmental Protection, a plan for compensatory reforestation for all areas at least one-half acre in size that are owned or maintained by that State entity and are scheduled for deforestation. A reforestation plan required pursuant to this act shall establish a goal of no net loss of existing forested area based upon a reasonable and practical Tree Replacement Factor developed due to the act of deforestation and in accordance with this act. The plan shall be subject to approval of the division after review and comment by the Community Forestry Council established pursuant to section 5 of P.L.1996, c.135 (C.13:1L-17.5). No project that would deforest land at least one-half acre in size that is owned or maintained by a State entity may be commenced without approval of that State entity's plan by the division.

A reforestation plan shall provide that, if tree planting adjacent to the deforested area is not feasible, it shall be conducted in the following order: within the municipality in which the deforestation occurred, within five miles of the site of deforestation, or off-site.

b. A reforestation plan developed pursuant to this section shall include appropriate and approved methods for the planting, protection, care and

management of trees and other related natural resources. With the advice and assistance of the Community Forestry Council, the division shall develop and make available to State entities a list of guideline elements that shall be required in a reforestation plan. These guidelines shall establish but not limit the basic framework of an approved reforestation plan.

A reforestation plan developed pursuant to this section shall provide that:

(1) if the division determines that it is not feasible to conduct the tree planting efforts on-site, then the tree planting shall be conducted first on State property within the municipality in which the deforestation occurred or municipal property within the municipality in which the deforestation occurred. Municipal property may include property owned or maintained by that community including but not limited to parks, streets, schools, municipal facilities, and open space and recreation areas;

(2) if the division determines that it is not feasible to conduct the tree planting efforts on-site or within that municipality, then the tree planting shall be conducted within five miles of the site of the deforestation. Sites within five miles of the site of deforestation may include property owned or maintained by the State, county or other municipal entity;

(3) if the division determines that it is not practicable to conduct the tree planting efforts on-site, within the municipality or five miles of the site, then the tree planting shall be conducted off-site by the State entity. Off-site property may include property owned or maintained by a State entity other than the one developing and implementing the plan if the State entity that is to receive the benefits of the off-site tree planting efforts agrees thereto;

(4) the State entity shall use native species when practicable;

(5) the shape or configuration of the reforested area may be substantially similar to the shape or configuration of the deforested area;

(6) the replacement of trees shall be determined by the Tree Replacement Factor and shall be based upon accepted forestry research and practices which show the average tree density within urban areas to be 204 trees per acre of tree cover;

(7) in using the Tree Replacement Factor (TRF) for sites that are deforested the following number of stems shall be calculated for seeding, caliper and whip/container trees:

$$\begin{aligned} \text{TRF} &= 204 (2'' - 2\ 1/2'') \text{ caliper trees per acre} \\ &= 408 \text{ whip/container (4' - 6')} \text{ trees per acre} \\ &= 1210 \text{ tree seedlings per acre;} \end{aligned}$$

(8) the seedlings shall be planted from six to 10 feet apart, or at a distance mutually agreed to by the division and the State entity, and that the seedlings are obtainable from a tree nursery owned and operated by the State. Subject to availability from a State tree nursery, the seedlings used in

reforestation by a State entity pursuant to this act shall be those that are the most suitable for the site; and

(9) the species of caliper nursery grown trees measured at two and one half inches and whips at one and one half inches shall be planted based upon the approved planting plan and subject to the standards established by the American Association of Nurserymen. Trees to be planted shall be selected from those recommended in the publication entitled "Trees for New Jersey Streets" published by the New Jersey Shade Tree Federation and in accordance with the recommended planting specifications. Diversity in species composition shall be required to reduce the risk of widespread loss of trees to single insect and disease infestation and, therefore, similar species shall not exceed 30 percent of the total planting.

c. The State entity shall enter into a memorandum of agreement with the division that guarantees the division reimbursement for actual labor hours attributable to the review and implementation of that State entity's reforestation plan pursuant to this act. If the compensatory reforestation as required by this act cannot be accomplished on the site of the project by the State entity, the division and the State entity may mutually agree within the memorandum of agreement that the State entity responsible for the deforestation shall pay an amount equal to the value of the number of trees required as determined by the Tree Replacement Factor and in accordance with an approved plan. This payment shall be deposited in the "Shade Tree and Community Forest Preservation License Plate Fund," established pursuant to section 12 of P.L.1996, c.135 (C.39:3-27.81), and shall be expended for reforestation by the division with the advice of the Community Forestry Council and the approval of the director of the division. The memorandum of agreement shall be part of the State entity's plan for compensatory reforestation.

C.13:1L-14.4 Public forum to present plan for deforestation, reforestation by State entities.

2. Whenever a State entity owns or maintains land on which an area of at least one acre in size is scheduled for deforestation, at least 180 days prior to the deforestation of the area the State entity shall hold at least one public forum within the municipality in which the deforestation is scheduled, or, if the forested area scheduled for deforestation spans more than one municipality, in any one of the municipalities in which deforestation is scheduled, to present its plan for deforestation and its plan for reforestation. The public shall be permitted to present oral and written comments to the State entity within a comment period of 60 days from the date of the forum. No more than 60 days after the comment period has closed, the State entity shall provide written responses to the comments presented.

Whenever a public process is already required by any other State or federal law, or any rule or regulation adopted pursuant thereto, for a project that includes forested land scheduled for deforestation, the State entity shall not be required to conduct a separate public forum to comply with the provisions of this section,

provided that the public forum requirements established herein are also met at the public forum or hearing conducted pursuant to any other State or federal law. The State entity shall clearly advise the public in its agenda for the public forum that a reforestation plan will be presented. Copies of written responses to the public comments shall be provided by the State entity to the division at the close of the comment period.

3. Section 3 of P.L.1993, c.106 (C.13:1L-14.3) is amended to read as follows:

C.13:1L-14.3 Nonapplicability of act.

3. The requirements of this act shall not apply to activities that are deemed by the division to constitute standard forestry, wildlife management, or arboricultural practices, or to actively managed existing utility easements.

4. This act shall take effect immediately, but shall not apply to capital construction projects that are scheduled to be advertised for bid by a State entity within one year after the date of enactment.

Approved January 29, 2001.

CHAPTER 11

A SUPPLEMENT to "An Act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 2000 and regulating the disbursement thereof," approved June 28, 1999 (P.L.1999, c.138).

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

1. In addition to the amounts appropriated under P.L.1999, c. 138, there is appropriated out of the General Fund the following sum for the purpose specified:

22 DEPARTMENT OF COMMUNITY AFFAIRS
40 COMMUNITY DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT
55 Social Services Programs
GRANTS-IN-AID

05-8050 Community Resources	<u>\$50,000</u>
<i>Grants-in-Aid:</i>	
05 National Association for Children with Autism, Inc., Livingston	(\$50,000)

2. This act shall take effect immediately.

Approved January 29, 2001.

CHAPTER 12

AN ACT concerning visitations by certain drunk drivers and amending R.S.39:4-50.

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

1. R.S.39:4-50 is amended to read as follows:

Driving while intoxicated.

39:4-50. (a) Except as provided in subsection (g) of this section, a person who operates a motor vehicle while under the influence of intoxicating liquor, narcotic, hallucinogenic or habit-producing drug, or operates a motor vehicle with a blood alcohol concentration of 0.10% or more by weight of alcohol in the defendant's blood or permits another person who is under the influence of intoxicating liquor, narcotic, hallucinogenic or habit-producing drug to operate a motor vehicle owned by him or in his custody or control or permits another to operate a motor vehicle with a blood alcohol concentration of 0.10% or more by weight of alcohol in the defendant's blood shall be subject:

(1) For the first offense, to a fine of not less than \$250.00 nor more than \$400.00 and a period of detainment of not less than 12 hours nor more than 48 hours spent during two consecutive days of not less than six hours each day and served as prescribed by the program requirements of the Intoxicated Driver Resource Centers established under subsection (f) of this section and, in the discretion of the court, a term of imprisonment of not more than 30 days and shall forthwith forfeit his right to operate a motor vehicle over the highways of this State for a period of not less than six months nor more than one year. For a first offense, a person also shall be subject to the provisions of P.L. 1999, c.417 (C.39:4-50.16 et al.).

(2) For a second violation, a person shall be subject to a fine of not less than \$500.00 nor more than \$1,000.00, and shall be ordered by the court to perform community service for a period of 30 days, which shall be of such form and on such terms as the court shall deem appropriate under the circumstances, and shall be sentenced to imprisonment for a term of not less than 48 consecutive hours, which shall not be suspended or served on

probation, nor more than 90 days, and shall forfeit his right to operate a motor vehicle over the highways of this State for a period of two years upon conviction, and, after the expiration of said period, he may make application to the Director of the Division of Motor Vehicles for a license to operate a motor vehicle, which application may be granted at the discretion of the director, consistent with subsection (b) of this section. For a second violation, a person also shall be required to install an ignition interlock device under the provisions of P.L. 1999, c.417 (C.39:4-50.16 et al.) or shall have his registration certificate and registration plates revoked for two years under the provisions of section 2 of P.L. 1995, c.286 (C.39:3-40.1).

(3) For a third or subsequent violation, a person shall be subject to a fine of \$1,000.00, and shall be sentenced to imprisonment for a term of not less than 180 days, except that the court may lower such term for each day, not exceeding 90 days, served performing community service in such form and on such terms as the court shall deem appropriate under the circumstances and shall thereafter forfeit his right to operate a motor vehicle over the highways of this State for 10 years. For a third or subsequent violation, a person also shall be required to install an ignition interlock device under the provisions of P.L. 1999, c.417 (C.39:4-50.16 et al.) or shall have his registration certificate and registration plates revoked for 10 years under the provisions of section 2 of P.L. 1995, c.286 (C.39:3-40.1).

As used in this section, the phrase "narcotic, hallucinogenic or habit-producing drug" includes an inhalant or other substance containing a chemical capable of releasing any toxic vapors or fumes for the purpose of inducing a condition of intoxication, such as any glue, cement or any other substance containing one or more of the following chemical compounds: acetone and acetate, amyl nitrite or amyl nitrate or their isomers, benzene, butyl alcohol, butyl nitrite, butyl nitrate or their isomers, ethyl acetate, ethyl alcohol, ethyl nitrite or ethyl nitrate, ethylene dichloride, isobutyl alcohol or isopropyl alcohol, methyl alcohol, methyl ethyl ketone, nitrous oxide, n-propyl alcohol, pentachlorophenol, petroleum ether, propyl nitrate or propyl nitrite or their isomers, toluene, toluol or xylene or any other chemical substance capable of causing a condition of intoxication, inebriation, excitement, stupefaction or the dulling of the brain or nervous system as a result of the inhalation of the fumes or vapors of such chemical substance.

Whenever an operator of a motor vehicle has been involved in an accident resulting in death, bodily injury or property damage, a police officer shall consider that fact along with all other facts and circumstances in determining whether there are reasonable grounds to believe that person was operating a motor vehicle in violation of this section.

A conviction of a violation of a law of a substantially similar nature in another jurisdiction, regardless of whether that jurisdiction is a signatory to

the Interstate Driver License Compact pursuant to P.L.1966, c.73 (C.39:5D-1 et seq.), shall constitute a prior conviction under this subsection unless the defendant can demonstrate by clear and convincing evidence that the conviction in the other jurisdiction was based exclusively upon a violation of a proscribed blood alcohol concentration of less than 0.10%.

If the driving privilege of any person is under revocation or suspension for a violation of any provision of this Title or Title 2C of the New Jersey Statutes at the time of any conviction for a violation of this section, the revocation or suspension period imposed shall commence as of the date of termination of the existing revocation or suspension period. In the case of any person who at the time of the imposition of sentence is less than 17 years of age, the forfeiture, suspension or revocation of the driving privilege imposed by the court under this section shall commence immediately, run through the offender's seventeenth birthday and continue from that date for the period set by the court pursuant to paragraphs (1) through (3) of this subsection. A court that imposes a term of imprisonment under this section may sentence the person so convicted to the county jail, to the workhouse of the county wherein the offense was committed, to an inpatient rehabilitation program or to an Intoxicated Driver Resource Center or other facility approved by the chief of the Intoxicated Driving Program Unit in the Department of Health and Senior Services; provided that for a third or subsequent offense a person shall not serve a term of imprisonment at an Intoxicated Driver Resource Center as provided in subsection (f).

A person who has been convicted of a previous violation of this section need not be charged as a second or subsequent offender in the complaint made against him in order to render him liable to the punishment imposed by this section on a second or subsequent offender, but if the second offense occurs more than 10 years after the first offense, the court shall treat the second conviction as a first offense for sentencing purposes and if a third offense occurs more than 10 years after the second offense, the court shall treat the third conviction as a second offense for sentencing purposes.

(b) A person convicted under this section must satisfy the screening, evaluation, referral, program and fee requirements of the Division of Alcoholism and Drug Abuse's Intoxicated Driving Program Unit, and of the Intoxicated Driver Resource Centers and a program of alcohol and drug education and highway safety, as prescribed by the Director of the Division of Motor Vehicles. The sentencing court shall inform the person convicted that failure to satisfy such requirements shall result in a mandatory two-day term of imprisonment in a county jail and a driver license revocation or suspension and continuation of revocation or suspension until such requirements are satisfied, unless stayed by court order in accordance with the Rules Governing the Courts of the State of New Jersey, or R.S.39:5-22.

Upon sentencing, the court shall forward to the Division of Alcoholism and Drug Abuse's Intoxicated Driving Program Unit a copy of a person's conviction record. A fee of \$100.00 shall be payable to the Alcohol Education, Rehabilitation and Enforcement Fund established pursuant to section 3 of P.L.1983, c.531 (C.26:2B-32) to support the Intoxicated Driving Program Unit.

(c) Upon conviction of a violation of this section, the court shall collect forthwith the New Jersey driver's license or licenses of the person so convicted and forward such license or licenses to the Director of the Division of Motor Vehicles. The court shall inform the person convicted that if he is convicted of personally operating a motor vehicle during the period of license suspension imposed pursuant to subsection (a) of this section, he shall, upon conviction, be subject to the penalties established in R.S.39:3-40. The person convicted shall be informed orally and in writing. A person shall be required to acknowledge receipt of that written notice in writing. Failure to receive a written notice or failure to acknowledge in writing the receipt of a written notice shall not be a defense to a subsequent charge of a violation of R.S.39:3-40. In the event that a person convicted under this section is the holder of any out-of-State driver's license, the court shall not collect the license but shall notify forthwith the director, who shall, in turn, notify appropriate officials in the licensing jurisdiction. The court shall, however, revoke the nonresident's driving privilege to operate a motor vehicle in this State, in accordance with this section. Upon conviction of a violation of this section, the court shall notify the person convicted, orally and in writing, of the penalties for a second, third or subsequent violation of this section. A person shall be required to acknowledge receipt of that written notice in writing. Failure to receive a written notice or failure to acknowledge in writing the receipt of a written notice shall not be a defense to a subsequent charge of a violation of this section.

(d) The Director of the Division of Motor Vehicles shall promulgate rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) in order to establish a program of alcohol education and highway safety, as prescribed by this act.

(e) Any person accused of a violation of this section who is liable to punishment imposed by this section as a second or subsequent offender shall be entitled to the same rights of discovery as allowed defendants pursuant to the Rules Governing the Courts of the State of New Jersey.

(f) The counties, in cooperation with the Division of Alcoholism and Drug Abuse and the Division of Motor Vehicles, but subject to the approval of the Division of Alcoholism and Drug Abuse, shall designate and establish on a county or regional basis Intoxicated Driver Resource Centers. These centers shall have the capability of serving as community treatment referral centers and as court

monitors of a person's compliance with the ordered treatment, service alternative or community service. All centers established pursuant to this subsection shall be administered by a counselor certified by the Alcohol and Drug Counselor Certification Board of New Jersey or other professional with a minimum of five years' experience in the treatment of alcoholism. All centers shall be required to develop individualized treatment plans for all persons attending the centers; provided that the duration of any ordered treatment or referral shall not exceed one year. It shall be the center's responsibility to establish networks with the community alcohol and drug education, treatment and rehabilitation resources and to receive monthly reports from the referral agencies regarding a person's participation and compliance with the program. Nothing in this subsection shall bar these centers from developing their own education and treatment programs; provided that they are approved by the Division of Alcoholism and Drug Abuse.

Upon a person's failure to report to the initial screening or any subsequent ordered referral, the Intoxicated Driver Resource Center shall promptly notify the sentencing court of the person's failure to comply.

Required detention periods at the Intoxicated Driver Resource Centers shall be determined according to the individual treatment classification assigned by the Intoxicated Driving Program Unit. Upon attendance at an Intoxicated Driver Resource Center, a person shall be required to pay a per diem fee of \$75.00 for the first offender program or a per diem fee of \$100.00 for the second offender program, as appropriate. Any increases in the per diem fees after the first full year shall be determined pursuant to rules and regulations adopted by the Commissioner of Health and Senior Services in consultation with the Governor's Council on Alcoholism and Drug Abuse pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

The centers shall conduct a program of alcohol and drug education and highway safety, as prescribed by the Director of the Division of Motor Vehicles.

The Commissioner of Health and Senior Services shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), in order to effectuate the purposes of this subsection.

(g) When a violation of this section occurs while:

(1) on any school property used for school purposes which is owned by or leased to any elementary or secondary school or school board, or within 1,000 feet of such school property;

(2) driving through a school crossing as defined in R.S.39:1-1 if the municipality, by ordinance or resolution, has designated the school crossing as such; or

(3) driving through a school crossing as defined in R.S.39:1-1 knowing that juveniles are present if the municipality has not designated the school crossing as such by ordinance or resolution, the convicted person shall: for a first offense, be fined not less than \$500 or more than \$800, be imprisoned

for not more than 60 days and have his license to operate a motor vehicle suspended for a period of not less than one year or more than two years; for a second offense, be fined not less than \$1,000 or more than \$2,000, perform community service for a period of 60 days, be imprisoned for not less than 96 consecutive hours, which shall not be suspended or served on probation, nor more than 180 days, except that the court may lower such term for each day, not exceeding 90 days, served performing community service in such form and on such terms as the court shall deem appropriate under the circumstances and have his license to operate a motor vehicle suspended for a period of not less than four years; and, for a third offense, be fined \$2,000, imprisoned for 180 days and have his license to operate a motor vehicle suspended for a period of 20 years; the period of license suspension shall commence upon the completion of any prison sentence imposed upon that person.

A map or true copy of a map depicting the location and boundaries of the area on or within 1,000 feet of any property used for school purposes which is owned by or leased to any elementary or secondary school or school board produced pursuant to section 1 of P.L.1987, c.101 (C.2C:35-7) may be used in a prosecution under paragraph (1) of this subsection.

It shall not be relevant to the imposition of sentence pursuant to paragraph (1) or (2) of this subsection that the defendant was unaware that the prohibited conduct took place while on or within 1,000 feet of any school property or while driving through a school crossing. Nor shall it be relevant to the imposition of sentence that no juveniles were present on the school property or crossing zone at the time of the offense or that the school was not in session.

(h) A court also may order a person convicted pursuant to subsection a. of this section, to participate in a supervised visitation program as either a condition of probation or a form of community service, giving preference to those who were under the age of 21 at the time of the offense. Prior to ordering a person to participate in such a program, the court may consult with any person who may provide useful information on the defendant's physical, emotional and mental suitability for the visit to ensure that it will not cause any injury to the defendant. The court also may order that the defendant participate in a counseling session under the supervision of the Intoxicated Driving Program Unit prior to participating in the supervised visitation program. The supervised visitation program shall be at one or more of the following facilities which have agreed to participate in the program under the supervision of the facility's personnel and the probation department:

(1) a trauma center, critical care center or acute care hospital having basic emergency services, which receives victims of motor vehicle accidents

for the purpose of observing appropriate victims of drunk drivers and victims who are, themselves, drunk drivers;

(2) a facility which cares for advanced alcoholics or drug abusers, to observe persons in the advanced stages of alcoholism or drug abuse; or

(3) if approved by a county medical examiner, the office of the county medical examiner or a public morgue to observe appropriate victims of vehicle accidents involving drunk drivers.

As used in this section, "appropriate victim" means a victim whose condition is determined by the facility's supervisory personnel and the probation officer to be appropriate for demonstrating the results of accidents involving drunk drivers without being unnecessarily gruesome or traumatic to the defendant.

If at any time before or during a visitation the facility's supervisory personnel and the probation officer determine that the visitation may be or is traumatic or otherwise inappropriate for that defendant, the visitation shall be terminated without prejudice to the defendant. The program may include a personal conference after the visitation, which may include the sentencing judge or the judge who coordinates the program for the court, the defendant, defendant's counsel, and, if available, the defendant's parents to discuss the visitation and its effect on the defendant's future conduct. If a personal conference is not practicable because of the defendant's absence from the jurisdiction, conflicting time schedules, or any other reason, the court shall require the defendant to submit a written report concerning the visitation experience and its impact on the defendant. The county, a court, any facility visited pursuant to the program, any agents, employees, or independent contractors of the court, county, or facility visited pursuant to the program, and any person supervising a defendant during the visitation, are not liable for any civil damages resulting from injury to the defendant, or for civil damages associated with the visitation which are caused by the defendant, except for willful or grossly negligent acts intended to, or reasonably expected to result in, that injury or damage.

The Supreme Court may adopt court rules or directives to effectuate the purposes of this subsection.

2. This act shall take effect on the first day of the seventh month after enactment.

Approved January 29, 2001.

CHAPTER 13

AN ACT concerning special license plates and supplementing chapter 3 of Title 39 of the Revised Statutes.

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

C.39:3-27.116 Issuance of "Promote Agriculture" license plates.

1. The Director of the Division of Motor Vehicles shall, upon proper application therefor, issue "Promote Agriculture" license plates for any motor vehicle owned or leased and registered in the State. Under this act, any motor vehicle shall include, in addition to passenger motor vehicles, all commercial, farm use and farm vehicles issued registration or license plates pursuant to R.S.39:3-20, R.S.39:3-24 or R.S.39:3-25. In addition to the registration number and other markings prescribed by law, a "Promote Agriculture" license plate shall display the words "Garden State" and an emblem indicating interest in agriculture in New Jersey except for a "Promote Agriculture" license plate issued to a commercial, farm use or farm vehicle which, in addition to the registration number and other markings prescribed by law, shall display an emblem indicating interest in agriculture in New Jersey. The license plate shall be designed by the director, in consultation with the New Jersey Farm Bureau. Issuance of the "Promote Agriculture" license plates in accordance with this section shall be subject to the provisions of chapter 3 of Title 39 of the Revised Statutes, except as hereinafter otherwise specifically provided.

C.39:3-27.117 Additional fee.

2. An application for issuance of a "Promote Agriculture" license plate shall be accompanied by a fee of \$20, in addition to the fees otherwise required by law for the registration of the motor vehicle.

C.39:3-27.118 Contribution from New Jersey Farm Bureau.

3. The New Jersey Farm Bureau, representing agricultural interests Statewide, shall contribute monies in an amount to be determined by the director, not to exceed \$50,000, to be used to offset the initial costs incurred by the division for producing, issuing, renewing, and publicizing the availability of "Promote Agriculture" license plates and for any initial computer programming fees that may be necessary to implement the "Promote Agriculture" license plate program. Any amount remaining after the payment of the initial costs shall be returned to the New Jersey Farm Bureau.

C.39:3-27.119 Use of additional fees.

4. The additional application fees collected pursuant to section 2 of this act shall first be used to reimburse the New Jersey Farm Bureau, up to the amount contributed by the Bureau pursuant to section 3 of this act, and then shall be retained by the director to reimburse the division for costs incurred in producing, issuing, renewing, and publicizing the availability of "Promote Agriculture" license plates.

C.39:3-27.120 Annual certification of cost per license plate; fee increase, method.

5 a. The director shall annually certify the average cost per license plate incurred in the immediately preceding year by the division in producing and publicizing the availability of the "Promote Agriculture" license plates.

b. In the event that the average cost per license plate, as certified by the director and approved by the Joint Budget Oversight Committee, or its successor, is greater than the application fee established in section 2 of this act in two consecutive fiscal years, the director may increase the fee for a "Promote Agriculture" license plate to an amount which, as certified by the director and approved by the Joint Budget Oversight Committee, or its successor, is no greater than the average cost per license plate or the director may discontinue the issuance of the "Promote Agriculture" license plate.

C.39:3-27.121 Notification of eligible motorists.

6. The director shall notify eligible motorists of the opportunity to obtain "Promote Agriculture" license plates by including a notice with all motor vehicle registration renewals, and by posting appropriate posters or signs in all division facilities and offices. The notices, posters, and signs shall be designed by the director after consultation with the New Jersey Farm Bureau.

C.39:3-27.122 Memorandum of agreement by DMV and Farm Bureau.

7. The director and the Executive Director of the New Jersey Farm Bureau shall enter into a memorandum of agreement setting forth the procedures to be followed by the division and the executive director in carrying out the provisions of this act.

8. This act shall take effect on the 180th day after enactment, but the Director of the Division of Motor Vehicles may take such anticipatory acts in advance of that date as may be necessary for the timely implementation of this act.

Approved January 29, 2001.

CHAPTER 14

AN ACT establishing a Managed Health Care Consumer Assistance Program, amending and supplementing P.L.1997, c.192, and making an appropriation therefor.

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

C.26:2S-19 Findings, declarations relative to Managed Health Care Consumer Assistance Program.

1. The Legislature finds and declares that:
 - a. Managed health care, regardless of the form it takes, is now a major vehicle for the delivery of health care in this nation; and the rapid transition to managed health care has left consumers confused and concerned about how it affects them and how to navigate the managed health care system;
 - b. Despite the clear promises of reduced costs, quality service and comprehensive care made by managed care plans, many consumers are uncertain about how to obtain appropriate care and inhibited in their efforts to do so. They often lack necessary information about the benefits and referral requirements of specific plans and have no access to resources which might assist them to obtain quality care on a timely basis;
 - c. Consumers need help understanding their rights and responsibilities and how to access care and assert their rights in a complex managed care environment; and
 - d. It is, therefore, in the public interest to establish a program to provide consumers with the information and assistance they need to access the high-quality, cost-effective health care available from managed care plans and to promote the rights and interests of managed care consumers.

C.26:2S-20 Definitions relative to Managed Health Care Consumer Assistance Program.

2. As used in this act:
 - "Carrier" means a carrier as defined in section 2 of P.L.1997, c.192 (C.26:2S-2).
 - "Commissioner" means the Commissioner of Health and Senior Services.
 - "Department" means the Department of Health and Senior Services.
 - "Managed care plan" means a managed care plan as defined in section 2 of P.L.1997, c.192 (C.26:2S-2).
 - "Medicaid" means the Medicaid program established pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.).
 - "Medicare" means the federal Medicare program established pursuant to the federal Social Security Act, Pub.L.89-97 (42 U.S.C. s.1395 et seq.).
 - "NJ FamilyCare" means the FamilyCare Health Coverage Program established pursuant to P.L.2000, c.71 (C.30:4J-1 et seq.).
 - "Program" means the Managed Health Care Consumer Assistance Program established pursuant to this act.

C.26:2S-21 Managed Health Care Consumer Assistance Program.

3. a. There is established the Managed Health Care Consumer Assistance Program in the Department of Health and Senior Services. The commissioner shall make agreements to operate the program as necessary, in consultation with the Commissioner of Human Services and the Commis-

sioner of Banking and Insurance, to assure that citizens have reasonable access to services in all regions of the State.

b. The program shall:

(1) create and provide educational materials and training to consumers regarding their rights and responsibilities as enrollees in managed care plans, including materials and training specific to Medicaid, NJ FamilyCare, Medicare and commercial managed care plans;

(2) assist and educate individual enrollees about the functions of the State and federal agencies that regulate managed care products, assist and educate enrollees about the various complaint, grievance and appeal processes, including State fair hearings, provide assistance to individuals in determining which process is most appropriate for the individual to pursue when necessary, maintain and provide to individual enrollees the forms that may be necessary to submit a complaint, grievance or appeal with the State or federal agencies, and provide assistance to individual enrollees in completion of the forms, if necessary;

(3) maintain and provide information to individuals upon request about advocacy groups, including legal services programs Statewide and in each county that may be available to assist individuals, and maintain lists of State and Congressional representatives and the means by which to contact representatives, for distribution upon request;

(4) maintain a toll-free telephone number for consumers to call for information and assistance. The number shall be accessible to the deaf and hard of hearing, and staff or translation services shall be available to assist non-English proficient individuals who are members of language groups that meet population thresholds established by the department;

(5) ensure that individuals have timely access to the services of, and receive timely responses from, the program;

(6) provide feedback to managed care plans, beneficiary advisory groups and employers regarding enrollees' concerns and problems;

(7) provide nonpartisan information about federal and State activities relative to managed care, and provide assistance to individuals in obtaining copies of pending legislation, statutes and regulations; and

(8) develop and maintain a data base monitoring the degree of each type of service provided by the program to individual enrollees, the types of concerns and complaints brought to the program and the entities about which complaints and concerns are brought.

c. In order to meet its objectives, the program shall have access to:

(1) the medical and other records of an individual enrollee maintained by a managed care plan, upon the specific written authorization of the enrollee or his legal representative;

(2) the administrative records, policies, and documents of managed care plans to which individuals or the general public have access; and

(3) all licensing, certification, and data reporting records maintained by the State or reported to the federal government by the State that are not proprietary information or otherwise protected by law, with copies thereof to be supplied to the program by the State upon the request of the program.

d. The program shall take such actions as are necessary to protect the identity and confidentiality of any complainant or other individual with respect to whom the program maintains files or records. Any medical or personally identifying information received or in the possession of the program shall be considered confidential and shall be used only by the department, the program and such other agencies as the commissioner designates and shall not be subject to public access, inspection or copying under P.L.1963, c.73 (C.47:1A-1 et seq.) or the common law concerning access to public records. This subsection shall not be construed to limit the ability of the program to compile and report non-identifying data pursuant to paragraph (8) of subsection b. of this section.

e. The program shall seek to coordinate its activities with consumer advocacy organizations, legal assistance providers serving low-income and other vulnerable health care consumers, managed care and health insurance counseling assistance programs, and relevant federal and State agencies to assure that the information and assistance provided by the program are current and accurate.

f. Until such time as the program is developed, the commissioner shall make agreements with two independent, private nonprofit consumer advocacy organizations, which shall be the Community Health Law Project and New Jersey Protection and Advocacy, Inc. to operate the program on an interim basis. The interim program shall be in effect for one year from the effective date of this act. Any appropriation in this act for the program may be allocated for the interim program.

C.26:2S-22 Report to Governor, Legislature.

4. The commissioner shall report to the Governor and the Legislature, no later than 18 months after the effective date of this act and annually thereafter, on the data collected by the program, the activities of the program and its effectiveness in meeting its objectives, including an evaluation of consumer problems, concerns and complaints, and shall accompany that report with any recommendations that the commissioner deems appropriate.

C.26:2S-23 Immunity from liability.

5. An employee, volunteer, board member or other representative of an organization selected by the commissioner pursuant to section 3 of this act shall be immune from liability for any action taken in the good faith performance of their official duties in connection with the program.

C.26:2S-24 Appropriations; fees, use.

6. a. There is appropriated \$500,000 to the department from the General Fund to provide funding for the program, except that funds may be appropriated, in lieu of part or all of the amount appropriated from the General Fund, from the monies made available to the State from tobacco companies under the nationwide settlement of the respective actions by state governments against those companies.

b. (1) The program may charge fees for the provision of materials to the public consistent with P.L.1963, c.73 (C.47:1A-1 et seq.). The commissioner may establish a separate fee schedule for training and education services that may be provided by the program to for-profit organizations, and for the distribution to nongovernmental entities of statistical information that may be developed by the program.

(2) Revenues received by the department pursuant to paragraph (1) of this subsection shall be deposited into a special nonlapsing fund which the commissioner shall create in the department for the purpose of providing funding for the program, and these revenues and the interest earned therefrom shall be utilized to fund the program in addition to the amount appropriated pursuant to subsection b. of this section.

7. Section 5 of P.L.1997, c.192 (C.26:2S-5) is amended to read as follows:

C.26:2S-5 Additional disclosure requirements.

5. a. In addition to the disclosure requirements provided in section 4 of this act, a carrier which offers a managed care plan shall disclose to a subscriber, in writing, in a manner consistent with the "Life and Health Insurance Policy Language Simplification Act," P.L.1979, c.167 (C.17B:17-17 et seq.), the following information at the time of enrollment and annually thereafter:

(1) A current participating provider directory providing information on a covered person's access to primary care physicians and specialists, including the number of available participating physicians, by provider category or specialty and by county. The directory shall include the professional office address of a primary care physician and any hospital affiliation the primary care physician has. The directory shall also provide information about participating hospitals.

The carrier shall promptly notify each covered person prior to the termination or withdrawal from the carrier's provider network of the covered person's primary care physician;

(2) General information about the financial incentives between participating physicians under contract with the carrier and other participat-

ing health care providers and facilities to which the participating physicians refer their managed care patients;

(3) The percentage of the carrier's managed care plan's network physicians who are board certified;

(4) The carrier's managed care plan's standard for customary waiting times for appointments for urgent and routine care;

(5) The availability through the department, upon request of a member of the general public, of independent consumer satisfaction survey results and an analysis of quality outcomes of health care services of managed care plans in the State; and

(6) Information about the Managed Health Care Consumer Assistance Program established pursuant to P.L.2001, c.14 (C.26:2S-19 et al.) as prescribed by regulation of the commissioner, including the toll-free telephone number available to contact the program.

The carrier shall provide a prospective subscriber with information about the provider network, including hospital affiliations, and other information specified in this subsection, upon request.

b. Upon request of a covered person, a carrier shall promptly inform the person:

(1) whether a particular network physician is board certified; and

(2) whether a particular network physician is currently accepting new patients.

c. The carrier shall file the information required pursuant to this section with the department.

C.26:2S-25 Rules, regulations.

8. The Commissioner of Health and Senior Services, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and regulations to effectuate the purposes of this act.

9. This act shall take effect on July 1, 2000 or immediately, whichever is later.

Approved January 29, 2001.

CHAPTER 15

AN ACT permitting counties to increase compensation for members of district boards of election and amending R.S.19:45-6.

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

1. R.S.19:45-6 is amended to read as follows:

Members of district boards; compensation.

19:45-6. The compensation of each member of the district boards for all services performed by them under the provisions of this Title shall be as follows:

In all counties, for all services rendered including the counting of the votes, and in counties wherein voting machines are used, the tabulation of the votes registered on the voting machines, and the delivery of the returns, registry binders, ballot boxes and keys for the voting machines to the proper election officials, \$75.00 each time the primary election, the general election or any special election is held under this Title, except that the governing body of a county may increase the compensation, by ordinance or resolution as appropriate, to an amount not to exceed \$150 for the members of each district board within the county performing those services at such an election; provided, however, that:

a. (1) The member of the board charged with the duty of obtaining and signing for the signature copy registers shall receive an additional \$12.50 per election, such remuneration being limited to only one board member per election, or \$6.25 to each of two board members if they share such responsibility for the signature copy registers, and (2) the member of the board charged with the duty of returning the signature copy registers shall receive an additional \$12.50 per election, such remuneration being limited to only one board member per election, or \$6.25 to each of two board members if they share such responsibility for the signature copy registers;

b. In the case of any member of the board who is required under R.S.19:50-1 to attend in a given year a training program for district board members, but who fails to attend such a training program in that year, that compensation shall be \$50.00 for each of those elections;

c. In counties wherein voting machines are used no compensation shall be paid for any services rendered at any special election held at the same time as any primary or general election. Such compensation shall be in lieu of all other fees and payments; and

d. Compensation for district board members serving at a school election shall be paid by the board of education of the school district conducting the election at an hourly rate of \$5.77, except that the board of education may compensate such district board members at a pro-rated hourly rate consistent with the daily rate up to a maximum of \$11.54 if the school district is within a county that provides compensation greater than \$75 for its district board members at a primary, general or special election. The provisions of subsections a., b., and c. of this section shall also apply to district board members serving at a school election, except that in the case of subsection b., the compensation shall be at an hourly rate of \$3.85.

Compensation due each member shall be paid within 30 days but not within 20 days after each election; provided, however, that no compensation shall be paid to any member of any such district board who may have been removed from office or application for the removal of whom is pending under the provisions of R.S.19:6-4.

2. This act shall take effect immediately.

Approved January 29, 2001.

CHAPTER 16

AN ACT concerning assaults on corrections and law enforcement officers and amending N.J.S. 2C:44-5.

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

1. N.J.S. 2C:44-5 is amended to read as follows:

Multiple sentences; concurrent and consecutive terms.

2C:44-5. Multiple Sentences; Concurrent and Consecutive Terms.

a. Sentences of imprisonment for more than one offense. When multiple sentences of imprisonment are imposed on a defendant for more than one offense, including an offense for which a previous suspended sentence or sentence of probation has been revoked, such multiple sentences shall run concurrently or consecutively as the court determines at the time of sentence, except that:

(1) The aggregate of consecutive terms to a county institution shall not exceed 18 months; and

(2) Not more than one sentence for an extended term shall be imposed.

There shall be no overall outer limit on the cumulation of consecutive sentences for multiple offenses.

b. Sentences of imprisonment imposed at different times. When a defendant who has previously been sentenced to imprisonment is subsequently sentenced to another term for an offense committed prior to the former sentence, other than an offense committed while in custody:

(1) The multiple sentences imposed shall so far as possible conform to subsection a. of this section; and

(2) Whether the court determines that the terms shall run concurrently or consecutively, the defendant shall be credited with time served in

imprisonment on the prior sentence in determining the permissible aggregate length of the term or terms remaining to be served; and

(3) When a new sentence is imposed on a prisoner who is on parole, the balance of the parole term on the former sentence shall not be deemed to run during the period of the new imprisonment unless the court determines otherwise at the time of sentencing.

c. Sentence of imprisonment for offense committed while on parole. When a defendant is sentenced to imprisonment for an offense committed while on parole in this State, such term of imprisonment and any period of reimprisonment that the parole board may require the defendant to serve upon the revocation of his parole shall run consecutively unless the court orders these sentences to run concurrently.

d. Multiple sentences of imprisonment in other cases. Except as otherwise provided in this section, multiple terms of imprisonment shall run concurrently or consecutively as the court determines when the second or subsequent sentence is imposed.

e. Calculation of concurrent and consecutive terms of imprisonment.

(1) When terms of imprisonment run concurrently, the shorter terms merge in and are satisfied by discharge of the longest term.

(2) When terms of imprisonment run consecutively, the terms are added to arrive at an aggregate term to be served equal to the sum of all terms.

f. Suspension of sentence or probation and imprisonment; multiple terms of suspension and probation. When a defendant is sentenced for more than one offense or a defendant already under sentence is sentenced for another offense committed prior to the former sentence:

(1) The court shall not sentence to probation a defendant who is under sentence of imprisonment, except as authorized by paragraph (2) of subsection b. of N.J.S.2C:43-2;

(2) Multiple periods of suspension or probation shall run consecutively, unless the court orders these sentences to run concurrently from the date of the first such disposition;

(3) When a sentence of imprisonment in excess of one year is imposed, the service of such sentence shall satisfy a suspended sentence on another count or prior suspended sentence or sentence to probation, unless the suspended sentence or probation has been violated in which case any imprisonment for the violation shall run consecutively; and

(4) When a sentence of imprisonment of one year or less is imposed, the period of a suspended sentence on another count or a prior suspended sentence or sentence to probation shall run during the period of such imprisonment, unless the suspended sentence or probation has been violated in which case any imprisonment for the violation shall run consecutively.

g. Offense committed while under suspension of sentence or probation. When a defendant is convicted of an offense committed while under suspension of sentence or on probation and such suspension or probation is not revoked:

(1) If the defendant is sentenced to imprisonment in excess of one year, the service of such sentence shall not satisfy the prior suspended sentence or sentence to probation, unless the court determines otherwise at the time of sentencing;

(2) If the defendant is sentenced to imprisonment of one year or less, the period of the suspension or probation shall not run during the period of such imprisonment; and

(3) If sentence is suspended or the defendant is sentenced to probation, the period of such suspension or probation shall run concurrently with or consecutively to the remainder of the prior periods, as the court determines at the time of sentence.

h. Offense committed while released pending disposition of a previous offense. When a defendant is sentenced to imprisonment for an offense committed while released, with or without bail, pending disposition of a previous offense, the term of imprisonment shall run consecutively to any sentence of imprisonment imposed for the previous offense, unless the court, in consideration of the character and conditions of the defendant, finds that imposition of consecutive sentences would be a serious injustice which overrides the need to deter such conduct by others.

i. Sentence of imprisonment for assault on corrections employee. Any term of imprisonment imposed on an inmate of a State or county correctional facility for an assault on a Department of Corrections employee, an employee of a county correctional facility, an employee of a State juvenile facility or a county juvenile detention facility, a county sheriff's department employee or any State, county or municipal law enforcement officer while in the performance of his duties shall run consecutively to any term of imprisonment currently being served and to any other term imposed for any other offense committed at the time of the assault.

2. This act shall take effect immediately.

Approved January 29, 2001.

CHAPTER 17

AN ACT concerning eligibility for unemployment compensation and temporary disability benefits and amending R.S.43:21-4, R.S.43:21-19 and P.L.1948, c.110.

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

1. R.S.43:21-4 is amended to read as follows:

Benefit eligibility conditions.

43:21-4. Benefit eligibility conditions. An unemployed individual shall be eligible to receive benefits with respect to any week only if:

(a) The individual has filed a claim at an unemployment insurance claims office and thereafter continues to report at an employment service office or unemployment insurance claims office, as directed by the division in accordance with such regulations as the division may prescribe, except that the division may, by regulation, waive or alter either or both of the requirements of this subsection as to individuals attached to regular jobs, and as to such other types of cases or situations with respect to which the division finds that compliance with such requirements would be oppressive, or would be inconsistent with the purpose of this act; provided that no such regulation shall conflict with subsection (a) of R.S.43:21-3.

(b) The individual has made a claim for benefits in accordance with the provisions of subsection (a) of R.S.43:21-6.

(c) (1) The individual is able to work, and is available for work, and has demonstrated to be actively seeking work, except as hereinafter provided in this subsection or in subsection (f) of this section.

(2) The director may modify the requirement of actively seeking work if such modification of this requirement is warranted by economic conditions.

(3) No individual, who is otherwise eligible, shall be deemed ineligible, or unavailable for work, because the individual is on vacation, without pay, during said week, if said vacation is not the result of the individual's own action as distinguished from any collective action of a collective bargaining agent or other action beyond the individual's control.

(4) (A) Subject to such limitations and conditions as the division may prescribe, an individual, who is otherwise eligible, shall not be deemed unavailable for work or ineligible because the individual is attending a training program approved for the individual by the division to enhance the individual's employment opportunities or because the individual failed or refused to accept work while attending such program.

(B) For the purpose of this paragraph (4), any training program shall be regarded as approved by the division for the individual if the program and the individual meet the following requirements:

(i) The training is for a labor demand occupation and is likely to enhance the individual's marketable skills and earning power;

(ii) The training is provided by a competent and reliable private or public entity approved by the Commissioner of Labor pursuant to the provisions of section 8 of the "1992 New Jersey Employment and Workforce Development Act," P.L.1992, c.43 (C.34:15D-8);

(iii) The individual can reasonably be expected to complete the program, either during or after the period of benefits;

(iv) The training does not include on the job training or other training under which the individual is paid by an employer for work performed by the individual during the time that the individual receives benefits; and

(v) The individual enrolls in vocational training, remedial education or a combination of both on a full-time basis.

(C) If the requirements of subparagraph (B) of this paragraph (4) are met, the division shall not withhold approval of the training program for the individual for any of the following reasons:

(i) The training includes remedial basic skills education necessary for the individual to successfully complete the vocational component of the training;

(ii) The training is provided in connection with a program under which the individual may obtain a college degree, including a post-graduate degree;

(iii) The length of the training period under the program; or

(iv) The lack of a prior guarantee of employment upon completion of the training.

(D) For the purpose of this paragraph (4), "labor demand occupation" means an occupation for which there is or is likely to be an excess of demand over supply for adequately trained workers, including, but not limited to, an occupation designated as a labor demand occupation by the New Jersey Occupational Information Coordinating Committee pursuant to the provisions of subsection h. of section 1 of P.L.1987, c.457 (C.34:1A-76) or section 12 of P.L.1992, c.43 (C.34:1A-78).

(5) An unemployed individual, who is otherwise eligible, shall not be deemed unavailable for work or ineligible solely by reason of the individual's attendance before a court in response to a summons for service on a jury.

(6) An unemployed individual, who is otherwise eligible, shall not be deemed unavailable for work or ineligible solely by reason of the individual's attendance at the funeral of an immediate family member, provided that the duration of the attendance does not extend beyond a two-day period.

For purposes of this paragraph, "immediate family member" includes any of the following individuals: father, mother, mother-in-law, father-in-law, grandmother, grandfather, grandchild, spouse, child, foster child, sister or brother of the unemployed individual and any relatives of the unemployed individual residing in the unemployed individual's household.

(7) No individual, who is otherwise eligible, shall be deemed ineligible or unavailable for work with respect to any week because, during that week, the individual fails or refuses to accept work while the individual is participating on a full-time basis in self-employment assistance activities authorized by the division, whether or not the individual is receiving a self-employment allowance during that week.

(8) Any individual who is determined to be likely to exhaust regular benefits and need reemployment services based on information obtained by the worker profiling system shall not be eligible to receive benefits if the individual fails to participate in available reemployment services to which the individual is referred by the division or in similar services, unless the division determines that:

(A) The individual has completed the reemployment services; or

(B) There is justifiable cause for the failure to participate, which shall include participation in employment and training, self-employment assistance activities or other activities authorized by the division to assist reemployment or enhance the marketable skills and earning power of the individual and which shall include any other circumstance indicated pursuant to this section in which an individual is not required to be available for and actively seeking work to receive benefits.

(d) The individual has been totally or partially unemployed for a waiting period of one week in the benefit year which includes that week. When benefits become payable with respect to the third consecutive week next following the waiting period, the individual shall be eligible to receive benefits as appropriate with respect to the waiting period. No week shall be counted as a week of unemployment for the purposes of this subsection:

(1) If benefits have been paid, or are payable with respect thereto; provided that the requirements of this paragraph shall be waived with respect to any benefits paid or payable for a waiting period as provided in this subsection;

(2) If it has constituted a waiting period week under the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.);

(3) Unless the individual fulfills the requirements of subsections (a) and (c) of this section;

(4) If with respect thereto, claimant was disqualified for benefits in accordance with the provisions of subsection (d) of R.S.43:21-5.

(e) (1) (Deleted by amendment, P.L.2001, c.17).

(2) With respect to benefit years commencing on or after January 1, 1996 and before January 7, 2001, except as otherwise provided in paragraph (3) of this subsection, the individual has, during his base year as defined in subsection (c) of R.S.43:21-19:

(A) Established at least 20 base weeks as defined in paragraph (2) of subsection (t) of R.S.43:21-19; or

(B) If the individual has not met the requirements of subparagraph (A) of this paragraph (2), earned remuneration not less than an amount 12 times the Statewide average weekly remuneration paid to workers, as determined under R.S.43:21-3(c), which amount shall be adjusted to the next higher multiple of \$100.00 if not already a multiple thereof; or

(C) If the individual has not met the requirements of subparagraph (A) or (B) of this paragraph (2), earned remuneration not less than an amount 1,000 times the minimum wage in effect pursuant to section 5 of P.L.1966, c.113 (C.34:11-56a4) on October 1 of the calendar year preceding the calendar year in which the benefit year commences, which amount shall be adjusted to the next higher multiple of \$100.00 if not already a multiple thereof.

(3) With respect to benefit years commencing before January 7, 2001, notwithstanding the provisions of paragraph (2) of this subsection, an unemployed individual claiming benefits on the basis of service performed in the production and harvesting of agricultural crops shall, subject to the limitations of subsection (i) of R.S.43:21-19, be eligible to receive benefits if during his base year, as defined in subsection (c) of R.S.43:21-19, the individual:

(A) Has established at least 20 base weeks as defined in paragraph (2) of subsection (t) of R.S.43:21-19; or

(B) Has earned 12 times the Statewide average weekly remuneration paid to workers, as determined under R.S.43:21-3(c), raised to the next higher multiple of \$100.00 if not already a multiple thereof, or more; or

(C) Has performed at least 770 hours of service in the production and harvesting of agricultural crops.

(4) With respect to benefit years commencing on or after January 7, 2001, except as otherwise provided in paragraph (5) of this subsection, the individual has, during his base year as defined in subsection (c) of R.S.43:21-19:

(A) Established at least 20 base weeks as defined in paragraphs (2) and (3) of subsection (t) of R.S.43:21-19; or

(B) If the individual has not met the requirements of subparagraph (A) of this paragraph (4), earned remuneration not less than an amount 1,000 times the minimum wage in effect pursuant to section 5 of P.L.1966, c.113 (C.34:11-56a4) on October 1 of the calendar year preceding the calendar year in which the benefit year commences, which amount shall be adjusted to the next higher multiple of \$100 if not already a multiple thereof.

(5) With respect to benefit years commencing on or after January 7, 2001, notwithstanding the provisions of paragraph (4) of this subsection, an unemployed individual claiming benefits on the basis of service performed in the production and harvesting of agricultural crops shall, subject to the limitations of subsection

(i) of R.S.43:21-19, be eligible to receive benefits if during his base year, as defined in subsection (c) of R.S.43:21-19, the individual:

(A) Has established at least 20 base weeks as defined in paragraphs (2) and (3) of subsection (t) of R.S.43:21-19; or

(B) Has earned remuneration not less than an amount 1,000 times the minimum wage in effect pursuant to section 5 of P.L.1966, c.113 (C.34:11-56a4) on October 1 of the calendar year preceding the calendar year in which the benefit year commences, which amount shall be adjusted to the next higher multiple of \$100 if not already a multiple thereof; or

(C) Has performed at least 770 hours of service in the production and harvesting of agricultural crops.

(6) The individual applying for benefits in any successive benefit year has earned at least six times his previous weekly benefit amount and has had four weeks of employment since the beginning of the immediately preceding benefit year. This provision shall be in addition to the earnings requirements specified in paragraph (2), (3), (4) or (5) of this subsection, as applicable.

(f) (1) The individual has suffered any accident or sickness not compensable under the workers' compensation law, R.S.34:15-1 et seq. and resulting in the individual's total disability to perform any work for remuneration, and would be eligible to receive benefits under this chapter (R.S.43:21-1 et seq.) (without regard to the maximum amount of benefits payable during any benefit year) except for the inability to work and has furnished notice and proof of claim to the division, in accordance with its rules and regulations, and payment is not precluded by the provisions of R.S.43:21-3(d); provided, however, that benefits paid under this subsection (f) shall be computed on the basis of only those base year wages earned by the claimant as a "covered individual," as defined in R.S.43:21-27(b); provided further that no benefits shall be payable under this subsection to any individual:

(A) For any period during which such individual is not under the care of a legally licensed physician, dentist, optometrist, podiatrist, practicing psychologist or chiropractor;

(B) (Deleted by amendment, P.L.1980, c.90.)

(C) For any period of disability due to willfully or intentionally self-inflicted injury, or to injuries sustained in the perpetration by the individual of a crime of the first, second or third degree;

(D) For any week with respect to which or a part of which the individual has received or is seeking benefits under any unemployment compensation or disability benefits law of any other state or of the United States; provided that if the appropriate agency of such other state or the United States finally determines that the individual is not entitled to such benefits, this disqualification shall not apply;

(E) For any week with respect to which or part of which the individual has received or is seeking disability benefits under the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.);

(F) For any period of disability commencing while such individual is a "covered individual," as defined in subsection (b) of section 3 of the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-27).

(2) Benefit payments under this subsection (f) shall be charged to and paid from the State disability benefits fund established by the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.), and shall not be charged to any employer account in computing any employer's experience rate for contributions payable under this chapter.

(g) Benefits based on service in employment defined in subparagraphs (B) and (C) of R.S.43:21-19(i)(1) shall be payable in the same amount and on the terms and subject to the same conditions as benefits payable on the basis of other service subject to the "unemployment compensation law"; except that, notwithstanding any other provisions of the "unemployment compensation law":

(1) With respect to service performed after December 31, 1977, in an instructional research, or principal administrative capacity for an educational institution, benefits shall not be paid based on such services for any week of unemployment commencing during the period between two successive academic years, or during a similar period between two regular terms, whether or not successive, or during a period of paid sabbatical leave provided for in the individual's contract, to any individual if such individual performs such services in the first of such academic years (or terms) and if there is a contract or a reasonable assurance that such individual will perform services in any such capacity for any educational institution in the second of such academic years or terms;

(2) With respect to weeks of unemployment beginning after September 3, 1982, on the basis of service performed in any other capacity for an educational institution, benefits shall not be paid on the basis of such services to any individual for any week which commences during a period between two successive academic years or terms if such individual performs such services in the first of such academic years or terms and there is a reasonable assurance that such individual will perform such services in the second of such academic years or terms, except that if benefits are denied to any individual under this paragraph (2) and the individual was not offered an opportunity to perform these services for the educational institution for the second of any academic years or terms, the individual shall be entitled to a retroactive payment of benefits for each week for which the individual filed a timely claim for benefits and for which benefits were denied solely by reason of this clause;

(3) With respect to those services described in paragraphs (1) and (2) above, benefits shall not be paid on the basis of such services to any individual for any week which commences during an established and customary vacation period or holiday recess if such individual performs such services in the period immediately before such vacation period or holiday recess, and there is a reasonable assurance that such individual will perform such services in the period immediately following such period or holiday recess;

(4) With respect to any services described in paragraphs (1) and (2) above, benefits shall not be paid as specified in paragraphs (1), (2), and (3) above to any individual who performed those services in an educational institution while in the employ of an educational service agency, and for this purpose the term "educational service agency" means a governmental agency or governmental entity which is established and operated exclusively for the purpose of providing those services to one or more educational institutions.

(h) Benefits shall not be paid to any individual on the basis of any services, substantially all of which consist of participating in sports or athletic events or training or preparing to so participate, for any week which commences during the period between two successive sports seasons (or similar periods) if such individual performed such services in the first of such seasons (or similar periods) and there is a reasonable assurance that such individual will perform such services in the later of such seasons (or similar periods).

(i) (1) Benefits shall not be paid on the basis of services performed by an alien unless such alien is an individual who was lawfully admitted for permanent residence at the time the services were performed and was lawfully present for the purpose of performing the services or otherwise was permanently residing in the United States under color of law at the time the services were performed (including an alien who is lawfully present in the United States as a result of the application of the provisions of section 212(d)(5) (8 U.S.C. s.1182 (d)(5)) of the Immigration and Nationality Act (8 U.S.C. s.1101 et seq.)); provided that any modifications of the provisions of section 3304(a)(14) of the Federal Unemployment Tax Act (26 U.S.C. s.3304 (a)(14)), as provided by Pub.L.94-566, which specify other conditions or other effective dates than stated herein for the denial of benefits based on services performed by aliens and which modifications are required to be implemented under State law as a condition for full tax credit against the tax imposed by the Federal Unemployment Tax Act, shall be deemed applicable under the provisions of this section.

(2) Any data or information required of individuals applying for benefits to determine whether benefits are not payable to them because of their alien status shall be uniformly required from all applicants for benefits.

(3) In the case of an individual whose application for benefits would otherwise be approved, no determination that benefits to such individual are

not payable because of alien status shall be made except upon a preponderance of the evidence.

(j) Notwithstanding any other provision of this chapter, the director may, to the extent that it may be deemed efficient and economical, provide for consolidated administration by one or more representatives or deputies of claims made pursuant to subsection (f) of this section with those made pursuant to Article III (State plan) of the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.).

2. R.S.43:21-19 is amended to read as follows:

Definitions.

43:21-19. Definitions. As used in this chapter (R.S.43:21-1 et seq.), unless the context clearly requires otherwise:

(a) (1) "Annual payroll" means the total amount of wages paid during a calendar year (regardless of when earned) by an employer for employment.

(2) "Average annual payroll" means the average of the annual payrolls of any employer for the last three or five preceding calendar years, whichever average is higher, except that any year or years throughout which an employer has had no "annual payroll" because of military service shall be deleted from the reckoning; the "average annual payroll" in such case is to be determined on the basis of the prior three or five calendar years in each of which the employer had an "annual payroll" in the operation of his business, if the employer resumes his business within 12 months after separation, discharge or release from such service, under conditions other than dishonorable, and makes application to have his "average annual payroll" determined on the basis of such deletion within 12 months after he resumes his business; provided, however, that "average annual payroll" solely for the purposes of paragraph (3) of subsection (e) of R.S.43:21-7 means the average of the annual payrolls of any employer on which he paid contributions to the State disability benefits fund for the last three or five preceding calendar years, whichever average is higher; provided further that only those wages be included on which employer contributions have been paid on or before January 31 (or the next succeeding day if such January 31 is a Saturday or Sunday) immediately preceding the beginning of the 12-month period for which the employer's contribution rate is computed.

(b) "Benefits" means the money payments payable to an individual, as provided in this chapter (R.S.43:21-1 et seq.), with respect to his unemployment.

(c) (1) "Base year" with respect to benefit years commencing on or after July 1, 1986, shall mean the first four of the last five completed calendar quarters immediately preceding an individual's benefit year.

With respect to a benefit year commencing on or after July 1, 1995, if an individual does not have sufficient qualifying weeks or wages in his base year to qualify for benefits, the individual shall have the option of designating that his base year shall be the "alternative base year," which means the last four completed calendar quarters immediately preceding the individual's benefit year; except that, with respect to a benefit year commencing on or after October 1, 1995, if the individual also does not have sufficient qualifying weeks or wages in the last four completed calendar quarters immediately preceding his benefit year to qualify for benefits, "alternative base year" means the last three completed calendar quarters immediately preceding his benefit year and, of the calendar quarter in which the benefit year commences, the portion of the quarter which occurs before the commencing of the benefit year.

The division shall inform the individual of his options under this section as amended by P.L.1995, c.234. If information regarding weeks and wages for the calendar quarter or quarters immediately preceding the benefit year is not available to the division from the regular quarterly reports of wage information and the division is not able to obtain the information using other means pursuant to State or federal law, the division may base the determination of eligibility for benefits on the affidavit of an individual with respect to weeks and wages for that calendar quarter. The individual shall furnish payroll documentation, if available, in support of the affidavit. A determination of benefits based on an alternative base year shall be adjusted when the quarterly report of wage information from the employer is received if that information causes a change in the determination.

(2) With respect to a benefit year commencing on or after June 1, 1990 for an individual who immediately preceding the benefit year was subject to a disability compensable under the provisions of the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.), "base year" shall mean the first four of the last five completed calendar quarters immediately preceding the individual's period of disability, if the employment held by the individual immediately preceding the period of disability is no longer available at the conclusion of that period and the individual files a valid claim for unemployment benefits after the conclusion of that period. For the purposes of this paragraph, "period of disability" means the period defined as a period of disability by section 3 of the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-27). An individual who files a claim under the provisions of this paragraph (2) shall not be regarded as having left work voluntarily for the purposes of subsection (a) of R.S.43:21-5.

(3) With respect to a benefit year commencing on or after June 1, 1990 for an individual who immediately preceding the benefit year was subject to a disability compensable under the provisions of the workers' compensation law (chapter 15 of Title 34 of the Revised Statutes), "base year" shall mean

the first four of the last five completed calendar quarters immediately preceding the individual's period of disability, if the period of disability was not longer than two years, if the employment held by the individual immediately preceding the period of disability is no longer available at the conclusion of that period and if the individual files a valid claim for unemployment benefits after the conclusion of that period. For the purposes of this paragraph, "period of disability" means the period from the time at which the individual becomes unable to work because of the compensable disability until the time that the individual becomes able to resume work and continue work on a permanent basis. An individual who files a claim under the provisions of this paragraph (3) shall not be regarded as having left work voluntarily for the purposes of subsection (a) of R.S.43:21-5.

(d) "Benefit year" with respect to any individual means the 364 consecutive calendar days beginning with the day on, or as of, which he first files a valid claim for benefits, and thereafter beginning with the day on, or as of, which the individual next files a valid claim for benefits after the termination of his last preceding benefit year. Any claim for benefits made in accordance with subsection (a) of R.S.43:21-6 shall be deemed to be a "valid claim" for the purpose of this subsection if (1) he is unemployed for the week in which, or as of which, he files a claim for benefits; and (2) he has fulfilled the conditions imposed by subsection (e) of R.S.43:21-4.

(e) (1) "Division" means the Division of Unemployment and Temporary Disability Insurance of the Department of Labor, and any transaction or exercise of authority by the director of the division thereunder, or under this chapter (R.S.43:21-1 et seq.), shall be deemed to be performed by the division.

(2) "Controller" means the Office of the Assistant Commissioner for Finance and Controller of the Department of Labor, established by the 1982 Reorganization Plan of the Department of Labor.

(f) "Contributions" means the money payments to the State Unemployment Compensation Fund, required by R.S.43:21-7. "Payments in lieu of contributions" means the money payments to the State Unemployment Compensation Fund by employers electing or required to make payments in lieu of contributions, as provided in section 3 or section 4 of P.L.1971, c.346 (C.43:21-7.2 or 43:21-7.3).

(g) "Employing unit" means the State or any of its instrumentalities or any political subdivision thereof or any of its instrumentalities or any instrumentality of more than one of the foregoing or any instrumentality of any of the foregoing and one or more other states or political subdivisions or any individual or type of organization, any partnership, association, trust, estate, joint-stock company, insurance company or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee or successor thereof, or the legal representative of a deceased person, which has or

subsequent to January 1, 1936, had in its employ one or more individuals performing services for it within this State. All individuals performing services within this State for any employing unit which maintains two or more separate establishments within this State shall be deemed to be employed by a single employing unit for all the purposes of this chapter (R.S.43:21-1 et seq.). Each individual employed to perform or to assist in performing the work of any agent or employee of an employing unit shall be deemed to be employed by such employing unit for all the purposes of this chapter (R.S.43:21-1 et seq.), whether such individual was hired or paid directly by such employing unit or by such agent or employee; provided the employing unit had actual or constructive knowledge of the work.

(h) "Employer" means:

(1) Any employing unit which in either the current or the preceding calendar year paid remuneration for employment in the amount of \$1,000.00 or more;

(2) Any employing unit (whether or not an employing unit at the time of acquisition) which acquired the organization, trade or business, or substantially all the assets thereof, of another which, at the time of such acquisition, was an employer subject to this chapter (R.S.43:21-1 et seq.);

(3) Any employing unit which acquired the organization, trade or business, or substantially all the assets thereof, of another employing unit and which, if treated as a single unit with such other employing unit, would be an employer under paragraph (1) of this subsection;

(4) Any employing unit which together with one or more other employing units is owned or controlled (by legally enforceable means or otherwise), directly or indirectly by the same interests, or which owns or controls one or more other employing units (by legally enforceable means or otherwise), and which, if treated as a single unit with such other employing unit or interest, would be an employer under paragraph (1) of this subsection;

(5) Any employing unit for which service in employment as defined in R.S.43:21-19 (i) (1) (B) (i) is performed after December 31, 1971; and as defined in R.S.43:21-19 (i) (1) (B) (ii) is performed after December 31, 1977;

(6) Any employing unit for which service in employment as defined in R.S.43:21-19 (i) (1) (C) is performed after December 31, 1971 and which in either the current or the preceding calendar year paid remuneration for employment in the amount of \$1,000.00 or more;

(7) Any employing unit not an employer by reason of any other paragraph of this subsection (h) for which, within either the current or preceding calendar year, service is or was performed with respect to which such employing unit is liable for any federal tax against which credit may be taken for contributions required to be paid into a state unemployment fund; or which, as a condition for approval of the "unemployment compen-

sation law" for full tax credit against the tax imposed by the Federal Unemployment Tax Act, is required pursuant to such act to be an employer under this chapter (R.S.43:21-1 et seq.);

(8) (Deleted by amendment; P.L.1977, c.307.)

(9) (Deleted by amendment; P.L.1977, c.307.)

(10) (Deleted by amendment; P.L.1977, c.307.)

(11) Any employing unit subject to the provisions of the Federal Unemployment Tax Act within either the current or the preceding calendar year, except for employment hereinafter excluded under paragraph (7) of subsection (i) of this section;

(12) Any employing unit for which agricultural labor in employment as defined in R.S.43:21-19 (i) (1) (I) is performed after December 31, 1977;

(13) Any employing unit for which domestic service in employment as defined in R.S.43:21-19 (i) (1) (J) is performed after December 31, 1977;

(14) Any employing unit which having become an employer under the "unemployment compensation law" (R.S.43:21-1 et seq.), has not under R.S.43:21-8 ceased to be an employer; or for the effective period of its election pursuant to R.S.43:21-8, any other employing unit which has elected to become fully subject to this chapter (R.S.43:21-1 et seq.).

(i) (1) "Employment" means:

(A) Any service performed prior to January 1, 1972, which was employment as defined in the "unemployment compensation law" (R.S.43:21-1 et seq.) prior to such date, and, subject to the other provisions of this subsection, service performed on or after January 1, 1972, including service in interstate commerce, performed for remuneration or under any contract of hire, written or oral, express or implied.

(B) (i) Service performed after December 31, 1971 by an individual in the employ of this State or any of its instrumentalities or in the employ of this State and one or more other states or their instrumentalities for a hospital or institution of higher education located in this State, if such service is not excluded from "employment" under paragraph (D) below.

(ii) Service performed after December 31, 1977, in the employ of this State or any of its instrumentalities or any political subdivision thereof or any of its instrumentalities or any instrumentality of more than one of the foregoing or any instrumentality of the foregoing and one or more other states or political subdivisions, if such service is not excluded from "employment" under paragraph (D) below.

(C) Service performed after December 31, 1971 by an individual in the employ of a religious, charitable, educational, or other organization, which is excluded from "employment" as defined in the Federal Unemployment Tax Act, solely by reason of section 3306 (c) (8) of that act, if such service is not excluded from "employment" under paragraph (D) below.

(D) For the purposes of paragraphs (B) and (C), the term "employment" does not apply to services performed

(i) In the employ of (I) a church or convention or association of churches, or (II) an organization, or school which is operated primarily for religious purposes and which is operated, supervised, controlled or principally supported by a church or convention or association of churches;

(ii) By a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order;

(iii) Prior to January 1, 1978, in the employ of a school which is not an institution of higher education, and after December 31, 1977, in the employ of a governmental entity referred to in R.S.43:21-19 (i) (1) (B), if such service is performed by an individual in the exercise of duties

(aa) as an elected official;

(bb) as a member of a legislative body, or a member of the judiciary, of a state or political subdivision;

(cc) as a member of the State National Guard or Air National Guard;

(dd) as an employee serving on a temporary basis in case of fire, storm, snow, earthquake, flood or similar emergency;

(ee) in a position which, under or pursuant to the laws of this State, is designated as a major nontenured policy making or advisory position, or a policy making or advisory position, the performance of the duties of which ordinarily does not require more than eight hours per week; or

(iv) By an individual receiving rehabilitation or remunerative work in a facility conducted for the purpose of carrying out a program of rehabilitation of individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market;

(v) By an individual receiving work-relief or work-training as part of an unemployment work-relief or work-training program assisted in whole or in part by any federal agency or an agency of a state or political subdivision thereof; or

(vi) Prior to January 1, 1978, for a hospital in a State prison or other State correctional institution by an inmate of the prison or correctional institution and after December 31, 1977, by an inmate of a custodial or penal institution.

(E) The term "employment" shall include the services of an individual who is a citizen of the United States, performed outside the United States after December 31, 1971 (except in Canada and in the case of the Virgin Islands, after December 31, 1971) and prior to January 1 of the year following the year in which the U.S. Secretary of Labor approves the

unemployment compensation law of the Virgin Islands, under section 3304 (a) of the Internal Revenue Code of 1986 (26 U.S.C. s.3304 (a)) in the employ of an American employer (other than the service which is deemed employment under the provisions of R.S.43:21-19 (i) (2) or (5) or the parallel provisions of another state's unemployment compensation law), if

(i) The American employer's principal place of business in the United States is located in this State; or

(ii) The American employer has no place of business in the United States, but (I) the American employer is an individual who is a resident of this State; or (II) the American employer is a corporation which is organized under the laws of this State; or (III) the American employer is a partnership or trust and the number of partners or trustees who are residents of this State is greater than the number who are residents of another state; or

(iii) None of the criteria of divisions (i) and (ii) of this subparagraph (E) is met but the American employer has elected to become an employer subject to the "unemployment compensation law" (R.S.43:21-1 et seq.) in this State, or the American employer having failed to elect to become an employer in any state, the individual has filed a claim for benefits, based on such service, under the law of this State;

(iv) An "American employer," for the purposes of this subparagraph (E), means (I) an individual who is a resident of the United States; or (II) a partnership, if two-thirds or more of the partners are residents of the United States; or (III) a trust, if all the trustees are residents of the United States; or (IV) a corporation organized under the laws of the United States or of any state.

(F) Notwithstanding R.S.43:21-19 (i) (2), all service performed after January 1, 1972 by an officer or member of the crew of an American vessel or American aircraft on or in connection with such vessel or aircraft, if the operating office from which the operations of such vessel or aircraft operating within, or within and without, the United States are ordinarily and regularly supervised, managed, directed, and controlled, is within this State.

(G) Notwithstanding any other provision of this subsection, service in this State with respect to which the taxes required to be paid under any federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund or which as a condition for full tax credit against the tax imposed by the Federal Unemployment Tax Act is required to be covered under the "unemployment compensation law" (R.S.43:21-1 et seq.).

(H) The term "United States" when used in a geographical sense in subsection R.S.43:21-19 (i) includes the states, the District of Columbia, the Commonwealth of Puerto Rico and, effective on the day after the day on which the U.S. Secretary of Labor approves for the first time under section 3304 (a) of the Internal Revenue Code of 1986 (26 U.S.C. s.3304 (a)) an

unemployment compensation law submitted to the Secretary by the Virgin Islands for such approval, the Virgin Islands.

(I) (i) Service performed after December 31, 1977 in agricultural labor in a calendar year for an entity which is an employer as defined in the "unemployment compensation law," (R.S.43:21-1 et seq.) as of January 1 of such year; or for an employing unit which

(aa) during any calendar quarter in either the current or the preceding calendar year paid remuneration in cash of \$20,000.00 or more for individuals employed in agricultural labor, or

(bb) for some portion of a day in each of 20 different calendar weeks, whether or not such weeks were consecutive, in either the current or the preceding calendar year, employed in agricultural labor 10 or more individuals, regardless of whether they were employed at the same moment in time.

(ii) for the purposes of this subsection any individual who is a member of a crew furnished by a crew leader to perform service in agricultural labor for any other entity shall be treated as an employee of such crew leader

(aa) if such crew leader holds a certification of registration under the Migrant and Seasonal Agricultural Worker Protection Act, Pub.L.97-470 (29 U.S.C. s.1801 et seq.), or P.L.1971, c.192 (C.34:8A-7 et seq.); or substantially all the members of such crew operate or maintain tractors, mechanized harvesting or cropdusting equipment, or any other mechanized equipment, which is provided by such crew leader; and

(bb) if such individual is not an employee of such other person for whom services were performed.

(iii) For the purposes of subparagraph (I) (i) in the case of any individual who is furnished by a crew leader to perform service in agricultural labor or any other entity and who is not treated as an employee of such crew leader under (I) (ii)

(aa) such other entity and not the crew leader shall be treated as the employer of such individual; and

(bb) such other entity shall be treated as having paid cash remuneration to such individual in an amount equal to the amount of cash remuneration paid to such individual by the crew leader (either on his own behalf or on behalf of such other entity) for the service in agricultural labor performed for such other entity.

(iv) For the purpose of subparagraph (I)(ii), the term "crew leader" means an individual who

(aa) furnishes individuals to perform service in agricultural labor for any other entity;

(bb) pays (either on his own behalf or on behalf of such other entity) the individuals so furnished by him for the service in agricultural labor performed by them; and

(cc) has not entered into a written agreement with such other entity under which such individual is designated as an employee of such other entity.

(J) Domestic service after December 31, 1977 performed in the private home of an employing unit which paid cash remuneration of \$1,000.00 or more to one or more individuals for such domestic service in any calendar quarter in the current or preceding calendar year.

(2) The term "employment" shall include an individual's entire service performed within or both within and without this State if:

(A) The service is localized in this State; or

(B) The service is not localized in any state but some of the service is performed in this State, and (i) the base of operations, or, if there is no base of operations, then the place from which such service is directed or controlled, is in this State; or (ii) the base of operations or place from which such service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this State.

(3) Services performed within this State but not covered under paragraph (2) of this subsection shall be deemed to be employment subject to this chapter (R.S.43:21-1 et seq.) if contributions are not required and paid with respect to such services under an unemployment compensation law of any other state or of the federal government.

(4) Services not covered under paragraph (2) of this subsection and performed entirely without this State, with respect to no part of which contributions are required and paid under an unemployment compensation law of any other state or of the federal government, shall be deemed to be employment subject to this chapter (R.S.43:21-1 et seq.) if the individual performing such services is a resident of this State and the employing unit for whom such services are performed files with the division an election that the entire service of such individual shall be deemed to be employment subject to this chapter (R.S.43:21-1 et seq.).

(5) Service shall be deemed to be localized within a state if:

(A) The service is performed entirely within such state; or

(B) The service is performed both within and without such state, but the service performed without such state is incidental to the individual's service within the state; for example, is temporary or transitory in nature or consists of isolated transactions.

(6) Services performed by an individual for remuneration shall be deemed to be employment subject to this chapter (R.S.43:21-1 et seq.) unless and until it is shown to the satisfaction of the division that:

(A) Such individual has been and will continue to be free from control or direction over the performance of such service, both under his contract of service and in fact; and

(B) Such service is either outside the usual course of the business for which such service is performed, or that such service is performed outside of all the places of business of the enterprise for which such service is performed; and

(C) Such individual is customarily engaged in an independently established trade, occupation, profession or business.

(7) Provided that such services are also exempt under the Federal Unemployment Tax Act, as amended, or that contributions with respect to such services are not required to be paid into a state unemployment fund as a condition for a tax offset credit against the tax imposed by the Federal Unemployment Tax Act, as amended, the term "employment" shall not include:

(A) Agricultural labor performed prior to January 1, 1978; and after December 31, 1977, only if performed in a calendar year for an entity which is not an employer as defined in the "unemployment compensation law," (R.S.43:21-1 et seq.) as of January 1 of such calendar year; or unless performed for an employing unit which

(i) during a calendar quarter in either the current or the preceding calendar year paid remuneration in cash of \$20,000.00 or more to individuals employed in agricultural labor, or

(ii) for some portion of a day in each of 20 different calendar weeks, whether or not such weeks were consecutive, in either the current or the preceding calendar year, employed in agricultural labor 10 or more individuals, regardless of whether they were employed at the same moment in time;

(B) Domestic service in a private home performed prior to January 1, 1978; and after December 31, 1977, unless performed in the private home of an employing unit which paid cash remuneration of \$1,000.00 or more to one or more individuals for such domestic service in any calendar quarter in the current or preceding calendar year;

(C) Service performed by an individual in the employ of his son, daughter or spouse, and service performed by a child under the age of 18 in the employ of his father or mother;

(D) Service performed prior to January 1, 1978, in the employ of this State or of any political subdivision thereof or of any instrumentality of this State or its political subdivisions, except as provided in R.S.43:21-19 (i) (1) (B) above, and service in the employ of the South Jersey Port Corporation or its successors;

(E) Service performed in the employ of any other state or its political subdivisions or of an instrumentality of any other state or states or their political subdivisions to the extent that such instrumentality is with respect to such service exempt under the Constitution of the United States from the tax imposed under the Federal Unemployment Tax Act, as amended, except as provided in R.S.43:21-19 (i) (1) (B) above;

(F) Service performed in the employ of the United States Government or of any instrumentality of the United States except under the Constitution of the United States from the contributions imposed by the "unemployment compensation law," except that to the extent that the Congress of the United States shall permit states to require any instrumentalities of the United States to make payments into an unemployment fund under a state unemployment compensation law, all of the provisions of this act shall be applicable to such instrumentalities, and to service performed for such instrumentalities, in the same manner, to the same extent and on the same terms as to all other employers, employing units, individuals and services; provided that if this State shall not be certified for any year by the Secretary of Labor of the United States under section 3304 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.3304), the payments required of such instrumentalities with respect to such year shall be refunded by the division from the fund in the same manner and within the same period as is provided in R.S.43:21-14 (f) with respect to contributions erroneously paid to or collected by the division;

(G) Services performed in the employ of fraternal beneficiary societies, orders, or associations operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system and providing for the payment of life, sick, accident, or other benefits to the members of such society, order, or association, or their dependents;

(H) Services performed as a member of the board of directors, a board of trustees, a board of managers, or a committee of any bank, building and loan, or savings and loan association, incorporated or organized under the laws of this State or of the United States, where such services do not constitute the principal employment of the individual;

(I) Service with respect to which unemployment insurance is payable under an unemployment insurance program established by an Act of Congress;

(J) Service performed by agents of mutual fund brokers or dealers in the sale of mutual funds or other securities, by agents of insurance companies, exclusive of industrial insurance agents or by agents of investment companies, if the compensation to such agents for such services is wholly on a commission basis;

(K) Services performed by real estate salesmen or brokers who are compensated wholly on a commission basis;

(L) Services performed in the employ of any veterans' organization chartered by Act of Congress or of any auxiliary thereof, no part of the net earnings of which organization, or auxiliary thereof, inures to the benefit of any private shareholder or individual;

(M) Service performed for or in behalf of the owner or operator of any theatre, ballroom, amusement hall or other place of entertainment, not in excess of 10 weeks in any calendar year for the same owner or operator, by any leader or musician of a band or orchestra, commonly called a "name band," entertainer, vaudeville artist, actor, actress, singer or other entertainer;

(N) Services performed after January 1, 1973 by an individual for a labor union organization, known and recognized as a union local, as a member of a committee or committees reimbursed by the union local for time lost from regular employment, or as a part-time officer of a union local and the remuneration for such services is less than \$1,000.00 in a calendar year;

(O) Services performed in the sale or distribution of merchandise by home-to-home salespersons or in-the-home demonstrators whose remuneration consists wholly of commissions or commissions and bonuses;

(P) Service performed in the employ of a foreign government, including service as a consular, nondiplomatic representative, or other officer or employee;

(Q) Service performed in the employ of an instrumentality wholly owned by a foreign government if (i) the service is of a character similar to that performed in foreign countries by employees of the United States Government or of an instrumentality thereof, and (ii) the division finds that the United States Secretary of State has certified to the United States Secretary of the Treasury that the foreign government, with respect to whose instrumentality exemption is claimed, grants an equivalent exemption with respect to similar services performed in the foreign country by employees of the United States Government and of instrumentalities thereof;

(R) Service in the employ of an international organization entitled to enjoy the privileges, exemptions and immunities under the International Organizations Immunities Act (22 U.S.C. s.288 et seq.);

(S) Service covered by an election duly approved by an agency charged with the administration of any other state or federal unemployment compensation or employment security law, in accordance with an arrangement pursuant to R.S.43:21-21 during the effective period of such election;

(T) Service performed in the employ of a school, college, or university if such service is performed (i) by a student enrolled at such school, college, or university on a full-time basis in an educational program or completing such educational program leading to a degree at any of the severally recognized levels, or (ii) by the spouse of such a student, if such spouse is advised at the time such spouse commences to perform such service that (I) the employment of such spouse to perform such service is provided under a program to provide financial assistance to such student by such school,

college, or university, and (II) such employment will not be covered by any program of unemployment insurance;

(U) Service performed by an individual who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on, as a student in a full-time program, taken for credit at such institution, which combines academic instruction with work experience, if such service is an integral part of such program, and such institution has so certified to the employer, except that this subparagraph shall not apply to service performed in a program established for or on behalf of an employer or group of employers;

(V) Service performed in the employ of a hospital, if such service is performed by a patient of the hospital; service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and regularly attending classes in a nurses' training school approved under the laws of this State; and service performed as an intern in the employ of a hospital by an individual who has completed a four-year course in a medical school approved pursuant to the laws of this State;

(W) Services performed after the effective date of this amendatory act by agents of mutual benefit associations if the compensation to such agents for such services is wholly on a commission basis;

(X) Services performed by operators of motor vehicles weighing 18,000 pounds or more, licensed for commercial use and used for the highway movement of motor freight, who own their equipment or who lease or finance the purchase of their equipment through an entity which is not owned or controlled directly or indirectly by the entity for which the services were performed and who were compensated by receiving a percentage of the gross revenue generated by the transportation move or by a schedule of payment based on the distance and weight of the transportation move;

(Y) Services performed by a certified shorthand reporter certified pursuant to P.L. 1940, c. 175 (C.45:15B-1 et seq.), provided to a third party by the reporter who is referred to the third party pursuant to an agreement with another certified shorthand reporter or shorthand reporting service, on a freelance basis, compensation for which is based upon a fee per transcript page, flat attendance fee, or other flat minimum fee, or combination thereof, set forth in the agreement;

(Z) Services performed, using facilities provided by a travel agent, by a person, commonly known as an outside travel agent, who acts as an independent contractor, is paid on a commission basis, sets his own work schedule and receives no benefits, sick leave, vacation or other leave from the travel agent owning the facilities.

(8) If one-half or more of the services in any pay period performed by an individual for an employing unit constitutes employment, all the services of such individual shall be deemed to be employment; but if more than one-half of the service in any pay period performed by an individual for an employing unit does not constitute employment, then none of the service of such individual shall be deemed to be employment. As used in this paragraph, the term "pay period" means a period of not more than 31 consecutive days for which a payment for service is ordinarily made by an employing unit to individuals in its employ.

(9) Services performed by the owner of a limousine franchise (franchisee) shall not be deemed to be employment subject to the "unemployment compensation law," R.S.43:21-1 et seq., with regard to the franchisor if:

(A) The limousine franchisee is incorporated;

(B) The franchisee is subject to regulation by the Interstate Commerce Commission;

(C) The limousine franchise exists pursuant to a written franchise arrangement between the franchisee and the franchisor as defined by section 3 of P.L.1971, c.356 (C.56:10-3); and

(D) The franchisee registers with the Department of Labor and receives an employer registration number.

(j) "Employment office" means a free public employment office, or branch thereof operated by this State or maintained as a part of a State-controlled system of public employment offices.

(k) (Deleted by amendment, P.L.1984, c.24.)

(l) "State" includes, in addition to the states of the United States of America, the District of Columbia, the Virgin Islands and Puerto Rico.

(m) "Unemployment."

(1) An individual shall be deemed "unemployed" for any week during which:

(A) The individual is not engaged in full-time work and with respect to which his remuneration is less than his weekly benefit rate, including any week during which he is on vacation without pay; provided such vacation is not the result of the individual's voluntary action, except that for benefit years commencing on or after July 1, 1984, an officer of a corporation, or a person who has more than a 5% equitable or debt interest in the corporation, whose claim for benefits is based on wages with that corporation shall not be deemed to be unemployed in any week during the individual's term of office or ownership in the corporation; or

(B) The individual is eligible for and receiving a self-employment assistance allowance pursuant to the requirements of P.L.1995, c.394 (C.43:21-67 et al.).

(2) The term "remuneration" with respect to any individual for benefit years commencing on or after July 1, 1961, and as used in this subsection, shall include only that part of the same which in any week exceeds 20% of

his weekly benefit rate (fractional parts of a dollar omitted) or \$5.00, whichever is the larger.

(3) An individual's week of unemployment shall be deemed to commence only after the individual has filed a claim at an unemployment insurance claims office, except as the division may by regulation otherwise prescribe.

(n) "Unemployment compensation administration fund" means the unemployment compensation administration fund established by this chapter (R.S.43:21-1 et seq.), from which administrative expenses under this chapter (R.S.43:21-1 et seq.) shall be paid.

(o) "Wages" means remuneration paid by employers for employment. If a worker receives gratuities regularly in the course of his employment from other than his employer, his "wages" shall also include the gratuities so received, if reported in writing to his employer in accordance with regulations of the division, and if not so reported, his "wages" shall be determined in accordance with the minimum wage rates prescribed under any labor law or regulation of this State or of the United States, or the amount of remuneration actually received by the employee from his employer, whichever is the higher.

(p) "Remuneration" means all compensation for personal services, including commission and bonuses and the cash value of all compensation in any medium other than cash.

(q) "Week" means for benefit years commencing on or after October 1, 1984, the calendar week ending at midnight Saturday, or as the division may by regulation prescribe.

(r) "Calendar quarter" means the period of three consecutive calendar months ending March 31, June 30, September 30, or December 31.

(s) "Investment company" means any company as defined in subsection a. of section 1 of P.L.1938, c.322 (C.17:16A-1).

(t) (1) (Deleted by amendment, P.L.2001, c.17).

(2) "Base week," commencing on or after January 1, 1996 and before January 1 2001, means:

(A) Any calendar week during which the individual earned in employment from an employer remuneration not less than an amount which is 20% of the Statewide average weekly remuneration defined in subsection (c) of R.S.43:21-3 which amount shall be adjusted to the next higher multiple of \$1.00 if not already a multiple thereof, except that if in any calendar week an individual subject to this subparagraph (A) is in employment with more than one employer, the individual may in that calendar week establish a base week with respect to each of the employers from whom the individual earns remuneration equal to not less than the amount defined in this subparagraph (A) during that week; or

(B) If the individual does not establish in his base year 20 or more base weeks as defined in subparagraph (A) of this paragraph (2), any calendar week of an individual's base year during which the individual earned in employment from an employer remuneration not less than an amount 20 times the minimum wage in effect pursuant to section 5 of P.L.1966, c.113 (C.34:11-56a4) on October 1 of the calendar year preceding the calendar year in which the benefit year commences, which amount shall be adjusted to the next higher multiple of \$1.00 if not already a multiple thereof, except that if in any calendar week an individual subject to this subparagraph (B) is in employment with more than one employer, the individual may in that calendar week establish a base week with respect to each of the employers from whom the individual earns remuneration not less than the amount defined in this subparagraph (B) during that week.

(3) "Base week," commencing on or after January 1, 2001, means any calendar week during which the individual earned in employment from an employer remuneration not less than an amount 20 times the minimum wage in effect pursuant to section 5 of P.L.1966, c.113 (C.34:11-56a4) on October 1 of the calendar year preceding the calendar year in which the benefit year commences, which amount shall be adjusted to the next higher multiple of \$1.00 if not already a multiple thereof, except that if in any calendar week an individual subject to this paragraph (3) is in employment with more than one employer, the individual may in that calendar week establish a base week with respect to each of the employers from whom the individual earns remuneration equal to not less than the amount defined in this paragraph (3) during that week.

(u) "Average weekly wage" means the amount derived by dividing an individual's total wages received during his base year base weeks (as defined in subsection (t) of this section) from that most recent base year employer with whom he has established at least 20 base weeks, by the number of base weeks in which such wages were earned. In the event that such claimant had no employer in his base year with whom he had established at least 20 base weeks, then such individual's average weekly wage shall be computed as if all of his base week wages were received from one employer and as if all his base weeks of employment had been performed in the employ of one employer.

For the purpose of computing the average weekly wage, the monetary alternative in subparagraph (B) of paragraph (2) of subsection (e) of R.S.43:21-4 shall only apply in those instances where the individual did not have at least 20 base weeks in the base year. For benefit years commencing on or after July 1, 1986, "average weekly wage" means the amount derived by dividing an individual's total base year wages by the number of base weeks worked by the individual during the base year; provided that for the

purpose of computing the average weekly wage, the maximum number of base weeks used in the divisor shall be 52.

(v) "Initial determination" means, subject to the provisions of R.S.43:21-6(b)(2) and (3), a determination of benefit rights as measured by an eligible individual's base year employment with a single employer covering all periods of employment with that employer during the base year. For benefit years commencing prior to July 1, 1986, subject to the provisions of R.S.43:21-3(d)(3), if an individual has been in employment in his base year with more than one employer, no benefits shall be paid to that individual under any successive initial determination until his benefit rights have been exhausted under the next preceding initial determination.

(w) "Last date of employment" means the last calendar day in the base year of an individual on which he performed services in employment for a given employer.

(x) "Most recent base year employer" means that employer with whom the individual most recently, in point of time, performed service in employment in the base year.

(y) (1) "Educational institution" means any public or other nonprofit institution (including an institution of higher education):

(A) In which participants, trainees, or students are offered an organized course of study or training designed to transfer to them knowledge, skills, information, doctrines, attitudes or abilities from, by or under the guidance of an instructor or teacher;

(B) Which is approved, licensed or issued a permit to operate as a school by the State Department of Education or other government agency that is authorized within the State to approve, license or issue a permit for the operation of a school; and

(C) Which offers courses of study or training which may be academic, technical, trade, or preparation for gainful employment in a recognized occupation.

(2) "Institution of higher education" means an educational institution which:

(A) Admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(B) Is legally authorized in this State to provide a program of education beyond high school;

(C) Provides an educational program for which it awards a bachelor's or higher degree, or provides a program which is acceptable for full credit toward such a degree, a program of post-graduate or post-doctoral studies, or a program of training to prepare students for gainful employment in a recognized occupation; and

(D) Is a public or other nonprofit institution.

Notwithstanding any of the foregoing provisions of this subsection, all colleges and universities in this State are institutions of higher education for purposes of this section.

(z) "Hospital" means an institution which has been licensed, certified or approved under the law of this State as a hospital.

3. Section 3 of P.L.1948, c.110 (C.43:21-27) is amended to read as follows:

C.43:21-27 Definitions.

3. As used in this act, unless the context clearly requires otherwise:

(a)(1) "Covered employer" means any individual or type of organization, including any partnership, association, trust, estate, joint-stock company, insurance company or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee or successor thereof, or the legal representative of a deceased person, who is an employer subject to the chapter to which this act is a supplement, designated as the "unemployment compensation law" (R.S. 43:21-1 et seq.), except the State, its political subdivisions, and any instrumentality of the State unless such governmental entity elects to become a covered employer under the "Temporary Disability Benefits Law"; provided, however, that commencing with the effective date of this act the State of New Jersey, including Rutgers, The State University, the University of Medicine and Dentistry of New Jersey and the New Jersey Institute of Technology, shall be deemed a covered employer, as defined herein.

(2) Any governmental entity or instrumentality which is an employer under R.S. 43:21-19(h)(5) may elect to become a "covered employer" under this subsection beginning with the date on which its coverage under subsection 19(h)(5) begins or as of January 1 of any year thereafter by filing written notice of such election with the division within at least 30 days of the effective date. Such election shall remain in effect for at least two full calendar years and may be terminated as of January 1 of any year thereafter by filing with the division a written notice of termination at least 30 days prior to the termination date.

(b) "Covered individual" means any person who is in employment, as defined in the chapter to which this act is a supplement, for which the individual is entitled to remuneration from a covered employer, or who has been out of such employment for less than two weeks. However, a "covered individual" who is employed by the State of New Jersey, including Rutgers, The State University, the University of Medicine and Dentistry of New Jersey and the New Jersey Institute of Technology, or by any governmental entity or instrumentality which elects to become a "covered employer" pursuant to this amendatory act, shall not be eligible to receive any benefits under the "Temporary Disability Benefits Law" until such individual has exhausted all

sick leave accumulated as an employee in the classified service of the State or accumulated under terms and conditions similar to classified employees or accumulated under the terms and conditions pursuant to the laws of this State or as the result of a negotiated contract with any governmental entity or instrumentality which elects to become a "covered employer."

"Covered individual" shall not mean any member of the Division of State Police in the Department of Law and Public Safety.

(c) "Division" or "commission" means the Division of Unemployment and Temporary Disability Insurance of the Department of Labor, and any transaction or exercise of authority by the director of the division shall be deemed to be performed by the division.

(d) "Day" shall mean a full calendar day beginning and ending at midnight.

(e) "Disability" shall mean such disability as is compensable under section 5 of this act.

(f) "Disability benefits" shall mean any cash payments which are payable to a covered individual pursuant to this act.

(g) "Period of disability" with respect to any individual shall mean the entire period of time during which the individual is continuously and totally unable to perform the duties of his employment, except that two periods of disability due to the same or related cause or condition and separated by a period of not more than 14 days shall be considered as one continuous period of disability; provided the individual has earned wages during such 14-day period with the employer who was the individual's last employer immediately preceding the first period of disability.

(h) "Wages" shall mean all compensation payable by covered employers to covered individuals for personal services, including commissions and bonuses and the cash value of all compensation payable in any medium other than cash.

(i)(1) (Deleted by amendment, P.L.2001, c.17).

(2) (Deleted by amendment, P.L.2001, c.17).

(3) "Base week" with respect to periods of disability commencing on or after October 1, 1985 and before January 1, 2001, means any calendar week during which an individual earned in employment from a covered employer remuneration equal to not less than 20% of the Statewide average weekly remuneration as determined under subsection (c) of R.S.43:21-3, which shall be adjusted to the next higher multiple of \$1.00 if not already a multiple thereof.

(4) "Base week" with respect to periods of disability commencing on or after January 1, 2001, means any calendar week of an individual's base year during which the individual earned in employment from a covered employer remuneration not less than an amount 20 times the minimum

wage in effect pursuant to section 5 of P.L.1966, c.113 (C.34:11-56a4) on October 1 of the calendar year preceding the calendar year in which the benefit year commences, which amount shall be adjusted to the next higher multiple of \$1.00 if not already a multiple thereof, except that if in any calendar week an individual subject to this paragraph is in employment with more than one employer, the individual may in that calendar week establish a base week with respect to each of the employers from whom the individual earns remuneration equal to not less than the amount defined in this paragraph during that week.

(j) "Average weekly wage" means the amount derived by dividing a covered individual's total wages earned from the individual's most recent covered employer during the base weeks in the eight calendar weeks immediately preceding the calendar week in which disability commenced, by the number of such base weeks. If this computation yields a result which is less than the individual's average weekly earnings in employment, as defined in the chapter to which this act is a supplement, with all covered employers during the base weeks in such eight calendar weeks, then the average weekly wage shall be computed on the basis of earnings from all covered employers during the eight base weeks immediately preceding the week in which the disability commenced.

4. Section 17 of P.L.1948, c.110 (C.43:21-41) is amended to read as follows:

C.43:21-41 Entitlement for disability benefits.

17. (a) (Deleted by amendment, P.L.1975, c.355.)

(b) (Deleted by amendment, P.L.2001, c.17).

(c) (Deleted by amendment, P.L.2001, c.17).

(d) (1) With respect to periods of disability commencing on or after October 1, 1984 and before January 1, 2001, no individual shall be entitled to benefits under this act unless the individual has established at least 20 base weeks within the 52 calendar weeks preceding the week in which the individual's period of disability commenced, or, in the alternative, the individual has earned twelve times the Statewide average weekly remuneration paid to workers, as determined under subsection (c) of R.S. 43:21-3, raised to the next higher multiple of \$100.00, if not already a multiple thereof, or more within the 52 calendar weeks preceding the week in which the period of disability commenced, nor shall the individual be entitled to benefits unless he shall duly file notice and proof of claim, and submit to such reasonable examinations as are required by this act and the rules and regulations of the division.

(2) With respect to periods of disability commencing on or after January 1, 2001, no individual shall be entitled to benefits under this act unless the individual has, within the 52 calendar weeks preceding the week in which the individual's period of disability commenced, established at least 20 base weeks or earned not less than 1,000 times the minimum wage in effect pursuant to section 5 of P.L.1996, c.113 (C.34:11-56a4) on October 1 of the calendar year preceding the calendar year in which the disability commences, which amount shall be adjusted to the next higher multiple of \$100.00, if not already a multiple thereof.

5. This act shall take effect immediately.

Approved January 29, 2001.

CHAPTER 18

AN ACT concerning exemption from property taxation and amending R.S.54:4-3.6.

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

1. R.S.54:4-3.6 is amended to read as follows:

Tax exempt property.

54:4-3.6. The following property shall be exempt from taxation under this chapter: all buildings actually used for colleges, schools, academies or seminaries, provided that if any portion of such buildings are leased to profit-making organizations or otherwise used for purposes which are not themselves exempt from taxation, said portion shall be subject to taxation and the remaining portion only shall be exempt; all buildings actually used for historical societies, associations or exhibitions, when owned by the State, county or any political subdivision thereof or when located on land owned by an educational institution which derives its primary support from State revenue; all buildings actually and exclusively used for public libraries, asylum or schools for feebleminded or idiotic persons and children; all buildings used exclusively by any association or corporation formed for the purpose and actually engaged in the work of preventing cruelty to animals; all buildings actually and exclusively used and owned by volunteer first-aid squads, which squads are or shall be incorporated as associations not for pecuniary profit; all buildings actually used in the work

of associations and corporations organized exclusively for the moral and mental improvement of men, women and children, provided that if any portion of a building used for that purpose is leased to profit-making organizations or is otherwise used for purposes which are not themselves exempt from taxation, that portion shall be subject to taxation and the remaining portion only shall be exempt; all buildings actually used in the work of associations and corporations organized exclusively for religious purposes, including religious worship, or charitable purposes, provided that if any portion of a building used for that purpose is leased to a profit-making organization or is otherwise used for purposes which are not themselves exempt from taxation, that portion shall be subject to taxation and the remaining portion shall be exempt from taxation, and provided further that if any portion of a building is used for a different exempt use by an exempt entity, that portion shall also be exempt from taxation; all buildings actually used in the work of associations and corporations organized exclusively for hospital purposes, provided that if any portion of a building used for hospital purposes is leased to profit-making organizations or otherwise used for purposes which are not themselves exempt from taxation, that portion shall be subject to taxation and the remaining portion only shall be exempt; all buildings owned or held by an association or corporation created for the purpose of holding the title to such buildings as are actually and exclusively used in the work of two or more associations or corporations organized exclusively for the moral and mental improvement of men, women and children; all buildings owned by a corporation created under or otherwise subject to the provisions of Title 15 of the Revised Statutes or Title 15A of the New Jersey Statutes and actually and exclusively used in the work of one or more associations or corporations organized exclusively for charitable or religious purposes, which associations or corporations may or may not pay rent for the use of the premises or the portions of the premises used by them; the buildings, not exceeding two, actually occupied as a parsonage by the officiating clergymen of any religious corporation of this State, together with the accessory buildings located on the same premises; the land whereon any of the buildings hereinbefore mentioned are erected, and which may be necessary for the fair enjoyment thereof, and which is devoted to the purposes above mentioned and to no other purpose and does not exceed five acres in extent; the furniture and personal property in said buildings if used in and devoted to the purposes above mentioned; all property owned and used by any nonprofit corporation in connection with its curriculum, work, care, treatment and study of feebleminded, mentally retarded, or idiotic men, women, or children shall also be exempt from taxation, provided that such corporation conducts and maintains research or professional training facilities for the care and training of feebleminded,

mentally retarded, or idiotic men, women, or children; provided, in case of all the foregoing, the buildings, or the lands on which they stand, or the associations, corporations or institutions using and occupying them as aforesaid, are not conducted for profit, except that the exemption of the buildings and lands used for charitable, benevolent or religious purposes shall extend to cases where the charitable, benevolent or religious work therein carried on is supported partly by fees and charges received from or on behalf of beneficiaries using or occupying the buildings; provided the building is wholly controlled by and the entire income therefrom is used for said charitable, benevolent or religious purposes. The foregoing exemption shall apply only where the association, corporation or institution claiming the exemption owns the property in question and is incorporated or organized under the laws of this State and authorized to carry out the purposes on account of which the exemption is claimed or where an educational institution, as provided herein, has leased said property to a historical society or association or to a corporation organized for such purposes and created under or otherwise subject to the provisions of Title 15 of the Revised Statutes or Title 15A of the New Jersey Statutes.

As used in this section "hospital purposes" includes health care facilities for the elderly, such as nursing homes; residential health care facilities; assisted living residences; facilities with a Class C license pursuant to P.L.1979, c.496 (C.55:13B-1 et al.), the "Rooming and Boarding House Act of 1979"; similar facilities that provide medical, nursing or personal care services to their residents; and that portion of the central administrative or service facility of a continuing care retirement community that is reasonably allocable as a health care facility for the elderly.

2. This act shall take effect immediately and section 1 shall be retroactive to September 30, 1999.

Approved January 29, 2001.

CHAPTER 19

AN ACT clarifying the zoning classification of certain drug treatment facilities and supplementing P.L.1975, c.291 (C.40:55D-1 et seq.).

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

C.40:55D-66.10 Methadone clinic deemed business for zoning purposes.

1. For the purposes of any zoning ordinance adopted by any municipality in the State pursuant to section 49 of P.L.1975, c.291 (C.40:55D-62), a municipality may provide within the ordinance that a facility offering outpatient methadone maintenance services, hereinafter referred to as a "methadone clinic," shall be deemed to be a 'business' or commercial operation or functional equivalent thereof and shall not be construed, for zoning purposes, as ancillary or adjunct to a doctor's professional office. When a municipality has adopted such an ordinance, the siting of a methadone clinic within a municipality shall be limited to zones designated for business or commercial use.

2. This act shall take effect immediately.

Approved January 30, 2001.

CHAPTER 20

AN ACT concerning candidates for the office of Governor and supplementing P.L.1974, c.26 (C.19:44A-27 et seq.)

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

C.19:44A-27.1 Ineligibility of certain gubernatorial candidates for public financing.

1. Whenever an individual who formed, assisted in the formation of, or was involved in any way in the management of:

an issue advocacy organization organized under section 527 of the federal Internal Revenue Code (26 U.S.C. s.527);

an organization organized under paragraph (4) of subsection c. of section 501 of the federal Internal Revenue Code (26 U.S.C. s.501); or

an organization organized under any other current or future section of the federal Internal Revenue Code which the Election Law Enforcement Commission determines is similar to any of the organizations described above;

becomes a candidate for the office of Governor, that candidate shall be ineligible to receive public financing for the candidate's campaign, pursuant to P.L.1974, c.26 (C.19:44A-27 et seq.), unless the organization agrees to disclose the name of each of its contributors and the amount of each contribution and expenditure from the date occurring four years prior to the date the individual becomes a candidate for the office of Governor through the date that the candidate ceases to be a candidate.

C.19:44A-27.2 Rules, regulations concerning disclosures and organizations.

2. The Election Law Enforcement Commission shall adopt rules and regulations: a. to enable an organization described in section 1 of P.L.2001, c.20 (C.19:44A-27.1) to make the required disclosures; and b. to determine, pursuant to section 1 of P.L.2001, c.20 (C.19:44A-27.1), which organizations organized under any other current or future section of the federal Internal Revenue Code are similar to those specifically described in section 1.

3. This act shall take effect immediately.

Approved January 30, 2001.

CHAPTER 21

AN ACT concerning qualified journeymen electricians, amending P.L.1972, c.108 and amending and supplementing P.L.1962, c.162.

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

1. Section 1 of P.L.1972, c.108 (C.45:1-7) is amended to read as follows:

C.45:1-7 Issuance of certain licenses or certificates of registration.

1. Notwithstanding any of the provisions of Title 45 of the Revised Statutes or of any other law to the contrary, all professional or occupational licenses or certificates of registration, except such licenses or certificates issued to real estate brokers or salesmen pursuant to chapter 15 of Title 45, which prior to the effective date of this act were issued for periods not exceeding one year and were annually renewable, shall, on and after the effective date of this act, be issued for periods of two years and be biennially renewable, except that licenses and business permits issued to electrical contractors and certificates of registration issued to qualified journeymen electricians pursuant to chapter 5A of Title 45 shall be issued for periods of three years and be triennially renewable; provided, however, the boards or commissions in charge of the issuance or renewal of such licenses or certificates may, in order to stagger the expiration dates thereof, provide that those first issued or renewed after the effective date of this act, shall expire and become void on a date fixed by the respective boards or commissions, not sooner than six months nor later than 29 months, after the date of issue.

The fees for the respective licenses and certificates of registration issued pursuant to this act for periods of less or greater than one year shall be in amounts proportionately less or greater than the fees established by law.

2. Section 2 of P.L.1962, c.162 (C.45:5A-2) is amended to read as follows:

C.45:5A-2 Definitions.

2. For the purpose of this act, unless otherwise indicated by the context:

(a) "Act" means this act, P.L.1962, c.162 (C.45:5A-1 et seq.) and the rules and regulations adopted under it;

(b) "Board" means the Board of Examiners of Electrical Contractors created by section 3 of this act;

(c) "Department" means the Department of Law and Public Safety;

(d) "Electrical contractor" means a person who engages in the business of contracting to install, erect, repair or alter electrical equipment for the generation, transmission or utilization of electrical energy;

(e) "Person" means a person, firm, corporation or other legal entity;

(f) "Alarm business" means the installation, servicing or maintenance of burglar alarm, fire alarm or electronic security systems, or the monitoring or responding to alarm signals when provided in conjunction therewith. "Installation," as used in this definition, includes the survey of a premises, the design and preparation of the specifications for the equipment or system to be installed pursuant to a survey, the installation of the equipment or system, or the demonstration of the equipment or system after the installation is completed, but does not include any survey, design or preparation of specifications for equipment or for a system that is prepared by an engineer licensed pursuant to the provisions of P.L.1938, c.342 (C.45:8-27 et seq.), or an architect licensed pursuant to the provisions of chapter 3 of Title 45 of the Revised Statutes, if the survey, design, or preparation of specifications is part of a design for construction of a new building or premises or a renovation of an existing building or premises, which renovation includes components other than the installation of a burglar alarm, fire alarm or electronic security system, and further does not include the design or preparation of specifications for the equipment or system to be installed that are within the practice of professional engineering as defined in subsection (b) of section 2 of P.L.1938, c.342 (C.45:8-28);

(g) "Burglar alarm" means a security system comprised of an interconnected series of alarm devices or components, including systems interconnected with radio frequency signals, which emits an audible, visual or electronic signal indicating an alarm condition and providing a warning of intrusion, which is designed to discourage crime;

(h) "Business firm" means a partnership, corporation or other business entity engaged in the alarm business or locksmithing services;

(i) "Committee" means the Fire Alarm, Burglar Alarm, and Locksmith Advisory Committee created by section 3 of P.L.1997, c.305 (C.45:5A-23);

(j) "Electronic security system" means a security system comprised of an interconnected series of devices or components, including systems with audio and video signals or other electronic systems, which emits or transmits an audible, visual or electronic signal warning of intrusion and provides notification of authorized entry or exit, which is designed to discourage crime;

(k) "Fire alarm" means a security system comprised of an interconnected series of alarm devices or components, including systems interconnected with radio frequency signals, which emits an audible, visual or electronic signal indicating an alarm condition and which provides a warning of the presence of smoke or fire. "Fire alarm" does not mean a system whose primary purpose is telecommunications with energy control, the monitoring of the interior environment being an incidental feature thereto;

(l) "Licensed locksmith" means a person who is licensed pursuant to the provisions of section 7 of P.L.1997, c.305 (C.45:5A-27);

(m) "Licensee" means a person licensed to engage in the alarm business or provide locksmithing services pursuant to the provisions of section 7 of P.L.1997, c.305 (C.45:5A-27);

(n) "Locksmithing services" means the modification, recombination, repair or installation of mechanical locking devices and electronic security systems for any type of compensation and includes the following: repairing, rebuilding, recoding, servicing, adjusting, installing, manipulating or bypassing of a mechanical or electronic locking device, for controlled access or egress to premises, vehicles, safes, vaults, safe doors, lock boxes, automatic teller machines or other devices for safeguarding areas where access is meant to be limited; operating a mechanical or electronic locking device, safe or vault by means other than those intended by the manufacturer of such locking devices, safes or vaults; or consulting and providing technical advice regarding selection of hardware and locking systems of mechanical or electronic locking devices and electronic security systems; except that "locksmithing services" shall not include the installation of a prefabricated lock set and door knob into a door of a residence;

(o) "Qualified journeyman electrician" means a person registered pursuant to P.L.1962, c.162 (C.45:5A-1 et seq.) or P.L.2001, c.21 (C.45:5A-11.1 et al.), as a qualified journeyman electrician by the board.

C.45:5A-11.1 Registration as qualified journeyman electrician.

3. The board shall register as a qualified journeyman electrician an applicant who:

- a. Holds a current valid license to practice electrical contracting by the board; or
- b. Has acquired sufficient practical experience working with tools in the installation, alteration or repair of wiring for electric light, heat or power, as determined by the board, and has successfully completed an appropriate number of classroom hours of related instruction, as determined by the board, which requirement of practical experience shall not include time spent in supervising, engineering, estimating and other managerial tasks; or
- c. Has demonstrated to the satisfaction of the board that he has met the requirements of subsection b. of this section through alternative means.

C.45:5A-11.2 Application for registration as qualified journeyman electrician.

4. On and after the effective date of P.L.2001, c.21 (C.45:5A-11.1 et al.), any person desiring to register as a qualified journeyman electrician shall make application to the board to be so registered and shall pay all the fees required in connection therewith, which fees shall be established, prescribed or changed by the board to the extent necessary to defray all proper expenses incurred by the board to administer the provisions of this act. Fees shall not be fixed at a level, however, that will raise amounts in excess of the amount estimated to be so required.

C.45:5A-11.3 Register of applications.

5. The board shall keep a register of all applications by individuals registering as qualified journeymen electricians, which register shall include the following information: name, address, telephone number, the age of the applicant; the date of the application; the place of business of the applicant; whether the applicant was accepted or rejected, and in the case of a rejection, the reasons for that action; the registration number, if issued; the date of action of the board; and any other information the board deems necessary.

C.45:5A-11.4 Continuing education required for license renewal.

6. a. The board shall require each qualified journeyman electrician, other than a qualified journeyman electrician licensed to practice electrical contracting issued by the board, as a condition for triennial license renewal pursuant to section 1 of P.L.1972, c.108 (C.45:1-7), to complete a 10-hour course of study relating to the most recent edition of the National Electrical Code.

b. The board shall approve all programs of education for the 10-hour course of study established pursuant to subsection a. of this section and the instructors for those courses.

C.45:5A-11.5 Waiver of continuing education requirements.

7. The board may, in its discretion, waive requirements for continuing education under this act on an individual basis for reasons of hardship such

as illness or disability, retirement of the certificate of registration or other good cause.

C.45:5A-11.6 Renewal cycle for registration.

8. Notwithstanding any other law, rule or regulation to the contrary, the renewal cycle for registration as a qualified journeyman electrician shall be the same as that for licensed electrical contractors.

9. A qualified journeyman electrician identification card issued by the board pursuant to N.J.A.C.13:31-1.9 before the effective date of P.L.2001, c.21 (C.45:5A-11.1 et al.) shall be valid for a period of one year following that date.

10. This act shall take effect on the 90th day following enactment, except that the Board of Examiners of Electrical Contractors may, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate regulations necessary to effectuate the provisions of this act during the 90 days.

Approved February 2, 2001.

CHAPTER 22

AN ACT concerning financial assistance for underground storage tanks, and amending P.L.1997, c.235.

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

1. Section 5 of P.L.1997, c.235 (C.58:10A-37.5) is amended to read as follows:

C.58:10A-37.5 Awarding of financial assistance.

5. a. The authority may award financial assistance from the fund to an eligible owner or operator in the form of a loan or a conditional hardship grant as provided in this section. An award of financial assistance, either as a loan or a grant, or a combination of both, may, upon application therefor, be for 100% of the eligible project costs. However, a loan that any applicant may receive from the fund for an upgrade, remediation, or closure, or any combination thereof, for any one facility, may not exceed \$1,000,000 and a grant that any applicant may receive from the fund for any one facility, may not exceed \$250,000. The total amount of financial assistance awarded as grants in any one year may not exceed one third of the total

amount of financial assistance awarded in that year except that this limitation upon the award of grants shall not apply to financial assistance awarded between January 1, 1999 and March 31, 2004.

b. A public entity applying for financial assistance from the fund may only be awarded financial assistance in the form of an interest free loan.

c. An applicant, other than a public entity, may apply for and receive a conditional hardship grant as provided in paragraph (1) of this subsection, or a loan for an upgrade, closure, or remediation as provided in paragraph (2) of this subsection. Financial assistance awarded an applicant pursuant to this subsection may consist entirely of a conditional hardship grant, a loan for an upgrade, or loan for a closure, or a loan for a remediation, or any combination thereof, except that the total amount of the award of financial assistance shall be subject to the per facility dollar limitation enumerated in subsection a. of this section. Notwithstanding any other provision of this subsection to the contrary, no tax exempt, nonprofit organization, corporation, or association shall be awarded a conditional hardship grant pursuant to paragraph (1) of this subsection.

(1) A conditional hardship grant for eligible project costs of an upgrade, closure or remediation shall be awarded by the authority based upon a finding of eligibility and financial hardship and upon a finding that the applicant meets the criteria set forth in this act.

In order to be eligible for a conditional hardship grant, the applicant shall have owned or operated the subject petroleum underground storage tank as of December 1, 1996 and continually thereafter or shall have inherited the property from a person who owned the petroleum underground storage tank as of that date. No applicant shall be eligible for a conditional hardship grant if the applicant has a taxable income of more than \$100,000 or a net worth, exclusive of the applicant's primary residence, of over \$100,000.

A finding of financial hardship by the authority shall be based upon a determination that an applicant cannot reasonably be expected to repay all or a portion of the eligible project costs if the financial assistance were to be awarded as a loan. The amount of an award of a conditional hardship grant shall be the amount of that portion of the eligible project costs the authority determines the applicant cannot reasonably be expected to repay.

In making a finding of financial hardship for an application for the upgrade, closure, or remediation of a petroleum underground storage tank, where the petroleum underground storage tank is a part of the business property of the owner, the authority shall base its finding upon the cash flow of the applicant's business, whether or not any part of the applicant's business is related to the ownership or operation of that petroleum underground storage tank. In making a finding of financial hardship for an application for the upgrade or remediation of a petroleum underground storage tank, where the

petroleum underground storage tank is not a part of the business property of the owner, the authority shall base its finding upon the applicant's taxable income in the year prior to the date of the application being submitted.

If the authority awards a conditional hardship grant in combination with a loan pursuant to this subsection, the authority shall release to the applicant the loan monies prior to the release of the conditional hardship grant monies.

Conditional hardship grants awarded to an applicant shall be subject to the lien provisions enumerated in section 16 of P.L.1997, c.235 (C.58:10A-37.16).

(2) A loan to an eligible owner or operator for the eligible project costs of an upgrade, closure, or remediation shall be awarded by the authority only upon a finding that the applicant other than a public entity is able to repay the amount of the loan.

In making a finding of an applicant's ability to repay a loan for the upgrade, closure, and remediation of a regulated tank, or for the remediation of a discharge from a petroleum underground storage tank, the authority shall base its finding, as applicable, upon the cash flow of the applicant's business, the applicant's taxable income and the applicant's personal and business assets, except that the authority may not consider the applicant's primary residence as collateral, except that the authority may consider the applicant's primary residence as collateral with the permission of the applicant or where the subject petroleum underground storage tank or regulated tank is located at the primary residence.

d. The authority shall, where applicable, require an applicant applying for financial assistance from the fund to submit to the authority the financial statements of the applicant's business for three years prior to the date of the application, the most recent interim financial statement for the year of the application, the applicant's federal income tax returns, or other relevant documentation.

e. Nothing in this section is intended to alter the priority or criteria for awarding financial assistance established pursuant to section 4 of P.L.1997, c.235 (C.58:10A-37.4).

f. An eligible owner or operator may only be awarded that amount of financial assistance issued as a loan for which the applicant demonstrates he could not qualify for and obtain as a commercial loan. The provisions of this subsection shall not apply to an owner or operator of petroleum underground storage tank used to store heating oil for onsite consumption in a residential building.

2. Section 7 of P.L.1997, c.235 (C.58:10A-37.7) is amended to read as follows:

C.58:10A-37.7 Conditions for awarding financial assistance.

7. a. The authority shall award financial assistance to an owner or operator of a facility only if the facility is properly registered with the department

pursuant to section 3 of P.L.1986, c.102 (C.58:10A-23), where applicable, and if all fees or penalties due and payable on the facility to the department pursuant to P.L.1986, c.102 have either been paid or the nature or the amount of the fee or penalty is being contested in accordance with law.

b. The authority may deny an application for financial assistance, and any award of financial assistance may be recoverable by the authority, upon a finding that:

(1) in the case of financial assistance awarded for a remediation, the discharge was proximately caused by the applicant's knowing conduct;

(2) in the case of financial assistance awarded for a remediation, the discharge was proximately caused or exacerbated by knowing conduct by the applicant with regard to any lawful requirement applicable to petroleum underground storage tanks intended to prevent, or to facilitate the early detection of, the discharge;

(3) the applicant failed to commence or complete a remediation, closure, or an upgrade for which an award of financial assistance was made within the time required by the department in accordance with the applicable rules and regulations, within the time prescribed in an administrative order, an administrative consent agreement, a memorandum of agreement, or a court order; or

(4) the applicant provided false information or withheld information on a loan or grant application, or other relevant information required to be submitted to the authority, on any matter that would otherwise render the applicant ineligible for financial assistance from the fund, that would alter the priority of the applicant to receive financial assistance from the fund, that resulted in the applicant receiving a larger grant or loan award than the applicant would otherwise be eligible, or that resulted in payments from the fund in excess of the actual eligible project costs incurred by the applicant or the amount to which the applicant is legally eligible.

Nothing in this subsection shall be construed to require the authority to undertake an investigation or make any findings concerning the conduct described in this subsection.

c. An application for financial assistance from the fund for an upgrade or closure of a regulated tank shall include all regulated tanks at the facility for which the applicant is seeking financial assistance. Once financial assistance for an upgrade, closure or a remediation is awarded for a facility, no additional award of financial assistance may be made for that facility. However, if an applicant discovers while performing upgrade or closure activities that a remediation is necessary at the site of a facility, and if financial assistance was previously awarded for that site only for an upgrade or closure of a regulated tank, the applicant may amend his application and apply for financial assistance for the required remediation subject to the limitations enumerated in section 5 of this act. An application for financial

assistance for an upgrade or closure of a regulated tank shall be conditioned upon the applicant agreeing to perform, at the time of the upgrade or closure, any remediation necessary as a result of a discharge from the regulated tank and commencement of the remediation within the time prescribed and in accordance with the rules and regulations of the department.

d. Except as provided below, no financial assistance for upgrade or closure shall be awarded for any regulated tank required to meet the upgrade or closure requirements pursuant to 42 U.S.C. s.6991 et seq. or P.L.1986, c.102 (C.58:10A-21 et seq.), or for the remediation of a discharge from any such regulated tank except as provided in subsection c. of this section, unless the application is filed with the authority prior to January 1, 1999 and the application is complete and the application fee is received by August 1, 1999. No financial assistance for upgrade or closure shall be awarded for any underground storage tank with a capacity of over 2,000 gallons used to store heating oil for onsite consumption in a nonresidential building required to be upgraded pursuant to P.L.1986, c.102 (C.58:10A-21 et seq.) but not pursuant to 42 U.S.C. s.6991 et seq. or for the remediation of a discharge from any such regulated tank except as provided in subsection c. of this section, unless the application is filed with the authority prior to August 31, 1999 and the application is complete and the application fee is received by March 31, 2000.

e. The date of occurrence of a discharge shall not affect eligibility for financial assistance from the fund. Except for a preliminary assessment or a site investigation performed after the effective date of P.L.1997, c.235 (C.58:10A-37.1 et seq.), and except as provided in subsections g. and h. of this section, no award of financial assistance shall be made from the fund for the otherwise eligible project costs of a remediation, closure, or an upgrade, or parts thereof, completed prior to an award of financial assistance from the fund.

f. No financial assistance may be awarded from the fund for the remediation of a discharge from a petroleum underground storage tank if financial assistance from the Hazardous Discharge Site Remediation Fund established pursuant to section 26 of P.L.1993, c.139 (C.58:10B-4) has previously been made for a remediation at that site as a result of a discharge from that petroleum underground storage tank. No financial assistance may be awarded from the fund for the remediation of a discharge from a petroleum underground storage tank if the discharge began subsequent to the completion of an upgrade of that petroleum underground storage tank, which upgrade was intended to meet all applicable upgrade regulations of the department, no matter when the upgrade was performed.

g. Notwithstanding any provision of P.L.1997, c.235 (C.58:10A-37.1 et seq.), where an eligible owner or operator has filed an application for financial assistance from the fund, and there are either insufficient monies

in the fund or the authority has not yet acted upon the application or awarded the financial assistance, the eligible owner or operator may expend its own funds for the upgrade, closure, or remediation, and upon approval of the application, the authority shall award the financial assistance as a reimbursement of the monies expended for eligible project costs.

h. Notwithstanding any provision to the contrary of P.L.1997, c.235 (C.58:10A-37.1 et seq.), if an applicant has expended the applicant's own funds on a remediation prior to filing an application for financial assistance from the fund for the eligible project costs of the remediation, the authority, upon approval of the application, may make a grant from the fund pursuant to paragraph (1) of subsection c. of section 5 of P.L.1997, c.235 (C.58:10A-37.5) to reimburse the eligible owner or operator for the eligible project costs of the remediation.

3. This act shall take effect immediately and section 2 shall be retroactive to January 1, 2000

Approved February 2, 2001.

CHAPTER 23

AN ACT eliminating certain taxation of New Jersey S corporations under the corporation business tax, amending P.L.1945, c.162.

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

1. Section 5 of P.L.1945, c.162 (C.54:10A-5) is amended to read as follows:

C.54:10A-5 Franchise tax.

5. The franchise tax to be annually assessed to and paid by each taxpayer shall be the sum of the amount computed under subsection (a) hereof, or in the alternative to the amount computed under subsection (a) hereof, the amount computed under subsection (f) hereof, and the amount computed under subsection (c) hereof:

(a) That portion of its entire net worth as may be allocable to this State as provided in section 6, multiplied by the following rates: 2 mills per dollar on the first \$100,000,000.00 of allocated net worth; 4/10 of a mill per dollar on the second \$100,000,000.00; 3/10 of a mill per dollar on the third \$100,000,000.00; and 2/10 of a mill per dollar on all amounts of allocated net worth in excess of

\$300,000,000.00; provided, however, that with respect to reports covering accounting or privilege periods set forth below, the rate shall be that percentage of the rate set forth in this subsection for the appropriate year:

Accounting or Privilege Periods Beginning on or after:	The Percentage of the Rate to be Imposed Shall be:
April 1, 1983	75%
July 1, 1984	50%
July 1, 1985	25%
July 1, 1986	0

(b) (Deleted by amendment, P.L.1968, c.250, s.2.)

(c) (1) For a taxpayer that is not a New Jersey S corporation, $3\frac{1}{4}\%$ of its entire net income or such portion thereof as may be allocable to this State as provided in section 6 of P.L.1945, c.162 (C.54:10A-6); provided, however, that with respect to reports covering accounting or privilege periods or parts thereof ending after December 31, 1967, the rate shall be $4\frac{1}{4}\%$; and that with respect to reports covering accounting or privilege periods or parts thereof ending after December 31, 1971, the rate shall be $5\frac{1}{2}\%$; and that with respect to reports covering accounting or privilege periods or parts thereof ending after December 31, 1974, the rate shall be $7\frac{1}{2}\%$; and that with respect to reports covering accounting or privilege periods or parts thereof ending after December 31, 1979, the rate shall be 9%; provided however, that for a taxpayer that has entire net income of \$100,000 or less for a privilege period the rate for that privilege period shall be $7\frac{1}{2}\%$.

(2) For a taxpayer that is a New Jersey S corporation:

(i) for privilege periods ending on or before June 30, 1998 the rate determined by subtracting the maximum tax bracket rate provided under N.J.S.54A:2-1 for the privilege period from the tax rate that would otherwise be applicable to the taxpayer's entire net income for the privilege period if the taxpayer were not an S corporation provided under paragraph (1) of this subsection for the privilege period; and

(ii) For a taxpayer that has entire net income in excess of \$100,000 for the privilege period, for privilege periods ending on or after July 1, 1998, but on or before June 30, 2001, the rate shall be 2%,

for privilege periods ending on or after July 1, 2001, but on or before June 30, 2002, the rate shall be 1.33%,

for privilege periods ending on or after July 1, 2002, but on or before June 30, 2003, the rate shall be 0.67%, and

for privilege periods ending on or after July 1, 2003 there shall be no rate of tax imposed under this paragraph, and

(iii) For a taxpayer that has entire net income of \$100,000 or less for privilege periods ending on or after July 1, 1998, but on or before June 30, 2001 the rate for that privilege period shall be 0.5%, and for privilege periods ending on or after July 1, 2001 there shall be no rate of tax imposed under this paragraph,

(iv) The taxpayer's rate determined under subparagraph (i), (ii) or (iii) of this paragraph shall be multiplied by its entire net income that is not subject to federal income taxation or such portion thereof as may be allocable to this State pursuant to sections 6 through 10 of P.L.1945, c.162 (C.54:10A-6 through 54:10A-10).

(3) For a taxpayer that is a New Jersey S corporation, in addition to the amount, if any, determined under paragraph (2) of this subsection, the tax rate that would otherwise be applicable to the taxpayer's entire net income for the privilege period if the taxpayer were not an S corporation provided under paragraph (1) of this subsection for the privilege period multiplied by its entire net income that is subject to federal income taxation or such portion thereof as may be allocable to this State pursuant to sections 6 through 10 of P.L.1945, c.162 (C.54:10A-6 through 54:10A-10).

(d) Provided, however, that the franchise tax to be annually assessed to and paid by any investment company or real estate investment trust, which has elected to report as such and has filed its return in the form and within the time provided in this act and the rules and regulations promulgated in connection therewith, shall, in the case of an investment company, be measured by 25% of its entire net income and 25% of its entire net worth, and in the case of a real estate investment trust, by 4% of its entire net income and 15% of its entire net worth, at the rates hereinbefore set forth for the computation of tax on net income and net worth, respectively, but in no case less than \$250, and further provided, however, that the franchise tax to be annually assessed to and paid by a regulated investment company which for a period covered by its report satisfies the requirements of Chapter I, Subchapter M, Part I, Section 852(a) of the federal Internal Revenue Code shall be \$250.

(e) The tax assessed to any taxpayer pursuant to this section shall not be less than \$25 in the case of a domestic corporation, \$50 in the case of a foreign corporation, or \$250 in the case of an investment company or regulated investment company. Provided however, that for accounting or privilege periods beginning in calendar year 1994 and thereafter the minimum taxes for taxpayers other than an investment company or a regulated investment company shall be as provided in the following schedule:

Period Beginning In Calendar Year	Domestic Corporation Minimum Tax	Foreign Corporation Minimum Tax
1994	\$ 50	\$100
1995	\$100	\$200

1996	\$150	\$200
1997	\$200	\$200

and provided further that the director shall adjust the minimum tax for accounting or privilege periods beginning in each fifth year following calendar year 1997 and each fifth year thereafter by multiplying the minimum tax for periods beginning in 1997 by an amount equal to one plus 75% of the increase, if any, in the annual average total producer price index for finished goods published by the federal Department of Labor, Bureau of Labor Statistics, for the year preceding the determination year over such index for calendar year 1996 which adjusted minimum tax amount shall be rounded to the next highest multiple of \$10.

(f) In lieu of the portion of the tax based on net worth and to be computed under subsection (a) of this section, any taxpayer, the value of whose total assets everywhere, less reasonable reserves for depreciation, as of the close of the period covered by its report, amounts to less than \$150,000, may elect to pay the tax shown in a table which shall be promulgated by the director.

2. This act shall take effect immediately.

Approved February 2, 2001.

CHAPTER 24

A SUPPLEMENT to "An Act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 2001 and regulating the disbursement thereof," approved June 30, 2000 (P.L.2000, c.53).

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

1. In addition to the amounts appropriated under P.L.2000, c.53, there is appropriated out of the General Fund the following sum for the purpose specified:

46 DEPARTMENT OF HEALTH AND SENIOR SERVICES
20 Physical and Mental Health
26 Senior Services
GRANTS-IN-AID

There is appropriated such additional Sales Tax revenue, not to exceed \$15,000,000, as the Director of the Division of Taxation in the

Department of the Treasury shall certify is available as a result of the price increase in natural gas for the purpose of increasing the amount an eligible household receives under the "Lifeline Credit Program" and the "Tenants' Lifeline Assistance Program." The Commissioner of Health and Senior Services shall increase benefits in these programs by the maximum amount that the Director of the Division of Taxation in the Department of the Treasury has certified is available.

2. In addition to the amounts appropriated under P.L.2000, c.53, there is appropriated out of the General Fund the following sum for the purpose specified:

82 DEPARTMENT OF THE TREASURY
50 Economic Planning, Development and Security
52 Economic Regulation
GRANTS-IN-AID

There is appropriated to the Board of Public Utilities such additional Sales Tax revenue, not to exceed \$15,000,000, as the Director of the Division of Taxation in the Department of the Treasury shall certify is available as a result of the price increase in natural gas, for the purpose of awarding a grant to New Jersey Statewide Heating Assistance and Referral for Energy Services (New Jersey SHARES) to increase the amount that eligible households receive under the energy assistance programs administered by New Jersey SHARES, a nonprofit organization composed of various nonprofit human service agencies and the major energy utilities in the State. New Jersey SHARES shall increase benefits for eligible households by the maximum amount that the Director of the Division of Taxation in the Department of the Treasury has certified is available.

3. This act shall take effect immediately.

Approved February 2, 2001.

CHAPTER 25

AN ACT concerning the provision of solid waste collection services to apartment complexes, supplementing Title 40 of the Revised Statutes and amending P.L.1976, c.68.

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

C.40:66-1.2 Definitions relative to solid waste collection services for multifamily dwellings.

1. For the purposes of sections 1 through 4 of P.L.2001, c.25 (C.40:66-1.2 et seq.):

"Multifamily dwelling" means any building or structure or complex of buildings or structures in which five or more dwelling units are rented or leased or offered for rental or lease for residential purposes except hotels, motels or other guesthouses serving transient or seasonal guests as those terms are defined under subsection (j) of section 3 of the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.).

"Solid waste collection services" means the collection and disposal of solid waste.

"Total cost of services" means the cost that would be incurred by a municipality in providing solid waste collection services to a multifamily dwelling in the same manner as the municipality provides those services, curbside, to other residents of the municipality.

C.40:66-1.3 Reimbursement of multifamily dwelling.

2. a. Except as otherwise provided in subsection b. of this section, when solid waste collection services are provided to the residents of a municipality, the governing body of that municipality shall reimburse a multifamily dwelling for the actual cost to the multifamily dwelling of providing that service, but not more than the amount that the municipality would have expended on the solid waste collection services if provided by the municipality directly to the multifamily dwelling, calculated as if the dwelling units were located along public roads and streets and the service provided curbside. Alternatively, when solid waste collection services are provided to the residents of a municipality, the governing body of the municipality shall provide the solid waste collection services in the same manner as provided to the residents of the municipality who live along public roads and streets.

b. (1) Nothing in P.L.2001, c.25 (C.40:66-1.2 et al.) shall require a municipality to operate any municipally owned or leased vehicles or other equipment, or to provide any of the services enumerated in subsection a. of this section, upon, along or in relation to any road or street in a multifamily dwelling complex which either (a) is not accepted for dedication to public use or (b) does not meet all municipal standards and specifications for such dedication, except for width.

(2) In order to be eligible for solid waste collection services or reimbursement for those services, a multifamily dwelling shall be required to comply with all recycling requirements generally applicable to all other residential properties within the municipality. If a certified public works

manager employed by the municipality determines that a multifamily dwelling is not in compliance with the municipal recycling requirements, then the municipality may terminate solid waste and recyclables collection services to the multifamily dwelling, or reduce its reimbursement payments by an amount equal to the landfill or disposal costs that would be saved if the recyclables were separated from the other solid waste. No solid waste collection shall be terminated or reimbursement amount shall be reduced pursuant to this subsection unless the landlord has been sent written notice of noncompliance and been given 30 days' written notice of the proposed reimbursement amount reduction. During those 30 days the landlord shall have the opportunity to bring the multifamily dwelling into compliance with the municipal recycling requirements, and have that compliance certified by a certified public works manager employed by the municipality.

c. The Director of the Division of Local Government Services in the Department of Community Affairs, for the purpose of calculating the allowable operating appropriations before exceptions pursuant to section 2 of P.L.1976, c.68 (C.40A:4-45.2), shall provide a cap base adjustment to the total general appropriations of the local budget year prior to the year in which the solid waste collection services are first provided in full, either through the provision of actual services or following the completion of the phase-in of the reimbursement amount provided by the municipality for the full amount of the costs attributable to implementing P.L.2001, c.25 (C.40:66-1.2 et al.).

d. Reimbursement or provision of services to a multifamily dwelling, when solid waste collection services are provided to residents generally within the municipality, shall commence for local budget year 2002 in municipalities operating on a calendar year basis and local budget year 2003 in municipalities operating on a State fiscal year basis; provided that reimbursement payments shall be phased-in over a five-year period pursuant to section 4 of P.L.2001, c.25 (C.40:66-1.5).

e. No municipality shall be liable for the provision of any solid waste collection services or for the payment of any reimbursement amounts with regard to solid waste collection services to any multifamily dwelling except as specifically provided pursuant to P.L.2001, c.25 (C.40:66-1.2 et al.).

C.40:66-1.4 Written agreement, use of reimbursement.

3. a. Pursuant to section 2 of P.L.2001, c.25 (C.40:66-1.3) and section 4 of P.L.2001, c.25 (C.40:66-1.5), when a municipal governing body determines not to provide solid waste collection services to a multifamily dwelling, it shall enter into a written agreement with the multifamily dwelling to annually reimburse the multifamily dwelling in an amount not to exceed the cost that would be incurred by the municipality in providing those services.

b. The amount to be reimbursed to the multifamily dwelling shall be used by the multifamily dwelling to pay for the solid waste collection service that the municipality chooses not to provide. The municipal governing body shall reimburse the multifamily dwelling for the actual cost to the multifamily dwelling of providing that service, but not more than the amount that the municipality would have expended on the solid waste collection services if provided by the municipality directly to the multifamily dwelling, calculated as if the dwelling units were located along public roads and streets and the collection service provided curbside.

c. An agreement entered into pursuant to this section shall provide for an accounting by the multifamily dwelling of the use of the money paid over to it by the municipality, and for the refunding to the municipality of any payments in excess of the amounts actually expended or contractually committed by the multifamily dwelling during the accounting period in order to provide for the solid waste collection services covered by the agreement.

C.40:66-1.5 Reimbursement schedule.

4. Pursuant to a reimbursement agreement entered into in lieu of providing curbside solid waste collection services, a municipality shall reimburse the landlord of a multifamily dwelling for a portion of the cost of providing services commencing in local budget year 2002 for municipalities operating on a calendar year basis, and in local budget year 2003, for municipalities operating on a State fiscal year basis, in the following manner:

2002 or 2003, as appropriate, ...20% of the total cost of services in 2002 or 2003, as appropriate

2003 or 2004, as appropriate, ...40% of the total cost of services in 2003 or 2004, as appropriate

2004 or 2005, as appropriate, ...60% of the total cost of services in 2004 or 2005, as appropriate

2005 or 2006, as appropriate, ...80% of the total cost of services in 2005 or 2006, as appropriate

The total cost of services in each local budget year shall be determined pursuant to section 3 of P.L.2001, c.25 (C.40:66-1.4). In local budget year 2006 or 2007, as appropriate, and for each local budget year thereafter, the municipality shall either provide the solid waste collection services pursuant to section 2 of P.L.2001, c.25 (C.40:66-1.3) or enter into a written agreement to annually reimburse the multifamily dwelling pursuant to section 3 of P.L.2001, c.25 (C.40:66-1.4).

5. Section 3 of P.L.1976, c.68 (C.40A:4-45.3) is amended to read as follows:

C.40A:4-45.3 Municipalities; budget limitation exceptions.

3. In the preparation of its budget a municipality shall limit any increase in said budget to 5% or the index rate, whichever is less, over the previous year's final appropriations subject to the following exceptions:

a. (Deleted by amendment, P.L.1990, c.89.)

b. Capital expenditures, including appropriations for current capital expenditures, whether in the capital improvement fund or as a component of a line item elsewhere in the budget, provided that any such current capital expenditure would be otherwise bondable under the requirements of N.J.S.40A:2-21 and 40A:2-22;

c. (1) An increase based upon emergency temporary appropriations made pursuant to N.J.S.40A:4-20 to meet an urgent situation or event which immediately endangers the health, safety or property of the residents of the municipality, and over which the governing body had no control and for which it could not plan and emergency appropriations made pursuant to N.J.S.40A:4-46. Emergency temporary appropriations and emergency appropriations shall be approved by at least two-thirds of the governing body and by the Director of the Division of Local Government Services, and shall not exceed in the aggregate 3% of the previous year's final current operating appropriations.

(2) (Deleted by amendment, P.L.1990, c.89.)

The approval procedure in this subsection shall not apply to appropriations adopted for a purpose referred to in subsection d. or j. below;

d. All debt service, including that of a Type I school district;

e. Upon the approval of the Local Finance Board in the Division of Local Government Services, amounts required for funding a preceding year's deficit;

f. Amounts reserved for uncollected taxes;

g. (Deleted by amendment, P.L.1990, c.89.)

h. Expenditure of amounts derived from new or increased construction, housing, health or fire safety inspection or other service fees imposed by State law, rule or regulation or by local ordinance;

i. Any amount approved by any referendum;

j. Amounts required to be paid pursuant to (1) any contract with respect to use, service or provision of any project, facility or public improvement for water, sewerage, parking, senior citizen housing or any similar purpose, or payments on account of debt service therefor, between a municipality and any other municipality, county, school or other district, agency, authority, commission, instrumentality, public corporation, body corporate and politic or political subdivision of this State; (2) the provisions of article 9 of P.L.1968, c.404 (C.13:17-60 through 13:17-76) by a constituent municipality to the intermunicipal account; (3) any lease of a facility owned by a county improvement authority when the lease payment

represents the proportionate amount necessary to amortize the debt incurred by the authority in providing the facility which is leased, in whole or in part; and (4) any repayments under a loan agreement entered into in accordance with the provisions of section 5 of P.L.1992, c.89;

k. (Deleted by amendment, P.L.1987, c.74.)

l. Appropriations of federal, county, independent authority or State funds, or by grants from private parties or nonprofit organizations for a specific purpose, and amounts received or to be received from such sources in reimbursement for local expenditures. If a municipality provides matching funds in order to receive the federal, county, independent authority or State funds, or the grants from private parties or nonprofit organizations for a specific purpose, the amount of the match which is required by law or agreement to be provided by the municipality shall be excepted;

m. (Deleted by amendment, P.L.1987, c.74.)

n. (Deleted by amendment, P.L.1987, c.74.)

o. (Deleted by amendment, P.L.1990, c.89.)

p. (Deleted by amendment, P.L.1987, c.74.)

q. (Deleted by amendment, P.L.1990, c.89.)

r. Amounts expended to fund a free public library established pursuant to the provisions of R.S.40:54-1 through 40:54-29, inclusive;

s. (Deleted by amendment, P.L.1990, c.89.)

t. Amounts expended in preparing and implementing a housing element and fair share plan pursuant to the provisions of P.L.1985, c.222 (C.52:27D-301 et al.) and any amounts received by a municipality under a regional contribution agreement pursuant to section 12 of that act;

u. Amounts expended to meet the standards established pursuant to the "New Jersey Public Employees' Occupational Safety and Health Act," P.L.1983, c.516 (C.34:6A-25 et seq.);

v. (Deleted by amendment, P.L.1990, c.89.)

w. Amounts appropriated for expenditures resulting from the impact of a hazardous waste facility as described in subsection c. of section 32 of P.L.1981, c.279 (C.13:1E-80);

x. Amounts expended to aid privately owned libraries and reading rooms, pursuant to R.S.40:54-35;

y. (Deleted by amendment, P.L.1990, c.89.)

z. (Deleted by amendment, P.L.1990, c.89.)

aa. Extraordinary expenses, approved by the Local Finance Board, required for the implementation of an interlocal services agreement;

bb. Any expenditure mandated as a result of a natural disaster, civil disturbance or other emergency that is specifically authorized pursuant to a declaration of an emergency by the President of the United States or by the Governor;

cc. Expenditures for the cost of services mandated by any order of court, by any federal or State statute, or by administrative rule, directive, order, or other legally binding device issued by a State agency which has identified such cost as mandated expenditures on certification to the Local Finance Board by the State agency;

dd. Expenditures of amounts actually realized in the local budget year from the sale of municipal assets if appropriated for non-recurring purposes or otherwise approved by the director;

ee. Any local unit which is determined to be experiencing fiscal distress pursuant to the provisions of P.L.1987, c.75 (C.52:27D-118.24 et seq.), whether or not a local unit is an "eligible municipality" as defined in section 3 of P.L.1987, c.75 (C.52:27D-118.26), and which has available surplus pursuant to the spending limitations imposed by P.L.1976, c.68 (C.40A:4-45.1 et seq.), may appropriate and expend an amount of that surplus approved by the director and the Local Finance Board as an exception to the spending limitation. Any determination approving the appropriation and expenditure of surplus as an exception to the spending limitations shall be based upon:

1) the local unit's revenue needs for the current local budget year and its revenue raising capacity;

2) the intended actions of the governing body of the local unit to meet the local unit's revenue needs;

3) the intended actions of the governing body of the local unit to expand its revenue generating capacity for subsequent local budget years;

4) the local unit's ability to demonstrate the source and existence of sufficient surplus as would be prudent to appropriate as an exception to the spending limitations to meet the operating expenses for the local unit's current budget year; and

5) the impact of utilization of surplus upon succeeding budgets of the local unit;

ff. Amounts expended for the staffing and operation of the municipal court;

gg. Amounts appropriated for the cost of administering a joint insurance fund established pursuant to subsection b. of section 1 of P.L.1983, c.372 (C.40A:10-36), but not including appropriations for claims payments by local member units;

hh. Amounts appropriated for the cost of implementing an estimated tax billing system and the issuance of tax bills thereunder pursuant to section 3 of P.L.1994, c.72 (C.54:4-66.2);

ii. Expenditures related to the cost of conducting and implementing a total property tax levy sale pursuant to section 16 of P.L.1997, c.99 (C.54:5-113.5);

jj. Amounts expended for a length of service award program pursuant to P.L.1997, c.388 (C.40A:14-183 et al.);

kk. Amounts expended to provide municipal services or reimbursement amounts to multifamily dwellings for the collection and disposal of solid waste generated by the residents of the multifamily dwellings. This subsection shall cease to be operative at the end of the first local budget year in which the municipality has fully phased in its reimbursement amount expenses;

ll. Amounts expended by a municipality under an interlocal services agreement entered into pursuant to the "Interlocal Services Act," P.L.1973, c.208 (C.40:8A-1 et seq.) entered into after the effective date of P.L.2000, c.126 (C.52:13H-21 et al.). The governing body of the municipality that will receive the service may choose to allow the amount of projected annual savings to be added to the amount of final appropriations upon which its permissible expenditures are calculated pursuant to section 2 of P.L.1976, c.68 (C.40A:4-45.2);

mm. Amounts expended under a joint contract pursuant to the "Consolidated Municipal Service Act," P.L.1952, c.72 (C.40:48B-1 et seq.) entered into after the effective date of P.L.2000, c.126 (C.52:13H-21 et al.). The governing body of each participating municipality may choose to allow the amount of projected annual savings to be added to the amount of final appropriations upon which its permissible expenditures are calculated pursuant to section 2 of P.L.1976, c.68 (C.40A:4-45.2).

6. This act shall take effect immediately; however, reimbursement or provision of services to a multifamily dwelling shall commence for local budget year 2002 for municipalities operating on a calendar year basis and local budget year 2003 for municipalities operating on a State fiscal year basis, and reimbursement payments shall be phased in over a five-year period pursuant to section 4 of P.L.2001, c.25 (C.40:66-1.5).

Approved February 27, 2001.

CHAPTER 26

AN ACT concerning regional school districts and amending N.J.S.18A:13-17 and P.L.1995, c.278.

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

1. N.J.S.18A:13-17 is amended to read as follows:

Submission of budget; other questions to voters; adherence to procedures.

18A:13-17. The regional board of education shall, at each annual school election, submit to the voters of the regional district the amount of

money fixed and determined in its budget to be voted upon for the use of the regional schools of the district for the ensuing school year and may submit thereat any other question authorized by this law to be submitted at such an election. The board may, in submitting to the voters the amount of money to be voted upon for the use of the regional schools of the district, identify the amount of money determined to be the constituent municipality's share. The board shall follow the procedures established in section 5 of P.L. 1996, c.138 (C.18A:7F-5) and N.J.S.18A:22-33.

2. Section 9 of P.L.1995, c.278 (C.19:60-9) is amended to read as follows:

C.19:60-9 Ballot, form, contents.

9. The ballot for a school election shall be a single or blanket form of ballot, upon which shall be printed in bold-faced type the words "OFFICIAL SCHOOL ELECTION BALLOT" or "OFFICIAL SPECIAL SCHOOL ELECTION BALLOT," as appropriate. Any public question which is to be submitted to the voters at a school election shall be printed in a separate space below or to the right of, as the county clerk shall determine, the listing of candidates in the election.

In the columns in which are listed the titles of the offices to be filled at a school election and the names of candidates for those offices, the title of and the names of candidates for the office of member of the regional board of education shall appear above the title of and the names of candidates for the office of member of the local board of education. With respect to either office, in the event that one or more persons are to be elected to membership thereon for a full term and one or more persons are to be elected to membership thereon to fill an unexpired term, the ballots shall designate which of the candidates to be voted for is to be elected for a full term and which for an unexpired term. In all cases in which one or more persons are to be elected for an unexpired term, the ballots shall indicate the duration of that unexpired term.

All public questions to be voted upon at a school election by the voters of more than one municipality shall be placed first before any question to be voted upon at that election by the voters of a single municipality. When the public question to be voted upon by the voters of a regional school district is the amount of money to be raised for the use of the regional schools of the district, the amount of money determined to be the constituent municipality's share thereof may be identified on the ballot pursuant to N.J.S.18A:13-17.

Every county clerk shall have ready for the printer a copy of the contents of official ballots required by law to be printed for use at a school election, as follows: in the case of the annual school election, not later than the 17th

day preceding that election; and in the case of any special school election, not later than two business days following receipt by the clerk of official notice of the complete content of the ballot to be voted upon at that election.

3. This act shall take effect immediately.

Approved March 8, 2001.

CHAPTER 27

AN ACT concerning the practice of professional planning and amending P.L.1962, c.109.

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

1. Section 9 of P.L.1962, c.109 (C.45:14A-9) is amended to read as follows:

C.45:14A-9 Minimum evidence to qualify for license.

9. The following shall be considered as minimum evidence satisfactory to the board that an applicant is qualified for license as a professional planner.

(a) The applicant for license as a professional planner shall:

(1) Be of good moral character;

(2) Be a citizen of the United States or have declared his intention to become a citizen of the United States;

(3) Pass the required examinations.

(b) The applicant for license as a professional planner shall submit the following minimum educational and experience qualifications:

(1) A graduate degree in professional planning from an accredited college or university in a curriculum offering instruction in such recognized planning subjects as principles of land use planning, history of city planning, planning project design, and planning law and administration, as shall be approved by the board; with a minimum of two years' experience in the full-time practice of professional planning as defined by the American Institute of Certified Planners or the board; or

A graduate degree in a field other than professional planning from an accredited college or university with a minimum of four years' experience in the full-time practice of professional planning as defined by the American Institute of Certified Planners or as acceptable to the board; or

(2) An undergraduate degree in professional planning from an accredited college or university in a curriculum offering a major or option comprising a minimum of 21 credit hours in such recognized planning subjects as shall be approved by the board; with a minimum of three years' experience in the full-time practice of professional planning as defined by the American Institute of Certified Planners or as acceptable to the board; or

An undergraduate degree in a field other than professional planning from an accredited college or university with a minimum of four years' experience in the full-time practice of professional planning as defined by the American Institute of Certified Planners or as acceptable to the board; or

(3) Graduation from a secondary school and at least 8 years of professional planning experience as defined by the American Institute of Certified Planners or as acceptable to the board; or

(4) For a period of eight years only subsequent to July 1, 1963, a degree in a closely related course of study such as architecture, landscape architecture, engineering, law, sociology, geography, public administration, political science or economics, with a minimum of 18 credit hours in recognized planning subjects included as part of or in addition to such courses of study in an accredited college or university, with a minimum of five years' experience in the full-time practice of professional planning.

(c) The applicant for license as a professional planner shall obtain a passing grade, as determined by the board, upon a qualifying written examination. Such examination shall comprise subject matter covering:

(1) History of urban, rural, and regional planning.

(2) Fundamental theories, research methods and common basic standards in professional planning.

(3) Administrative and legal problems, instruments and methods.

(4) Current planning design and techniques.

(5) Planning law, procedures and practices as contained in the "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.).

In considering the qualifications of applicants, the teaching of recognized planning subjects may be construed as planning experience.

Any person having the necessary qualifications prescribed in this act to entitle him to license as a professional planner shall be eligible for such license even though he may not be practicing his profession at the time of making application.

2. This act shall take effect immediately, but shall remain inoperative until July 1, 2000.

Approved March 8, 2001.

CHAPTER 28

A SUPPLEMENT to "An Act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 2001 and regulating the disbursement thereof," approved June 30, 2000 (P.L.2000, c.53).

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

1. In addition to the amounts appropriated under P.L.2000, c.53, there is appropriated out of the General Fund the following sum for the purpose specified:

67 DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS
10 Public Safety and Criminal Justice
14 Military Services
DIRECT STATE SERVICES

40-3620 New Jersey National Guard Support Services \$150,000
Total Direct State Services Appropriation,
Military Services \$150,000

Direct State Services:

Special Purpose:

40 Personnel and Operational Support for
New Jersey Naval Militia
Joint Command (\$150,000)

2. This act shall take effect immediately.

Approved March 8, 2001.

CHAPTER 29

AN ACT concerning the dissolution of an authority by a local unit and amending P.L.1983, c.313 and N.J.S.40A:2-12.

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

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

C.40A:5A-20 Dissolution of authority by local unit.

20. Notwithstanding the provisions of any other law to the contrary, the governing body of a local unit which has established an authority shall have

the power and is authorized by ordinance in the case of a municipality, and ordinance or resolution, as appropriate, in the case of a county, to dissolve the authority, except that the ordinance or resolution, as the case may be, shall be approved by the Local Finance Board prior to adoption. Any authority established by more than one municipality or county may be dissolved by the adoption of parallel ordinances or resolutions, as appropriate. The Local Finance Board shall approve the dissolution if it finds that the ordinance or resolution makes adequate provision in accordance with a bond resolution or otherwise for the payment of all creditors or obligees of the authority and that adequate provision is made for the assumption of those services provided by the authority which are necessary for the health, safety and welfare of the recipients of those services. The ordinance or resolution shall be introduced and adopted in the manner provided by law, shall take effect immediately after final adoption, and shall not be subject to referendum. A copy of the ordinance or resolution as adopted shall be filed immediately with the Local Finance Board and with the Secretary of State. In the event that an authority has obligations outstanding at the time of the taking effect of the ordinance or resolution to dissolve the authority, the local unit or units dissolving the authority are authorized to either issue obligations in furtherance of the dissolution or assume the responsibility for and payment of the obligations of the authority being dissolved; if an authority created by a local unit or units is dissolved and has obligations outstanding at the time that the ordinance or resolution to dissolve the authority takes effect, an existing authority which serves the same local unit or units, or that serves one of the local units which is served by the authority being dissolved, is authorized to issue obligations in furtherance of the dissolution or to assume the responsibility for and payment of the obligations of the authority being dissolved, as provided in this section. No such assumption of responsibility for and payment of the obligations of the dissolved authority shall be effective, however, until the local unit or units or the existing authority proposing to undertake such assumption determines, by resolution of the governing body setting forth facts that constitute the basis for the determination, that such assumption will be a cost effective means of meeting those obligations as compared with the issuance of obligations of the local unit or units, or of the existing authority, and transmits a certified copy of that resolution to the Local Finance Board. An ordinance or resolution dissolving an authority shall designate which local unit or units or which authority, as the case may be, will assume the outstanding debt, and no such ordinance or resolution including a provision for assumption of responsibility for and payment of that outstanding debt by the local unit or units or existing authority shall take effect until there shall have been a public hearing, conducted by the governing body pursuant to

the "Open Public Meetings Act," P.L. 1975, c.231 (C.10:4-6 et seq.), on the question of such assumption. Any obligations issued in furtherance of dissolution shall have a period of usefulness not exceeding 40 years from the date of issuance. The assumption by the local unit of the obligations of the authority sought to be dissolved for which the local unit is not the guarantor or any bonds to be issued in furtherance of a dissolution shall be authorized by a bond ordinance to be introduced and adopted in accordance with the provisions of the "Local Bond Law," N.J.S.40A:2-1 et seq., except for the provisions of sections 40A:2-11, 40A:2-26, 40A:2-27 and 40A:2-31 of the New Jersey Statutes, and except that the bond ordinance shall take effect immediately after final adoption and shall not be subject to referendum. The bonds or other indebtedness for which the responsibility and payment is assumed may be deducted from the gross debt of the local unit by action of the Local Finance Board in accordance with subsection d. of N.J.S.40A:2-7. Notwithstanding any of the provisions of the "Local Bond Law" regarding the sale of bonds, bonds issued for this purpose shall be sold under the direction and supervision of the Local Finance Board on terms prescribed by the Local Finance Board, and may be sold at either public or private sale as the board shall prescribe.

Notwithstanding the provisions of any other law, rule or regulation to the contrary, if in order to make adequate provision for the payment of outstanding obligations of an authority being dissolved, the local unit or authority determines, with the approval of the Local Finance Board, to assume the responsibility and payment of the obligations of such authority, the local unit or authority, as the case may be, is hereby authorized, for so long as any bonds issued by the authority being dissolved remain outstanding, to exercise directly all of the powers of such authority, as if it had not been dissolved including the power and authority to assume the responsibility and payment of such outstanding obligations on the same terms and conditions as the outstanding authority obligations and to exercise all rights under any law, including the right to create pledges of revenue or create liens on property or grant security interests as appropriate and necessary to comply with the terms of the bond indenture or to assure that the security of the holders of such authority obligations shall not be adversely affected by the assumption of such obligations by the local unit or authority.

Nothing contained in this section or in this act shall limit the powers accorded under any other law to any county or municipality to dissolve any authority which it has created or of which it has joined in the creation, nor limit any general reorganization powers accorded under law to any county or municipality to alter or abolish its agencies, but the provisions of this section and this act shall be supplementary to the powers accorded under any other law.

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

Bond ordinance; contents.

40A:2-12. A bond ordinance shall contain in substance the following:

a. (1) an authorization for the issuance of obligations, stating in brief and general terms sufficient for reasonable identification the purpose or purposes for which the obligations are to be issued, a statement of the estimated maximum amount of bonds or notes to be issued, and the estimated cost of such purpose or purposes, but related improvements or properties may be treated as one improvement or property; or

(2) an authorization for the assumption by the local unit of the obligations of the authority sought to be dissolved pursuant to section 20 of P.L.1983, c.313 (C.40A:5A-20) for which the local unit is not a guarantor;

b. a determination of the period of usefulness of the purpose within the limitations of this chapter or, if issued for several purposes, a determination of the average period of usefulness, taking into consideration the respective amounts of obligations authorized for the said several purposes;

c. a determination that (1) the supplemental debt statement has been filed in the office of the clerk, (2) such statement shows that the gross debt as defined in this chapter is increased by authorization of such obligations by \$ or is not increased, and (3) the obligations authorized by the bond ordinance will be within debt limitations prescribed by this chapter, or the issuance thereof is permitted by an exception to said limitations naming the particular section, paragraph or law providing such exception;

d. a statement of the aggregate amount for items of expense permitted under 40A:2-20.

3. This act shall take effect immediately.

Approved March 8, 2001.

CHAPTER 30

AN ACT establishing a pilot program for the electronic purchase of certain commodities and services and sale of surplus personal property, requiring the Department of Community Affairs to study the use of electronic technology by local units and making an appropriation.

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

New Jersey State Library

1. This act shall be known and may be cited as the "Local Unit Electronic Technology Pilot Program and Study Act."

2. The Legislature finds and declares that advances in electronic technology offer promising opportunities to enhance governmental efficiencies. In order to explore these avenues of commerce, it is in the best interests of this State to embark upon a program to allow local units to experiment with purchasing bulk commodities and services and selling surplus property through means of electronic technology and to allow the State Department of Community Affairs to evaluate use of these technologies through a pilot program to determine the potential to expand governmental use of these technologies on a broader scale.

3. As used in this act:

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

"Local unit" means a district as defined in the "Public School Contracts Law," N.J.S.18A:18A-1 et seq. or a contracting unit as defined in the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.).

4. The Director of the Division of Local Government Services shall, within 120 days of the effective date of P.L.2001, c.30, notify each local unit of the opportunity to take part in a pilot program to purchase select commodities and services and sell surplus personal property through means of electronic technology.

5. Local units interested in participating in the pilot program shall submit a written plan to the director setting forth:

- a. whether they intend to make purchases, sales or both;
- b. the commodities or services they intend to purchase or personal property they intend to sell;
- c. whether they intend to conduct the auction with their own personnel or hire an on-line purchasing agent; and
- d. a description of the process in sufficient detail to allow the director to determine whether all aspects of the proposed purchase and sale have been addressed.

6. The director shall respond in writing to each local unit that has submitted a plan in writing within 45 days of receipt of a plan with an acceptance, rejection or request for additional information. The director may accept a plan conditionally by setting forth conditions upon the written

acceptance, in which case the local unit shall agree to comply with the conditions prior to undertaking an electronic purchase or sale.

7. A local unit shall supply the director with a copy of any contract hiring the services of an on-line purchasing agent to which it is a party at least 10 days prior to conducting an auction. Contracts hiring the services of an on-line purchasing agent pursuant to this section shall be exempt from public bidding.

8. A local unit shall notify the director of the date and time of any on-line auction at least 10 days prior to the auction date and shall provide access to the system in order to allow the director to monitor the auction.

9. The director shall limit on-line purchases to bulk commodities, including, but not limited to: rock salt, petroleum products, asphalt, paper products and chemicals. Additionally, the director shall allow a local unit or joint purchasing unit to purchase electric generation service, electric related service, gas supply service or gas related service, either separately or bundled, for its own facilities so long as the purchase otherwise complies with the provisions of the "Electric Discount and Energy Competition Act," P.L.1999, c.23 (C.48:3-49 et seq.). Sales of surplus personal property shall comply with the provisions of section 36 of P.L.1971, c.198 (C.40A:11-36).

Contracts awarded pursuant to the pilot program established pursuant to P.L.2001, c.30 shall, to the extent deemed prudent by the director, be exempt from the procedural requirements of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.) and the "Public School Contracts Law," N.J.S.18A:18A-1 et seq., including but not limited to requirements concerning sealed bids.

10. a. The director shall conduct a comprehensive study of the feasibility and desirability of the use of the Internet and other contemporary technology by local units, including but not limited to a study of the following:

(1) the posting of all resolutions, ordinances, directories, meeting agendas and minutes, local unit budgets, zoning maps and other information on the Internet;

(2) the use of online transactions for consumers to access local unit services such as obtaining permits, registering for recreation programs, paying municipal court fines and penalties, in consultation with the Administrative Office of the Courts, and making property tax payments, fee payments and utility payments;

(3) the use of geographic information systems and related standards as a means to integrate land and parcel based data into common databases;

(4) the use of electronic mail or posting on electronic message boards to satisfy certain public notice requirements;

(5) the use of electronic mail for residents to submit confidential complaints to local officials;

(6) procurement issues associated with local units establishing their own websites or using third party vendors to provide services over the Internet; and

(7) provisions of statute and regulation and other impediments that hinder or obstruct the utilization of the Internet and other contemporary technology by local units.

b. The director shall provide a report setting forth the results of the study to the Local Finance Board, the Governor and each member of the Legislature within one year of the effective date of P.L.2001, c.30.

11. There is appropriated from the General Fund a sum of \$150,000 to the Department of Community Affairs to effectuate the purposes of section 10 of this act.

12. The director may set forth guidelines consistent with the provisions of P.L.2001, c.30 which contain details that the director deems necessary in order to effectuate the purposes of P.L.2001, c.30. The director shall consult with the Attorney General with regard to safeguards to protect against collusion and bid rigging, and to ensure the privacy of transactions. The director shall provide a report to the Governor and each member of the Legislature within three years of the effective date of P.L.2001, c.30 setting forth the purchases and sales that have been conducted and recommendations as to whether the program should be continued.

13. This act shall take effect immediately and expire upon submission of the report by the director pursuant to section 12 of this act.

Approved March 9, 2001.

CHAPTER 31

AN ACT concerning the sale of poppies to raise funds to benefit veterans and amending P.L.1938, c.207.

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

1. Section 4 of P.L.1938, c.207 (C.38:25A-4) is amended to read as follows:

C.38:25A-4 Period of restricted sale of poppies.

4. The period of such restricted sale designed to provide funds for such charitable purposes shall be May 1st to Memorial Day, of each year.

2. This act shall take effect immediately.

Approved March 10, 2001.

CHAPTER 32

AN ACT appropriating moneys from the "Garden State Green Acres Preservation Trust Fund," and reappropriating certain other moneys, to provide grants to assist qualifying tax exempt nonprofit organizations to acquire or develop lands for recreation and conservation purposes.

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

1. a. (1) There is appropriated from the "Garden State Green Acres Preservation Trust Fund," established pursuant to section 19 of P.L.1999, c.152 (C.13:8C-19), to the Department of Environmental Protection the sum of \$4,962,500, and there is reappropriated to the Department of Environmental Protection the sum of \$2,237,500 from the unexpended balances, due to project withdrawals, cancellations, or cost savings, of the amounts appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund to assist qualifying tax exempt nonprofit organizations to acquire or develop lands for recreation and conservation purposes, for the purpose of providing grants to assist qualifying tax exempt nonprofit organizations to acquire lands for recreation and conservation purposes. The following projects are eligible for funding with the moneys appropriated or reappropriated pursuant to this paragraph:

Nonprofit Organization	Project	County	Municipality	Approved Amount
(a) Bergen Swan	River Vale Watershed Forest Acq	Bergen	River Vale Twp	\$450,000
(b) Citizens for Parkland	Flemington Fairgrounds	Hunterdon	Flemington Boro	450,000

(c) Delaware and Raritan Greenway, Inc.				450,000
	Delaware River Tributaries Acq	Mercer	Hamilton Twp Hopewell Twp Lawrence Twp West Windsor Twp	
	Griggstown Canal 3	Somerset	Franklin Twp	
	Sourlands Mountain Acq	Hunterdon Mercer Somerset	East Amwell Twp West Amwell Twp Hopewell Twp Hillsborough Twp Montgomery Twp	
	Stony Brook Greenway Acq	Hunterdon Mercer	East Amwell Twp Hopewell Twp Lawrence Twp Princeton Twp	
	Upper Millstone Greenway	Middlesex	Cranbury Twp	
(d) Edison Wetlands Association	Triple C Ranch and Nature Center	Middlesex	Edison Twp	450,000
(e) Friends of West Windsor Open Space	Duck Pond Run - Open Space	Mercer	West Windsor Twp	450,000
(f) Fyke Nature Association	Bergen County Park Partnership	Bergen	Mahwah Twp	450,000
(g) Hunterdon Land Trust Alliance	Hunterdon Open Space Preservation	Hunterdon	Bethlehem Twp Delaware Twp Franklin Twp Kingwood Twp Lebanon Boro Lebanon Twp West Amwell Twp	450,000
(h) Metuchen-Edison YMCA	Oakcrest Swim Club	Middlesex	Edison Twp	450,000
(i) Monmouth Conservation Foundation	Open Space Plans	Monmouth	All Municipalities	450,000
(j) Morris Land Conservancy	Roxbury Twp Open Space Plan	Morris	Roxbury Twp	450,000

(k) New Jersey Conservation Foundation				450,000
	Arcadia Lake Acq	Passaic	West Milford Twp	
	Burden Hill Forest Protection Initiative	Cumberland	Stow Creek Twp	
		Salem	Alloway Twp Lower Alloways Creek Twp Quinton Twp Lacey Twp	
	Forked River Mountain Add 2	Ocean		
	Wickecheoke Creek Acq 3	Hunterdon	Delaware Twp	
(l) Schiff Natural Lands Trust, Inc	Schiff - Mount Paul Greenway	Morris	Chester Twp Mendham Boro Mendham Twp	450,000
(m) The Nature Conservancy				450,000
	Cape May Project Area	Cape May	Cape May City Cape May Point Boro Dennis Twp Lower Twp Middle Twp West Cape May Boro	
	Delaware Bay Greenway	Cumberland Cumberland	Maurice River Twp Downe Twp Fairfield Twp Lawrence Twp Maurice River Twp Millville City	
	High Mt. Project Area	Passaic	Wayne Twp	
	Limestone Forest Acq	Warren	Allamuchy Twp Blairstown Twp Frelinghuysen Twp Hardwick Twp Hope Twp	
(n) Tewksbury Land Trust	Tewksbury Open Space Initiative	Hunterdon	Tewksbury Twp	450,000
(o) Trust For Public Land				450,000
	Balanced Communities Acq	Atlantic	Egg Harbor Twp Galloway Twp Hamilton Twp	

	Balanced Communities Acq	Camden	Berlin Boro Cherry Hill Twp Clementon Boro Gloucester Twp Haddon Twp Lindenwold Boro Voorhees Twp	
	Century Plan Acquisition	Monmouth	Freehold Twp	
		Ocean	Berkeley Twp Jackson Twp Stafford Twp	
	Delaware River Inland	Burlington	Mansfield Twp Mount Laurel Twp Springfield Twp	
	Hunterdon Co. Open Space Plan Partnership	Hunterdon	Alexandria Twp Bethlehem Twp Califon Boro Clinton Town Clinton Twp Glen Gardner Boro Hampton Boro High Bridge Boro Holland Twp Lebanon Boro Lebanon Twp Tewksbury Twp Union Twp	
	Long Valley Open Space Acq	Morris	Washington Twp	
(p) Washington Twp Land Trust	Schooley's Mountain Corridor	Morris	Washington Twp	450,000
TOTAL				\$7,200,000

(2) There is appropriated from the Garden State Green Acres Preservation Trust Fund to the Department of Environmental Protection the sum of \$450,000 to provide grants to assist qualifying tax exempt nonprofit organizations to develop lands for recreation and conservation purposes. The following project is eligible for funding with the moneys appropriated pursuant to this paragraph:

Nonprofit Organization	Project	County	Municipality	Approved Amount
Cooper's Ferry Development Assoc.	Camden Waterfront Promenade Development	Camden	Camden City	\$450,000

TOTAL**\$450,000**

(3) Any transfer of any funds, or change in project sponsor, site, or type, listed in this subsection shall require the approval of the Joint Budget Oversight Committee or its successor.

b. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any project of a qualifying tax exempt nonprofit organization that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes shall be eligible to receive additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor.

c. There is reappropriated to the Department of Environmental Protection the unexpended balances, due to project withdrawals, cancellations, or cost savings, of the amounts appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund to assist qualifying tax exempt nonprofit organizations to acquire or develop lands for recreation and conservation purposes, for the purpose of providing additional funding, as determined by the Department of Environmental Protection, to any project of a qualifying tax exempt nonprofit organization that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

d. For the purposes of this section, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, and P.L.1989, c.183.

2. This act shall take effect immediately.

Approved March 15, 2001.

CHAPTER 33

AN ACT approving projects of certain local government units in central New Jersey as eligible for funding from the State to acquire lands for recreation and conservation purposes.

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

1. a. The following projects to acquire lands for recreation and conservation purposes are eligible for funding with moneys appropriated or reappropriated pursuant to sections 1 and 2 of P.L.2001, c.63:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Mercer County	Mercer	Mercer County Planning Incentive 2	\$1,500,000
Princeton Twp	Mercer	Princeton Open Space Acq	500,000
Washington Twp	Mercer	Washington Twp Open Space Acq	500,000
West Windsor	Mercer	West Windsor Open Space Acq	500,000
East Brunswick Twp	Middlesex	East Brunswick Open Space 2	500,000
Middlesex County	Middlesex	Middlesex County Open Space Acq	1,500,000
Plainsboro Twp	Middlesex	Plainsboro Preservation Acq	500,000
Atlantic Highlands Boro	Monmouth	Atlantic Highlands Open Space Acq	500,000
Freehold Twp	Monmouth	Freehold Twp Open Space Acq	500,000
Holmdel Twp	Monmouth	Holmdel Planning Incentive Acq	500,000
Howell Twp	Monmouth	Howell Twp Planning Incentive 2	500,000
Manalapan Twp	Monmouth	Manalapan Twp Planning Inc. Acq	500,000
Millstone Twp	Monmouth	Millstone Planning Incentive	500,000
Monmouth County	Monmouth	Planning Incentive 2	1,500,000
Upper Freehold Twp	Monmouth	Upper Freehold Park Acq	500,000
Plumsted Twp	Ocean	Planning Incentive	500,000
TOTAL			\$11,000,000

b. Any transfer of any funds, or change in project sponsor, site, or type, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the "Garden State Green Acres Preservation Trust Fund," established pursuant to section 19 of P.L.1999, c.152 (C.13:8C-19), for recreation and conservation purposes, or that receives funding approved pursuant to section 3 or section 4 of P.L.2001, c.63, section 1 of P.L.2001, c.59, or section 1 of P.L.2001 c.64, shall be eligible to receive additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

For the purposes of this subsection, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

2. This act shall take effect immediately.

Approved March 15, 2001.

CHAPTER 34

AN ACT concerning financial assistance to certain businesses, amending P.L.1999, c.239.

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

1. Section 3 of P.L.1999, c.239 (C.52:27D-445) is amended to read as follows:

C.52:27D-445 Definitions relative to financial assistance to certain women's businesses.

3. As used in this act:

"Act" means the "New Jersey Women's Micro-Business Assistance Act."

"Certified nonprofit community development corporation" or "certified corporation" means a nonprofit community development corporation, established pursuant to Title 15 of the Revised Statutes, Title 15A of the New Jersey Statutes, or other law of this State, and certified by the department pursuant to section 6 of this act to receive funds for the purpose of issuing loans to qualified women-owned businesses;

"Commissioner" means the Commissioner of Community Affairs;

"Department" means the Department of Community Affairs;

"Development loan" means money loaned to a certified corporation by the department for the purpose of making micro-credit loans to qualified recipients;

"Micro-credit loan" or "loan" means a loan made or guaranteed to a qualified woman-owned home-based business under the terms and conditions set forth by a certified nonprofit community development corporation established pursuant to Title 15 of the Revised Statutes, Title 15A of the New Jersey Statutes, or other law of this State to provide training, technical assistance, and access to capital for the startup of qualified woman-owned businesses, including businesses conducted from a residence;

"Program" or "pilot program" means the New Jersey Women's Micro-Business Pilot Program established pursuant to section 4 of this act; and

"Qualified recipient" means one or more women who intend to establish a business enterprise which is to be independently owned and operated solely by the woman or women, as appropriate, who have little or no prior business experience and each having a gross annual personal income of an amount less than 125% of the official poverty line, as determined by the Director of the federal Office of Management and Budget. A qualified recipient may conduct a business enterprise on a part-time basis, from a residence, or both.

2. This act shall take effect immediately.

Approved March 16, 2001.

CHAPTER 35

AN ACT concerning certain license plates and supplementing chapter 3 of Title 39 of the Revised Statutes.

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

C.39:3-33b Duplicate personalized license plates permitted.

1. a. The lessee in a motor vehicle leasing agreement or the owner of a motor vehicle who obtains a base set of personalized, courtesy or special license plates with special identifying marks may obtain and use a second set in a series for use upon another motor vehicle if it is owned or leased by that person.

b. The fees for the second set in a series shall be prescribed by the director.

c. The director may promulgate rules and regulations to effectuate the purposes of this act.

2. This act shall take effect on the 360th day following enactment.

Approved March 23, 2001.

CHAPTER 36

AN ACT concerning the marking of property boundaries, amending R.S.40:48-1 and supplementing Title 2C of the New Jersey Statutes.

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

1. R.S.40:48-1 is amended to read as follows:

Ordinances; general purpose.

40:48-1. Ordinances; general purpose. The governing body of every municipality may make, amend, repeal and enforce ordinances to:

Finances and property. 1. Manage, regulate and control the finances and property, real and personal, of the municipality;

Contracts and contractor's bonds. 2. Prescribe the form and manner of execution and approval of all contracts to be executed by the municipality and of all bonds to be given to it;

Officers and employees; duties, terms and salaries. 3. Prescribe and define, except as otherwise provided by law, the duties and terms of office or employment, of all officers and employees; and to provide for the employment and compensation of such officials and employees, in addition to those provided for by statute, as may be deemed necessary for the efficient conduct of the affairs of the municipality;

Fees. 4. Fix the fees of any officer or employee of the municipality for any service rendered in connection with his office or position, for which no specific fee or compensation is provided. In the case of salaried officers or employees, such fee shall be paid into the municipal treasury;

Salaries instead of fees; disposition of fees. 5. Provide that any officer or employee receiving compensation for his services, in whole or in part by fees, whether paid by the municipality or otherwise, shall be paid a salary to be fixed in the ordinance, and thereafter all fees received by such officer or employee shall be paid into the municipal treasury;

Maintain order. 6. Prevent vice, drunkenness and immorality; to preserve the public peace and order; to prevent and quell riots, disturbances and disorderly assemblages; to prohibit the consumption of alcoholic

beverages by underage persons on private property pursuant to section 1 of P.L.2000, c.33 (C.40:48-1.2);

Punish beggars; prevention of loitering. 7. Restrain and punish drunkards, vagrants, mendicants and street beggars; to prevent loitering, lounging or sleeping in the streets, parks or public places;

Auctions and noises. 8. Regulate the ringing of bells and the crying of goods and other commodities for sale at auction or otherwise, and to prevent disturbing noises;

Swimming; bathing costume; prohibition of public nudity. 9. Regulate or prohibit swimming or bathing in the waters of, in, or bounding the municipality, and to regulate or prohibit persons from appearing upon the public streets, parks and places clad in bathing costumes or robes, or costumes of a similar character; regulate or prohibit persons from appearing in a state of nudity upon all lands within its borders which are under the jurisdiction of the State including, without limitation, all lands owned by, controlled by, managed by or leased by the State;

Prohibit annoyance of persons or animals. 10. Regulate or prohibit any practice tending to frighten animals, or to annoy or injure persons in the public streets;

Animals; pounds; establishment and regulation. 11. Establish and regulate one or more pounds, and to prohibit or regulate the running at large of horses, cattle, dogs, swine, goats and other animals, and to authorize their impounding and sale for the penalty incurred, and the costs of impounding, keeping and sale; to regulate or prohibit the keeping of cattle, goats or swine in any part of the municipality; to authorize the destruction of dogs running at large therein;

Hucksters. 12. Prescribe and regulate the place of vending or exposing for sale articles of merchandise from vehicles;

Building regulations; wooden structures. 13. Regulate and control the construction, erection, alteration and repair of buildings and structures of every kind within the municipality; and to prohibit, within certain limits, the construction, erection or alteration of buildings or structures of wood or other combustible material;

Inflammable materials; inspect docks and buildings. 14. Regulate the use, storage, sale and disposal of inflammable or combustible materials, and to provide for the protection of life and property from fire, explosions and other dangers; to provide for inspections of buildings, docks, wharves, warehouses and other places, and of goods and materials contained therein, to secure the proper enforcement of such ordinance;

Dangerous structures; removal or destruction; procedure. 15. Provide for the removal or destruction of any building, wall or structure which is or

may become dangerous to life or health, or might tend to extend a conflagration; and to assess the cost thereof as a municipal lien against the premises;

Chimneys and boilers. 16. Regulate the construction and setting up of chimneys, furnaces, stoves, boilers, ovens and other contrivances in which fire is used;

Explosives. 17. Regulate, in conformity with the statutes of this State, the manufacture, storage, sale, keeping or conveying of gunpowder, nitroglycerine, dynamite and other explosives;

Firearms and fireworks. 18. Regulate and prohibit the sale and use of guns, pistols, firearms, and fireworks of all descriptions;

Soft coal. 19. Regulate the use of soft coal in locomotives, factories, power houses and other places;

Theatres, schools, churches and public places. 20. Regulate the use of theatres, cinema houses, public halls, schools, churches, and other places where numbers of people assemble, and the exits therefrom, so that escape therefrom may be easily and safely made in case of fire or panic; and to regulate any machinery, scenery, lights, wires and other apparatus, equipment or appliances used in all places of public amusement;

Excavations. 21. Regulate excavations below the established grade or curb line of any street, not greater than eight feet, which the owner of any land may make, in the erection of any building upon his own property; and to provide for the giving of notice, in writing, of such intended excavation to any adjoining owner or owners, and that they will be required to protect and care for their several foundation walls that may be endangered by such excavation; and to provide that in case of the neglect or refusal, for 10 days, of such adjoining owner or owners to take proper action to secure and protect the foundations of any adjacent building or other structure, that the party or parties giving such notice, or their agents, contractors or employees, may enter into and upon such adjoining property and do all necessary work to make such foundations secure, and may recover the cost of such work and labor in so protecting such adjacent property; and to make such further and other provisions in relation to the proper conduct and performance of said work as the governing body or board of the municipality may deem necessary and proper;

Sample medicines. 22. Regulate and prohibit the distribution, depositing or leaving on the public streets or highways, public places or private property, or at any private place or places within any such municipality, any medicine, medicinal preparation or preparations represented to cure ailments or diseases of the body or mind, or any samples thereof, or any advertisements or circulars relating thereto, but no ordinance shall prohibit a delivery of any such article to any person above the age of 12 years willing to receive the same;

Boating. 23. Regulate the use of motor and other boats upon waters within or bounding the municipality;

Fire escapes. 24. Provide for the erection of fire escapes on buildings in the municipality, and to provide rules and regulations concerning the construction and maintenance of the same, and for the prevention of any obstruction thereof or thereon;

Care of injured employees. 25. Provide for the payment of compensation and for medical attendance to any officer or employee of the municipality injured in the performance of his duty;

Bulkheads and other structures. 26. Fix and determine the lines of bulkheads or other works or structures to be erected, constructed or maintained by the owners of lands facing upon any navigable water in front of their lands, and in front of or along any highway or public lands of said municipality, and to designate the materials to be used, and the type, height and dimensions thereof;

Lifeguard. 27. Establish, maintain, regulate and control a lifeguard upon any beach within or bordering on the municipality;

Appropriation for life-saving apparatus. 28. Appropriate moneys to safeguard people from drowning within its borders, by location of apparatus or conduct of educational work in harmony with the plans of the United States volunteer life-saving corps in this State;

Fences. 29. Regulate the size, height and dimensions of any fences between the lands of adjoining owners, whether built or erected as division or partition fences between such lands, and whether the same exist or be erected entirely or only partly upon the lands of any such adjoining owners, or along or immediately adjacent to any division or partition line of such lands. To provide, in such ordinance, the manner of securing, fastening or shoring such fences, and for surveying the land when required by statute, and to prohibit in any such ordinance the use at a height of under 10 feet from the ground, of any device, such as wire or cable, that would be dangerous to pedestrians, equestrians, bicyclists, or drivers of off-the-road vehicles, unless that device is clearly visible to pedestrians, equestrians, bicyclists or drivers of off-the-road vehicles. In the case of fences thereafter erected contrary to the provisions thereof, the governing body may provide for a penalty for the violation of such ordinance, and in the case of such fence or fences erected or existing at the time of the passage of any such ordinance, may provide therein for the removal, change or alteration thereof, so as to make such fence or fences comply with the provisions of any such ordinance;

Advertise municipality. 30. Appropriate funds for advertising the advantages of the municipality;

Government Energy Aggregation Programs. 31. Establish programs and procedures pursuant to which the municipality may act as a government aggregator pursuant to sections 40 through 45 of P.L.1999, c.23 (C.48:3-89 through C.48:3-94). Notwithstanding the provisions of any other law, rule or regulation to the contrary, a municipality acting as a government aggregator pursuant to P.L.1999, c.23 (C.48:3-49 et al.) shall not be deemed to be a public utility pursuant to R.S.40:62-24 or R.S.48:1-1 et seq. or be deemed to be operating any form of public utility service pursuant to R.S.40:62-1 et seq., to the extent such municipality is solely engaged in the provision of such aggregation service and not otherwise owning or operating any plant or facility for the production or distribution of gas, electricity, steam or other product as provided in R.S.40:62-12.

C.2C:40-20 Use of certain cable, wire devices; fourth degree crime.

2. A person who uses any type of device, including but not limited to wire or cable, that is not a fence but is installed at a height under 10 feet from the ground, to indicate boundary lines or otherwise to divide, partition or segregate portions of real property, if the device is not readily visible or marked in such a way as to make it readily visible to persons who are pedestrians, equestrians, bicyclists or drivers of off-the-road vehicles and poses a risk of causing significant bodily injury to such persons, shall be guilty of a crime of the fourth degree. However, this section is not intended to apply to markers set by a licensed land surveyor, pursuant to existing statute.

3. This act shall take effect immediately.

Approved March 23, 2001.

CHAPTER 37

AN ACT concerning apprentice and journeymen plumbers and amending P.L.1968, c.362.

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

1. Section 15 of P.L.1968, c.362 (C.45:14C-15) is amended to read as follows:

C.45:14C-15 Qualifications.

15. Not less than 30 days and no more than 60 days prior to the date set for the examination for a master plumber's State license, every person,

except as herein provided, desiring to apply for a State license, who shall meet the qualifications as set forth herein, shall deliver to the State board, personally or by certified mail, return receipt requested, postage prepaid, a certified check or money order payable to the Treasurer of the State of New Jersey in the required amount as set forth herein, together with such written application as shall be required by the State board, completed as therein described, and together with proof of qualifications as described hereunder.

The qualifications which shall be met and satisfied shall be as follows:

a. The person shall be 21 or more years of age and a citizen or legal resident of the United States; and

b. (1) The person shall have been engaged or employed in the plumbing trade for a period of five years preceding the date of his application for a State license. One of the five years shall have been spent while engaged or employed as a journeyman plumber. Four years of the five years shall have been spent in a plumbing apprenticeship program accredited and approved by the United States Department of Labor, with proof of passage and successful completion of this program while actively engaged or employed as a plumbing apprentice. For a period of four years following the effective date of P.L.1998, c.96, each year of employment in the plumbing trade or enrollment in a formal plumbing apprenticeship program shall be accepted by the State board in lieu of one year's enrollment in a plumbing apprenticeship program accredited and approved by the United States Department of Labor, up to a maximum total credit of four years; or

(2) The person shall have been awarded a bachelor's degree in mechanical, plumbing or sanitary engineering from an accredited college or university in the United States which the board finds acceptable and in addition shall have been engaged or employed in the practical work of installing plumbing systems for one year as an apprentice or journeyman plumber.

Proof of compliance with such qualifications or those in lieu thereof shall be submitted to the State board in writing, sworn to by the applicant, and such written proof shall be accompanied by two recent photographs of the applicant.

2. This act shall take effect immediately.

Approved March 23, 2001.

CHAPTER 38

AN ACT concerning juror fees, amending P.L.1993, c.275 and N.J.S.2B:20-16 and making an appropriation.

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

1. Section 19 of P.L.1993, c.275 (C.22A:1-1.1) is amended to read as follows:

C.22A:1-1.1 Payment of juror fees.

19. a. Every person serving as a juror in New Jersey courts, whether as a grand or petit juror, shall receive, for each day's attendance at such courts, the sum of \$5.

b. In addition to the amounts received pursuant to subsection a. of this section, each person serving as a juror, other than a person compensated pursuant to N.J.S.2B:20-16, shall be paid \$35 for each consecutive day of attendance in excess of three days. For the purposes of this subsection, "consecutive" days of attendance shall be counted excluding Saturdays, Sundays, State holidays and days when a trial is in recess.

c. The Assignment Judge of the vicinage shall designate the method of juror payment. The Assignment Judge shall keep an account of all juror fees paid under this section and provide each juror with a statement of the number of days the juror served and the amount of fees to which the juror is entitled.

2. N.J.S.2B:20-16 is amended to read as follows:

Excuse from employment for jury duty; compensation.

2B:20-16. Excuse from employment for jury duty; compensation.

Any person employed full-time by any agency, independent authority, instrumentality or entity of the State or of any political subdivision of the State shall be excused from employment at all times the person is required to be present for jury service in any court of this State, any court of another state, or any federal district court or in the United States District Court for New Jersey, and shall be entitled to receive from the employer the person's usual compensation for each day the person is present for jury service in lieu of any payment for juror service as provided in P.L.1993, c.275 (C.22A:1-1.1).

3. There is appropriated to the Administrative Office of the Courts from the General Fund \$4,600,000 for juror costs created by this act.

4. This act shall take effect immediately.

Approved March 23, 2001.

CHAPTER 39

AN ACT allowing persons to volunteer for placement on the list of persons to be excluded from licensed casinos and supplementing P.L.1977, c.110 (C.5:12-1 et seq.).

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

C.5:12-71.2 List of persons self-excluded from gaming activities.

1. a. The commission shall provide by regulation for the establishment of a list of persons self-excluded from gaming activities at all licensed casinos and simulcasting facilities. Any person may request placement on the list of self-excluded persons by acknowledging in a manner to be established by the commission that the person is a problem gambler and by agreeing that, during any period of voluntary exclusion, the person may not collect any winnings or recover any losses resulting from any gaming activity at such casinos and facilities.

b. The regulations of the commission shall establish procedures for placements on, and removals from, the list of self-excluded persons.

Such regulations shall establish procedures for the transmittal to licensed casinos and simulcasting facilities of identifying information concerning self-excluded persons, and shall require licensed casinos and simulcasting facilities to establish procedures designed, at a minimum, to remove self-excluded persons from targeted mailings or other forms of advertising or promotions and deny self-excluded persons access to credit, complementaries, check cashing privileges club programs, and other similar benefits.

c. A licensed casino or simulcasting facility or employee thereof shall not be liable to any self-excluded person or to any other party in any judicial proceeding for any harm, monetary or otherwise, which may arise as a result of:

(1) the failure of a licensed casino or simulcasting facility to withhold gaming privileges from, or restore gaming privileges to, a self-excluded person; or

(2) otherwise permitting a self-excluded person to engage in gaming activity in such licensed casino or simulcasting facility while on the list of self-excluded persons.

d. Notwithstanding the provisions of P.L.1977, c.110 (C.5:12-1 et seq.) or any other law to the contrary, the commission's list of self-excluded persons shall not be open to public inspection.

e. A licensed casino or simulcasting facility or employee thereof shall not be liable to any self-excluded person or to any other party in any judicial proceeding for any harm, monetary or otherwise, which may arise as a result

of disclosure or publication in any manner, other than a willfully unlawful disclosure or publication, of the identity of any self-excluded person.

C.5:12-71.3 Penalties for gaming by prohibited persons.

2. a. A person who is prohibited from gaming in a licensed casino or simulcasting facility by any provision of P.L.1977, c.110 (C.5:12-1 et seq.) or any order of the commission or court of competent jurisdiction, including any person on the self-exclusion list pursuant to section 1 of P.L.2001, c.39 (C.5:12-71.2), shall not collect, in any manner or proceeding, any winnings or recover any losses arising as a result of any prohibited gaming activity.

b. For the purposes of P.L.1977, c.110 (C.5:12-1 et seq.), any gaming activity in a licensed casino or simulcasting facility which results in a prohibited person obtaining any money or thing of value from, or being owed any money or thing of value by, the casino or simulcasting facility shall be considered, solely for purposes of this section, to be a fully executed gambling transaction.

c. In addition to any other penalty provided by law, any money or thing or value which has been obtained by, or is owed to, any prohibited person by a licensed casino or simulcasting facility as a result of wagers made by a prohibited person shall be subject to forfeiture by order of the commission, on complaint of the division, following notice to the prohibited person and opportunity to be heard.

Of any forfeited amount under \$100,000, one-half shall be deposited into the State General Fund for appropriation by the Legislature to the Department of Health and Senior Services to provide funds for compulsive gambling treatment and prevention programs in the State and the remaining one-half shall be deposited into the Casino Revenue Fund. Of any forfeited amount of \$100,000 or more, \$50,000 shall be deposited into the State General Fund for appropriation by the Legislature to the Department of Health and Senior Services to provide funds for compulsive gambling treatment and prevention programs and the remainder shall be deposited into the Casino Revenue Fund.

d. In any proceeding brought by the division against a licensee or registrant pursuant to section 108 of P.L.1977, c.110 (C.5:12-108) for a willful violation of the commission's self-exclusion regulations, the commission may order, in addition to any other sanction authorized by section 129 of P.L.1977, c.110 (C.5:12-129), the forfeiture of any money or thing of value obtained by the licensee or registrant from any self-excluded person. Any money or thing of value so forfeited shall be disposed of in the same manner as any money or thing of value forfeited pursuant to subsection c. of this section.

3. This act shall take effect immediately but shall remain inoperative until the 60th day after enactment.

Approved March 23, 2001.

CHAPTER 40

AN ACT concerning the testing of water from private wells, supplementing Title 58 of the Revised Statutes, and making an appropriation.

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

C.58:12A-26 Short title.

1. This act shall be known and may be cited as the "Private Well Testing Act."

C.58:12A-27 Water testing of private well as provision of contract of sale; reviewing water testing results.

2. a. Every contract of sale of (1) real property the potable water supply for which is a private well located on the property, or (2) any other real property the potable water supply for which is a well that has less than 15 service connections or that does not regularly serve an average of at least 25 individuals daily at least 60 days out of the year, shall include a provision requiring, as a condition of the sale, the testing of that water supply for at least the parameters prescribed pursuant to sections 3 and 4 of this act.

b. Closing of title on the sale of the real property shall not occur unless both the buyer and the seller have received and reviewed a copy of the water test results. At closing, the buyer and seller both shall certify in writing that they have received and reviewed the water test results.

C.58:12A-28 Water test parameters.

3. Every water test conducted in accordance with this act shall include a test for at least the following parameters: bacteria (total coliform); nitrates; iron; manganese; pH; all volatile organic compounds for which maximum contaminant levels have been established pursuant to P.L.1977, c.224 (C.58:12A-1 et seq.); and lead.

In addition, the water test shall include a short term 48-hour gross alpha test to screen for the presence of radium, provided that the Department of Environmental Protection has made a finding pursuant to subsection b. of section 4 of this act that there are a sufficient number of laboratories certified to perform the test.

C.58:12A-29 Rules, regulations; additional parameters.

4. a. The Department of Environmental Protection, in consultation with the Drinking Water Quality Institute, established pursuant to section 10 of P.L.1983, c.443 (C.58:12A-20), shall develop, by rule or regulation adopted pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a list of additional parameters which the department deems significant in each county or in any specific area within a county and which shall be tested for as part of any water test to be conducted in accordance with this act. These additional parameters may include, but need not be limited to, arsenic and mercury.

b. (1) The Department of Environmental Protection shall conduct an annual review to determine if there are a sufficient number of laboratories certified to perform the short term 48-hour gross alpha test to screen for the presence of radium that are able to provide results at a reasonable cost within 10 days of a request for testing. This review shall be based upon the projected number of transactions for which the test is required. The department shall publish its findings in the New Jersey Register.

For the purposes of section 3 of this act, if the department finds that there are a sufficient number of laboratories to conduct the short term 48-hour gross alpha test to screen for the presence of radium only within a limited area in the State, as determined by the department, and which laboratories are able to provide results at a reasonable cost within 10 days of a request for testing, then the test shall be required only within that limited area until such time as the department finds that there are a sufficient number of laboratories to provide service elsewhere in the State.

(2) The department shall establish, by rule or regulation adopted pursuant to the "Administrative Procedure Act," a protocol for proper conducting of the short term 48-hour gross alpha test to screen for the presence of radium.

c. The Department of Environmental Protection, in consultation with the Drinking Water Quality Institute and by rule or regulation adopted pursuant to the "Administrative Procedure Act," may exclude or limit by geographic area or geologic formation, or based upon well record information, any parameter listed in section 3 of this act that the department deems is not significant in a county or in any specific area within a county and which need not be tested for as part of any water test to be conducted in accordance with this act.

d. For each parameter to be tested for in accordance with this act, the Department of Environmental Protection shall establish, by rule or regulation adopted pursuant to the "Administrative Procedure Act," a maximum time period for which a test result shall remain valid for the purposes of section 2 of this act without necessitating retesting for that parameter. A retest of the water supply shall not be required pursuant to section 2 of this act if the contract of sale is entered into within the period of test validity established pursuant to this subsection. Notwithstanding any provision of this subsection to the contrary, a buyer and seller subject

to the provisions of section 2 of this act may mutually agree to retest for a parameter even though the maximum time period for test validity for that parameter established pursuant to this subsection has not expired.

C.58:12A-30 Water testing by laboratories; conditions.

5. a. Any water test conducted in accordance with this act shall be conducted by a laboratory certified by the Department of Environmental Protection pursuant to subsection c. of section 4 of P.L.1977, c.224 (C.58:12A-4) to test for drinking water contaminants.

b. Any water test results provided by a laboratory to the person or persons requesting the test shall include the maximum contaminant levels or other established water quality standards, if any, prescribed by the Department of Environmental Protection for each parameter tested and shall be transmitted on a standardized private well water test reporting form prescribed by the department. The form shall provide information regarding remediation funding alternatives available, and shall refer the buyer and seller of the real property in question to the appropriate office or person within the Department of Environmental Protection, or to the department's website, for further information regarding such alternatives.

c. The laboratory, within five business days after completion of the water test, shall also submit the water test results to the Department of Environmental Protection together with the following information:

(1) A statement that the testing is for the purpose of complying with the "Private Well Testing Act," P.L.2001, c.40 (C.58:12A-26 et seq.);

(2) The location of the real property, described by block and lot number, street address, municipality, and county;

(3) The name and mailing address of the person or persons making the request for the test;

(4) The name of the employee or authorized representative of the laboratory who collected the well sample;

(5) The date and time that the water sample was collected and the specific point of collection;

(6) The date and time the sample was analyzed by the laboratory; and

(7) Such other information as may be required by the Department of Environmental Protection, in consultation, if deemed necessary or appropriate by the department, with each county health department, health agency, or designated health officer, as appropriate to each county.

d. The Department of Environmental Protection may require laboratories to submit electronically the information required pursuant to subsection c. of this section.

e. A laboratory shall not release water test results to any person except the buyer and seller of the real property at issue as provided pursuant to section 2 of this act, the lessor of the real property as provided pursuant to

section 7 of this act, any person authorized by the buyer, seller, or lessor, as the case may be, the Department of Environmental Protection, or any person designated by court order.

f. The Department of Environmental Protection shall compile the data accumulated from the water test results submitted by laboratories pursuant to this section in a manner that shall be useful to the department, counties, municipalities, or other governmental entities for the purposes of studying groundwater supplies or contamination in the State.

C.58:12A-31 Actions on water testing results; information for public record.

6. a. The Department of Environmental Protection, within five business days after receiving any report of a water test failure in accordance with this act, shall provide notice thereof to the county health department, health agency, or designated health officer, as appropriate to each county in which the private well that failed the water test is located. The county health department, health agency, or designated health officer, as appropriate to each county, may issue a general notice to owners of real property served by private wells located in the vicinity of the real property experiencing the water test failure suggesting or recommending that those property owners may wish to have their private wells tested for at least the parameters at issue. The specific address or location of the private well that failed a water test shall not be identified in the notice or by any other means or in any other manner. The department shall establish criteria for notification which may include, but shall not be limited to, the level of exceedance recommended for notification, and the distance or location of the properties in the vicinity of the contaminated well for which testing is recommended. It shall be at the sole discretion of the county health department, health agency, or designated health officer, as appropriate to each county, whether or not to issue such a notice and to whom and by what means it shall be given.

b. Notwithstanding the provisions of P.L.1963, c.73 (C.47:1A-1 et seq.) or any other law to the contrary, water test results received by the Department of Environmental Protection, a county health department, health agency, or designated health officer, or any other State or local governmental entity in compliance with or as authorized by this act shall be confidential and shall not be open for public examination, inspection, or copying, except that general compilations of water test results data arranged or identified by county and municipality or appropriate geographic areas therein, which do not include specific address or location information, may be made available to the public.

C.58:12A-32 Lessor's water testing responsibilities for private wells.

7. Within 18 months after the effective date of this section, and at least once every five years thereafter, the lessor of any real property the potable water supply for which is a private well for which testing of the water is not required pursuant to any other State law, shall test that water supply in the manner established pursuant to this act for at least the parameters required pursuant to sections 3 and 4 of this act. Within 30 days after receipt of the test results, the lessor shall provide a written copy thereof to each rental unit on the property. The lessor shall also provide a written copy of the most recent test results to a new lessee of a rental unit on the property.

C.58:12A-33 Public information, education program, established.

8. The Department of Environmental Protection, in consultation with county health departments, health agencies, and designated health officers, shall establish a public information and education program to inform the public and appropriate professional disciplines of the enactment of this act and the substance of its provisions and requirements, the potential health effects of consuming water from a private well that does not meet maximum contaminant levels and other established water quality standards, the potential presence of radium in at least some potable groundwater supplies in the State, the geographic areas in the State subject to an actual or potential threat of danger from contaminated groundwater, the importance of testing private wells regularly for contaminants, and suggested water treatment techniques, equipment, strategies and public funding sources available for treating water from private wells that have failed a water test conducted in accordance with this act.

The department shall make available to the public a general compilation of water test results data arranged or identified by county and municipality or appropriate geographic areas therein, but which does not include specific address or location information.

C.58:12A-34 Local health authority not preempted.

9. Nothing in this act shall be construed to limit or preempt the authority of a county, county health department, health agency, or designated health officer from making or causing to be made such inspection and testing of a water supply as may be necessary to ensure the health and safety of the residents of the State.

C.58:12A-35 Report to Legislature, Governor.

10. Within five years after the date of enactment of this act, the Department of Environmental Protection, in consultation with county health departments, health agencies, and designated health officers, shall prepare, and transmit to the Governor and Legislature, a report on the implementa-

tion and operation of this act, which report shall also describe the benefits and deficiencies realized as a result of the act and include recommendations for any appropriate legislative action. This report shall also be made available free of charge to the public.

C.58:12A-36 Staffing for DEP.

11. The Department of Environmental Protection shall hire, pursuant to Title 11A (Civil Service) of the New Jersey Statutes, a sufficient number of new employees as may be deemed necessary by the department to implement this act.

C.58:12A-37 Annual budget request by DEP for implementation and staffing.

12. a. Notwithstanding any provision of section 11 of P.L. 1983, c.443 (C.58:12A-21) or any other law to the contrary, there is appropriated from the "Safe Drinking Water Fund," established pursuant to section 11 of P.L. 1983, c.443 (C.58:12A-21), to the Department of Environmental Protection the sum of \$1,000,000 to pay the initial costs of (1) implementing this act, including but not limited to the costs of hiring any new employees needed to implement this act and of establishing and administering the data base required by this act, and (2) providing grants to county health departments, health agencies, and designated health officers to pay for any costs incurred by those entities resulting from implementation of this act.

b. For each State fiscal year after the State fiscal year in which this act is enacted, the Commissioner of Environmental Protection shall include in the annual budget request of the Department of Environmental Protection submitted for the annual appropriations act a sufficient sum to meet the costs, as set forth in subsection a. of this section and in section 11 of this act, for the particular State fiscal year.

13. This act shall take effect immediately except that sections 2 and 7 shall take effect on the 540th day following the date of enactment of this act.

Approved March 23, 2001.

CHAPTER 41

AN ACT authorizing law enforcement officer memorial license plates, supplementing chapter 3 of Title 39 of the Revised Statutes and subtitle 12A of Title 18A of the New Jersey Statutes.

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

C.18A:71B-24.1 Short title.

1. This act shall be known and may be cited as the "Law Enforcement Officers' Memorial Scholarship Act of 2000."

C.39:3-27.123 Law enforcement officer memorial license plates; "Law Enforcement Officer Memorial Fund."

2. a. The Director of the Division of Motor Vehicles may issue for a motor vehicle owned or leased and registered in the State special license plates bearing, in addition to the registration number and other markings or identification otherwise prescribed by law, an appropriate slogan and an emblem, to be designed by the Superintendent of State Police, in consultation with the State Police Benevolent Association, the State Fraternal Order of Police and the staff of the National Law Enforcement Officers Memorial Fund, Inc., and approved by the Director of the Division of Motor Vehicles. These design features shall commemorate and honor law enforcement officers killed in the line of duty in New Jersey.

b. Application for issuance of law enforcement officer memorial license plates shall be made to the director on such forms and in such manner as may be prescribed by the director. The director shall collect for each set of plates issued an application fee of \$50, and an annual renewal fee of \$10, in addition to the fees otherwise prescribed by law for the registration of motor vehicles.

c. Monies collected from all fees for law enforcement officer memorial license plates shall be deposited in a special account to be known as the "Law Enforcement Officer Memorial Fund" to be established in the Department of the Treasury. Other funds made available to the State to support the provisions of this act shall be deposited in this fund for use as set forth in this act. Interest or other income earned on monies deposited into the fund shall be credited to the fund for use as set forth in this act.

d. The director shall annually certify to the Commissioner of Transportation the average cost per license plate incurred in the immediately preceding year by the Division of Motor Vehicles in producing, issuing, renewing and publicizing the availability of law enforcement officer memorial license plates. The Commissioner of Transportation shall annually report to the Director of the Division of Budget and Accounting in the Department of the Treasury the costs incurred by the Department of Transportation and the Division of Motor Vehicles to implement the provisions of this section.

e. The director shall notify eligible motorists of the opportunity to obtain law enforcement officer memorial license plates by including a notice with all motor vehicle registration renewals, and by posting appropriate posters or signs in all division facilities and offices. The notices, posters and signs shall be designed by the Superintendent of State Police after consulting with the State Police Benevolent

Association, the State Fraternal Order of Police and the staff of the National Law Enforcement Officers Memorial Fund, Inc. The designs shall be subject to the approval of the director. The Superintendent shall supply the division with the notices, posters and signs to be circulated or posted by the division.

f. In the event that the average cost per license plate, as certified by the director and approved by the Joint Budget Oversight Committee, or its successor, is greater than the \$50 application fee established in subsection b. of this section in two consecutive fiscal years, the director may discontinue the issuance of the law enforcement officer memorial license plate.

C.39:3-27.124 Contributions to offset initial costs for law enforcement officer memorial license plates.

3. The State Police Benevolent Association, the State Fraternal Order of Police, and the National Law Enforcement Officers Memorial Fund, Inc. shall contribute monies in an amount to be determined by the director, not to exceed an aggregate amount of \$50,000, to be used to offset the initial costs incurred by the division for producing, issuing, renewing, and publicizing the availability of special license plates that commemorate and honor law enforcement officers killed in the line of duty in New Jersey. To help offset the initial costs incurred by the division for the special license plates authorized by this act, other law enforcement organizations and donors may assist by contributing monies to any of the three organizations listed herein. Any amount remaining after the payment of the initial costs shall be returned to the three contributing organizations.

C.39:3-27.125 Use of appropriated funds.

4. Funds from the Law Enforcement Officer Memorial Fund shall be annually appropriated first to reimburse the amount contributed by those organizations pursuant to section 3 of this act, and then:

a. to reimburse the Division of Motor Vehicles for all costs, including those costs associated with computer programming changes, incurred in producing, issuing, renewing and publicizing the availability of law enforcement officer memorial license plates;

b. to reimburse the Department of Transportation for the design and printing of notices, posters and signs to be utilized by the Division of Motor Vehicles; and

c. for the establishment of a scholarship program for the children of law enforcement officers killed in the line of duty pursuant to section 5 of this act.

C.18A:71B-24.2 Law Enforcement Officer Memorial Scholarships Program.

5. a. There is created the Law Enforcement Officer Memorial Scholarships Program. These scholarships shall be awarded, pursuant to the provisions of this act, to the children of New Jersey law enforcement officers who were killed in the line of duty. The New Jersey Higher Education

Student Assistance Authority, in but not of the Department of State, and established pursuant to N.J.S.18A:71A-3, shall administer this program.

b. Law Enforcement Officer Memorial Scholarships shall be awarded annually within the limits of monies in the Law Enforcement Officer Memorial Fund, created pursuant to subsection c. of section 2 of P.L.2001, c.41 (C.39:3-27.123), for undergraduate study leading to a baccalaureate degree or associate degree at any public or private institution of higher education in New Jersey. The amount of any such scholarship shall not exceed an amount equal to the portion of the recipient's cost of attendance at the institution that is not otherwise covered by any other scholarship, tuition aid grant, benefit or other assistance awarded to the recipient under the "Higher Education Student Assistance Authority Law," N.J.S.18A:71A-1 et seq.

c. The scholarships may be renewed annually for up to four years, except that each scholarship shall remain in effect only if the holder of the scholarship remains a full-time student in good standing at the institution and continues to meet the eligibility criteria and guidelines established under this act and regulations promulgated thereto. Selection of recipients may take into account the actual dependency of the recipients, their needs and means, and the pecuniary loss occasioned by reason of the death of their parents.

d. A student who is subject to the provisions of the "Military Selective Service Act," 50 U.S.C. App.453, shall not be eligible to receive any scholarship without verification of compliance with the requirements of that act.

e. For the purposes of this act, "law enforcement officer" means a New Jersey resident employed as a permanent full-time member of any federal, State, county or municipal law enforcement agency, department, or division of those governments who is statutorily empowered to act for the detection, investigation, arrest, conviction, detention, or rehabilitation of persons violating the criminal laws of this State or of the United States and statutorily required to successfully complete a training course approved by the Police Training Commission pursuant to P.L.1961, c.56 (C.52:17B-66 et seq.), or certified by the commission as being substantially equivalent to an approved course.

C.18A:71B-24.3 Rules, regulations.

6. The Higher Education Student Assistance Authority shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to carry out the provisions of this act.

C.18A:71B-24.4 Annual appropriation.

7. There shall be annually appropriated to the Higher Education Student Assistance Authority such sums as shall be necessary to administer the provisions of sections 5 and 6 of P.L.2001, 41 (C.18A:71B-24.2 and 18A:71B-24.3).

C.39:3-27.126 Memorandum of agreement.

8. The director and the organizations contributing monies pursuant to section 3 of this act shall enter into a memorandum of agreement setting forth the procedures to be followed by the division and the contributing organizations in carrying out the provisions of this act.

9. This act shall take effect immediately but shall remain inoperative until the first day of the seventh month after enactment; except that the Commissioner of Transportation, the State Treasurer and the Director of the Division of Motor Vehicles may take such action in advance of that day as may be necessary for the timely implementation of this act.

Approved March 27, 2001.

 CHAPTER 42

AN ACT concerning the acquisition of lands for recreation and conservation purposes by the State and by certain qualifying tax exempt nonprofit organizations, supplementing P.L.2001, c.58 and P.L.2001, c.32, and making an appropriation.

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

1. a. The following locations are added to the locations for the project listed in paragraph (6) of subsection a. of section 1 of P.L.2001, c.58:

<i>Delaware River Bluffs</i>	
Sussex	Montague Twp

b. The following locations are added to the locations for the project listed in paragraph (8) of subsection a. of section 1 of P.L.2001, c.58:

Sussex	Hardyston Twp
	Sparta Twp

c. The following locations are added to the locations for the project listed in paragraph (9) of subsection a. of section 1 of P.L.2001, c.58:

<i>Waterloo Village</i>	
Sussex	Byram Twp
	Stanhope Boro

d. The following locations are added to the locations for the project listed in paragraph (11) of subsection a. of section 1 of P.L.2001, c.58:

Sussex	Byram Twp Green Twp Hopatcong Boro Stanhope Boro
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e. The following locations are added to the locations for the project listed in paragraph (12) of subsection a. of section 1 of P.L.2001, c.58:

<i>Ogdensburg Fen</i>	Sussex	Ogdensburg Boro
<i>Wetlands Habitat/ Bog Turtle</i>	Sussex	Frankford Twp Wantage Twp

f. The following locations are added to the locations for the project listed in paragraph (13) of subsection a. of section 1 of P.L.2001, c.58:

<i>Youth Camps</i>	Sussex	Byram Twp Hampton Twp Sandyston Twp Sparta Twp Stillwater Twp Vernon Twp Wantage Twp
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g. The following locations are added to the locations for the project listed in paragraph (14) of subsection a. of section 1 of P.L.2001, c.58:

Sussex	Branchville Boro Fredon Twp Hampton Twp Lafayette Twp Sparta Twp Stillwater Twp
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h. The following locations are added to the locations for the project listed in paragraph (15) of subsection a. of section 1 of P.L.2001, c.58:

Sussex	Andover Boro Andover Twp Fredon Twp Green Twp
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i. The following locations are added to the locations for the project listed in paragraph (18) of subsection a. of section 1 of P.L.2001, c.58:

<i>Appalachian Trail Easements</i>	Sussex	Vernon Twp
<i>Rails to Trails</i>	Sussex	Andover Boro Andover Twp Franklin Boro Green Twp Hamburg Boro Newton Town Ogdensburg Boro Sparta Twp Sussex Boro Vernon Twp

2. a. There is appropriated from the "Garden State Green Acres Preservation Trust Fund," established pursuant to section 19 of P.L.1999, c.152 (C.13:8C-19), to the Department of Environmental Protection the sum of \$1,000,000 for the acquisition of lands by the State for recreation and conservation purposes. This sum shall be allocated as follows:

Project	County	Municipality	Amount
STOKES/ HIGH POINT ADDITIONS	Sussex	Frankford Twp Hampton Twp Montague Twp Sandyston Twp Wantage Twp	\$1,000,000

b. Any transfer of any funds, or change in project site, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any State project that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes shall be eligible to receive additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor.

d. For the purposes of this section, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, and P.L.1989, c.183.

3. a. The following projects or locations of projects are added to the projects or locations of projects listed in subparagraph (m) of paragraph (1) of subsection a. of section 1 of P.L.2001, c.32:

Limestone Forest Acq	Sussex	Andover Boro Andover Twp Fredon Twp Green Twp Hampton Twp Lafayette Twp Newton Town Stillwater Twp
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b. The following projects or locations of projects are added to the projects or locations of projects listed in subparagraph (o) of paragraph (1) of subsection a. of section 1 of P.L.2001, c.32:

Hardyston Twp Open Space	Sussex	Hardyston Twp
Sparta Open Space	Sussex	Sparta Twp

4. This act shall take effect immediately except that section 1 of this act shall take effect upon the effective date of P.L.2001, c.58 and section 3 of this act shall take effect upon the effective date of P.L.2001, c.32.

Approved March 28, 2001.

CHAPTER 43

AN ACT concerning school district budget cap adjustments and amending P.L.1996, c.138.

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

1. Section 5 of P.L.1996, c.138 (C.18A:7F-5) is amended to read as follows:

C.18A:7F-5 Notification of districts of aid payable; budget submissions.

5. a. Biennially, within 30 days following the approval of the Report on the Cost of Providing a Thorough and Efficient Education, the commissioner shall notify each district of the T&E amount, the T&E flexible amount, the T&E range, early childhood program amount, demonstrably

effective program amount, instructional supplement amount, and categorical amounts per pupil for the subsequent two fiscal years.

Annually, within two days following the transmittal of the State budget message to the Legislature by the Governor pursuant to section 11 of P.L.1944, c.112 (C.52:27B-20), the commissioner shall notify each district of the maximum amount of aid payable to the district in the succeeding school year pursuant to the provisions of this act, and shall notify each district of the district's T&E budget, maximum T&E budget, and minimum permissible T&E budget for the succeeding school year.

Beginning in the 1998-99 school year, unless otherwise specified within this act, aid amounts payable for the budget year shall be based on budget year pupil counts, which shall be projected by the commissioner using data from prior years. Adjustments for the actual pupil counts of the budget year shall be made to State aid amounts payable during the school year succeeding the budget year. Additional amounts payable shall be reflected as revenue and an account receivable for the budget year.

Notwithstanding any other provision of this act to the contrary, each district's State aid payable for the 1997-98 school year, with the exception of transportation and facilities aids pursuant to sections 25, 26, and 27 of this act, shall be based on simulations employing the various formulas and State aid amounts contained in this act using projections based on the October 1995 pupil counts, December 1995 special education census data and October 1995 equalized valuations. Transportation aid shall be calculated based on the provisions of this act using pupil data used for the 1996-97 school year and adjusted to reflect the total amount of State aid disbursed in the 1996-97 school year. The commissioner shall prepare a report dated December 19, 1996 reflecting the State aid amounts payable by category for each district and shall submit the report to the Legislature prior to the adoption of this act. The amounts contained in the commissioner's report shall be the final amounts payable and shall not be subsequently adjusted because of changes in pupil counts or equalized valuations. The projected pupil counts and equalized valuations used for the calculation of State aid shall also be used for the calculation of maximum T&E budget, minimum T&E budget, local share, required local share, and spending growth limitation. State aid notification of debt service aid pursuant to section 27 of this act shall include a statement that debt service aid shall be determined in the budget.

Any school district which enrolls students who reside on federal property which were not included in the calculation of core curriculum standards aid for 1997-98 shall have its core curriculum standards aid recalculated for these additional enrollments through the 1997-98 school year using the property value multiplier, income value multiplier, equalized

valuation, and district income which were used in the original Statewide calculation of core curriculum standards aid. The additional aid resulting from the recalculations shall be divided by 20 and the product shall be added to each of the remaining core curriculum standards aid payments for the 1997-98 school year. Additionally, the core curriculum standards aid calculation and payment schedule for 1998-99 shall be adjusted for such enrollments arriving after the last school day prior to October 16, 1997.

b. Each district shall have a required local share. For Abbott districts, the required local share for the purpose of determining its estimated minimum equalized tax rate and supplemental core curriculum standards aid shall equal the district's local share calculated at the middle of the T&E range (T&E amount x WENR, where WENR is the district's weighted enrollment pursuant to section 13 of this act).

Notwithstanding the above provision, no Abbott district shall raise a general fund tax levy which is less than the prior year general fund tax levy unless the sum of the levy and the other components of the T&E program budget equals or exceeds its maximum T&E budget calculated pursuant to section 13 of this act.

For district factor group A districts, the required local share shall equal the district's local share calculated at its minimum T&E budget pursuant to section 13 of this act.

For all other districts, the required local share shall equal the lesser of the local share calculated at the district's minimum T&E budget pursuant to section 13 of this act, or the district's budgeted local share for the prebudget year.

In order to meet this requirement, each district shall raise a general fund tax levy which, when added to the general fund balance designated for the budget year, miscellaneous local general fund revenues estimated consistent with GAAP to be realized during the budget year, supplemental core curriculum standards aid calculated pursuant to section 17 of this act and stabilization aid and supplemental school tax reduction aid calculated pursuant to section 10 of this act, equals its required local share or, for Abbott districts, the amount required when the calculation of required local share would result in a general fund tax levy which is less than the general fund tax levy of the prebudget year. For 1997-98, the budgeted local share for the prebudget year shall be the district's general fund tax levy.

For the 1997-98 school year, any tax increase which would be required of an Abbott district or district factor group A district to meet its required local share, after consideration of supplemental core curriculum standards aid, stabilization aid, and supplemental school tax reduction aid shall be fully funded by the State and recorded as supplemental core curriculum standards aid. The commissioner, in consultation with the Commissioner of the Department of Community Affairs and the Director of the Division

of Local Government Services in the Department of Community Affairs, shall examine the fiscal ability of the Abbott districts and the district factor group A districts eligible for supplemental core curriculum standards aid to absorb any reduction in such aid and shall make recommendations to the Legislature and the Governor regarding the continuation of supplemental core curriculum standards aid to those districts. In making those recommendations, the commissioner shall consider the ratable base of the municipality or municipalities in which the district is located, the tax burden placed upon the local community due to other required municipal services, and the fiscal ability of the school district to raise its required local share. The commissioner shall not implement any of those recommendations until the recommendations are enacted into law.

No municipal governing body or bodies or board of school estimate, as appropriate, shall certify a general fund tax levy which does not meet the required local share provisions of this section.

c. Annually, on or before March 4, each district board of education shall adopt, and submit to the commissioner for approval, together with such supporting documentation as the commissioner may prescribe, a budget that provides no less than the minimum permissible T&E budget, plus categorical amounts required for a thorough and efficient education as established pursuant to the report, special revenue funds and debt service funds.

d. (1) A district proposing a budget which includes spending which exceeds the maximum T&E budget established pursuant to section 13 of this act shall submit, as appropriate, to the board of school estimate or to the voters of the district at the annual school budget election conducted pursuant to the provisions of P.L.1995, c.278 (C.19:60-1 et seq.), a general fund tax levy which when added to the other components of its net budget does not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the sum of three percent or the CPI, whichever is greater, multiplied by the prebudget year net budget, and adjustments for changes in enrollment, certain capital outlay expenditures, expenditures for pupil transportation services provided pursuant to N.J.S.18A:39-1.1, expenditures incurred in connection with the opening of a new school facility during the budget year, and special education costs per pupil in excess of \$40,000. The adjustment for special education costs shall equal any increase in the sum of per pupil amounts in excess of \$40,000 for the budget year less the sum of per pupil amounts in excess of \$40,000 for the prebudget year indexed by the CPI or three percent, whichever is greater. The adjustment for enrollments shall equal the increase in unweighted resident enrollments between the prebudget year and budget year multiplied by the per pupil general fund tax levy amount for the prebudget year

indexed by the CPI or three percent, whichever is greater. The adjustment for capital outlay shall equal any increase between the capital outlay portion of the general fund budget for the budget year less any withdrawals from the capital reserve account and the capital outlay portion of the general fund budget for the prebudget year indexed by the CPI or three percent, whichever is greater. Any district with a capital outlay adjustment to its spending growth limitation shall be restricted from transferring any funds from capital outlay accounts to current expense accounts. The adjustment for capital outlay shall not become part of the prebudget year net budget for purposes of calculating the spending growth limitation of the subsequent year. The adjustment for pupil transportation costs provided pursuant to N.J.S.18A:39-1.1 shall equal the cost of providing such pupil transportation services for the budget year. The adjustment for the opening of a new school facility shall include costs associated with the new facility related to new teaching staff members, support staff, materials and equipment, custodial and maintenance expenditures, and such other required costs as determined by the commissioner.

(2) A district proposing a budget set at or below the minimum T&E budget established pursuant to section 13 of this act shall submit, as appropriate, to the board of school estimate or to the voters of the district at the annual school budget election conducted pursuant to the provisions of P.L.1995, c.278 (C.19:60-1 et seq.), a general fund tax levy which when added to the other components of the net T&E budget shall not exceed the prebudget year net T&E budget or in 1997-98 the prebudget year net budget by more than the spending growth limitation calculated as follows: the sum of three percent or the CPI, whichever is greater, multiplied by the prebudget year net budget, and adjustments for changes in enrollment, certain capital outlay expenditures, expenditures for pupil transportation services provided pursuant to N.J.S.18A:39-1.1, expenditures incurred in connection with the opening of a new school facility during the budget year, and special education costs per pupil in excess of \$40,000. The enrollment adjustment shall equal the increase in weighted resident enrollment between the prebudget year and the budget year multiplied by the T&E amount less the T&E flexible amount. The adjustments for special education costs, pupil transportation services, and capital outlay expenditures shall be calculated pursuant to the provisions of paragraph (1) of this subsection. The adjustment for the opening of a new school facility shall include costs associated with the new facility related to new teaching staff members, support staff, materials and equipment, custodial and maintenance expenditures, and such other required costs as determined by the commissioner.

Notwithstanding the provisions of this paragraph, no district shall raise a net budget which is less than the local share required under the required local share provisions of this act plus the other components of its net budget.

(3) A district proposing a budget set at or below the maximum T&E budget, but including amounts in excess of the minimum T&E budget established pursuant to section 13 of this act, shall submit, as appropriate, to the board of school estimate or to the voters at the annual school budget election conducted pursuant to the provisions of P.L.1995, c.278 (C.19:60-1 et seq.), a general fund tax levy which when added to the other components of its net T&E budget does not exceed the prebudget year net T&E budget or in 1997-98 the prebudget year net budget by more than the spending growth limitation calculated as follows: the sum of three percent or the CPI, whichever is greater, multiplied by the prebudget year net budget, and adjustments for changes in enrollment, certain capital outlay expenditures, expenditures for pupil transportation services provided pursuant to N.J.S.18A:39-1.1, expenditures incurred in connection with the opening of a new school facility during the budget year, and special education costs per pupil in excess of \$40,000 per pupil. The enrollment adjustment shall equal the increase in the unweighted resident enrollment between the prebudget year and the budget year multiplied by the prebudget year T&E program budget per pupil indexed by the CPI or three percent, whichever is greater. For the 1997-98 school year, the T&E program budget for the prebudget year shall equal the sum of the general fund tax levy, foundation aid, and transition aid. The adjustment for special education costs, pupil transportation services, and capital outlay expenditures shall be made pursuant to the provisions of paragraph (1) of this subsection. The adjustment for the opening of a new school facility shall include costs associated with the new facility related to new teaching staff members, support staff, materials and equipment, custodial and maintenance expenditures, and such other required costs as determined by the commissioner.

(4) Any debt service payment made by a school district during the budget year shall not be included in the calculation of the district's spending growth limitation.

(5) For the 1997-98 school year, a district's spending growth limitation shall be increased by the excess of county special services school district tuition over prebudget year county special services school district tuition indexed by the CPI or three percent, whichever is greater.

(6) For the purpose of determining a district's spending growth limitation for the 1997-98 school year, a district may apply to the commissioner to add all or a part of the district's original designated general fund balance for 1996-97 to the spending growth limitation if it can demonstrate

through current accounting records and historical trend data that the fund balance will actually be spent in the budget year.

(7) If the use of early childhood program aid for the provision of full-day kindergarten and preschool classes and other early childhood programs and services or the use of demonstrably effective program aid for the provision of instructional, school governance, and health and social service programs will cause the district to exceed its spending growth limitation, the district may apply to the commissioner for an adjustment to that limitation.

(8) If an increase in tuition for the budget year charged to a sending district by the receiving district pursuant to the provisions of N.J.S.18A:38-19 would reduce the sending district's per pupil net budget amount below the prior year's per pupil net budget amount in order to comply with the district's spending growth limitation, the district may apply to the commissioner for an adjustment to that limitation.

(9) Any district may submit at the annual school budget election a separate proposal or proposals for additional funds, including interpretive statements, specifically identifying the program purposes for which the proposed funds shall be used, to the voters, who may, by voter approval, authorize the raising of an additional general fund tax levy for such purposes. In the case of a district with a board of school estimate, one proposal for the additional spending shall be submitted to the board of school estimate. Any proposal or proposals rejected by the voters shall be submitted to the municipal governing body or bodies for a determination as to the amount, if any, that should be expended notwithstanding voter rejection. The decision of the municipal governing body or bodies or board of school estimate, as appropriate, shall be final and no appeals shall be made to the commissioner.

(10) Notwithstanding any provision of law to the contrary, if a district proposes a budget which exceeds the maximum T&E budget, the following statement shall be published in the legal notice of public hearing on the budget pursuant to N.J.S.18A:22-28, posted at the public hearing held on the budget pursuant to N.J.S.18A:22-29, and printed on the sample ballot required pursuant to section 10 of P.L.1995, c.278 (C.19:60-10):

"Your school district has proposed programs and services in addition to the core curriculum content standards adopted by the State Board of Education. Information on this budget and the programs and services it provides is available from your local school district."

e. (1) Any general fund tax levy rejected by the voters for a proposed budget in excess of the maximum T&E budget shall be submitted to the governing body of each of the municipalities included within the district for determination of the amount that should be expended notwithstanding voter rejection. In the case of a district having a board of school estimate, the

general fund tax levy shall be submitted to the board for determination of the amount that should be expended. If the governing body or bodies or board of school estimate, as appropriate, reduce the district's proposed net budget, the district may appeal any of the reductions to the commissioner on the grounds that the reductions will negatively impact on the stability of the district given the need for long term planning and budgeting. In considering the appeal, the commissioner shall consider enrollment increases or decreases within the district; the history of voter approval or rejection of district budgets; the impact on the local levy; and whether the reductions will impact on the ability of the district to fulfill its contractual obligations. A district may not appeal any reductions on the grounds that the amount is necessary for a thorough and efficient education.

(2) Any general fund tax levy rejected by the voters for a proposed budget at or below the maximum T&E budget shall be submitted to the governing body of each of the municipalities included within the district for determination of the amount that should be expended notwithstanding voter rejection. In the case of a district having a board of school estimate, the general fund tax levy shall be submitted to the board for determination. Any reductions may be appealed to the commissioner on the grounds that the amount is necessary for a thorough and efficient education or that the reductions will negatively impact on the stability of the district given the need for long term planning and budgeting. In considering the appeal, the commissioner shall also consider the factors outlined in paragraph (1) of this subsection.

In the case of a school district in which the proposed budget is below, or after a reduction made by the municipal governing body or board of school estimate is below, the minimum T&E budget calculated pursuant to section 13 of this act, any reductions made by the municipal governing body or board of school estimate shall be automatically reviewed by the commissioner. In reviewing the budget, the commissioner shall also consider the factors outlined in paragraph (1) of this subsection. In addition, the municipal governing body or board of school estimate shall be required to demonstrate clearly to the commissioner that the proposed budget reductions shall not adversely affect the ability of the school district to provide a thorough and efficient education or the stability of the district given the need for long term planning and budgeting.

(3) In lieu of any budget reduction appeal provided for pursuant to paragraphs (1) and (2) of this subsection, the State board may establish pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), an expedited budget review process based on a district's application to the commissioner for an order to restore a budget reduction.

(4) When the voters, municipal governing body or bodies, or the board of school estimate authorize the general fund tax levy, the district shall

submit the resulting budget to the commissioner within 15 days of the action of the voters or municipal governing body or bodies, whichever is later, or of the board of school estimate as the case may be.

f. Any district which is not an Abbott district but which was classified as a special needs district under the "Quality Education Act of 1990," P.L.1990, c.52 (C.18A:7D-1 et al.), may appeal any budget reduction made by the municipal governing body or board of school estimate, as appropriate, to the commissioner.

g. The commissioner shall annually review the budget of any district which was classified as a special needs district under the "Quality Education Act of 1990," P.L.1990, c.52 (C.18A:7D-1 et al.), to determine if any educationally meritorious program or service established through State resources provided as a result of that funding law is proposed to be reduced or eliminated. If the commissioner determines that the program or service is in jeopardy and that a reallocation of resources is possible without jeopardizing other educationally meritorious programs or services, he may require the school board to fund the program or service through a reallocation of resources.

2. This act shall take effect for the 2001-2002 school year.

Approved March 29, 2001.

CHAPTER 44

AN ACT concerning the funding of the Police and Firemen's Retirement System of New Jersey and the contributions to the system by employers other than the State and amending P.L.1944, c.255.

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

1. This act shall be known and may be cited as the "Pension Cost Stabilization Act."

2. Section 15 of P.L.1944, c.255 (C.43:16A-15) is amended to read as follows:

C.43:16A-15 Contributions, expenses of administration.

15. (1) The contributions required for the support of the retirement system shall be made by members and their employers.

(2) The uniform percentage contribution rate for members shall be 8.5% of compensation.

(3) (Deleted by amendment, P.L.1989, c.204).

(4) Upon the basis of the tables recommended by the actuary which the board adopts and regular interest, the actuary shall compute annually, beginning as of June 30, 1991, the amount of contribution which shall be the normal cost as computed under the projected unit credit method attributable to service rendered under the retirement system for the year beginning on July 1 immediately succeeding the date of the computation. This shall be known as the "normal contribution."

(5) (Deleted by amendment, P.L.1989, c.204).

(6) (Deleted by amendment, P.L.1994, c.62.)

(7) Each employer shall cause to be deducted from the salary of each member the percentage of earnable compensation prescribed in subsection (2) of this section. To facilitate the making of deductions, the retirement system may modify the amount of deduction required of any member by an amount not to exceed 1/10 of 1% of the compensation upon which the deduction is based.

(8) The deductions provided for herein shall be made notwithstanding that the minimum salary provided for by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided for herein, and payment of salary or compensation less said deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the service rendered by such person during the period covered by such payment, except as to the benefits provided under this act. The chief fiscal officer of each employer shall certify to the retirement system in such manner as the retirement system may prescribe, the amounts deducted; and when deducted shall be paid into said annuity savings fund, and shall be credited to the individual account of the member from whose salary said deduction was made.

(9) With respect to employers other than the State, upon the basis of the tables recommended by the actuary which the board adopts and regular interest, the actuary shall compute the amount of the accrued liability as of June 30, 1991 under the projected unit credit method, which is not already covered by the assets of the retirement system, valued in accordance with the asset valuation method established in this section. Using the total amount of this unfunded accrued liability, the actuary shall compute the initial amount of contribution which, if the contribution is increased at a specific rate and paid annually for a specific period of time, will amortize this liability. The State Treasurer shall determine, upon the advice of the Director of the Division of Pensions and Benefits, the board of trustees and the actuary, the rate of increase for the contribution and the time period for

full funding of this liability, which shall not exceed 40 years on initial application of this section as amended by this act, P.L.1994, c.62. This shall be known as the "accrued liability contribution." Any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for the 10 valuation years following valuation year 1991 shall serve to increase or decrease, respectively, the unfunded accrued liability contribution. Thereafter, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years shall serve to increase or decrease, respectively, the amortization period for the unfunded accrued liability, unless an increase in the amortization period will cause it to exceed 30 years. If an increase in the amortization period as a result of actuarial losses for a valuation year would exceed 30 years, the accrued liability contribution shall be computed for the valuation year in the same manner provided for the computation of the initial accrued liability contribution under this section.

With respect to the State, upon the basis of the tables recommended by the actuary which the board adopts and regular interest, the actuary shall annually determine if there is an amount of the accrued liability, computed under the projected unit credit method, which is not already covered by the assets of the retirement system, valued in accordance with the asset valuation method established in this section. This shall be known as the "unfunded accrued liability." If there was no unfunded accrued liability for the valuation period immediately preceding the current valuation period, the actuary, using the total amount of this unfunded accrued liability, shall compute the initial amount of contribution which, if the contribution is increased at a specific rate and paid annually for a specific period of time, will amortize this liability. The State Treasurer shall determine, upon the advice of the Director of the Division of Pensions and Benefits, the board of trustees and the actuary, the rate of increase for the contribution and the time period for full funding of this liability, which shall not exceed 30 years. This shall be known as the "accrued liability contribution." Thereafter, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years shall serve to increase or decrease, respectively, the amortization period for the unfunded accrued liability, unless an increase in the amortization period will cause it to exceed 30 years. If an increase in the amortization period as a result of actuarial losses for a valuation year would exceed 30 years, the accrued liability contribution shall be computed for the valuation year in the same manner provided for the computation of the initial accrued liability contribution under this section. The State may pay all or any portion of its unfunded accrued liability under the retirement system from any source of funds

legally available for the purpose, including, without limitation, the proceeds of bonds authorized by law for this purpose.

The value of the assets to be used in the computation of the contributions provided for under this section for valuation periods shall be the value of the assets for the preceding valuation period increased by the regular interest rate, plus the net cash flow for the valuation period (the difference between the benefits and expenses paid by the system and the contributions to the system) increased by one half of the regular interest rate, plus 20% of the difference between this expected value and the full market value of the assets as of the end of the valuation period. This shall be known as the "valuation assets." Notwithstanding the first sentence of this paragraph, the valuation assets for the valuation period ending June 30, 1995 shall be the full market value of the assets as of that date and, with respect to the valuation assets allocated to the State, shall include the proceeds from the bonds issued pursuant to the "Pension Bond Financing Act of 1997," P.L.1997, c.114 (C.34:1B-7.45 et seq.), paid to the system by the New Jersey Economic Development Authority to fund the unfunded accrued liability of the system. Notwithstanding the first sentence of this paragraph, the percentage of the difference between the expected value and the full market value of the assets to be added to the expected value of the assets for the valuation period ending June 30, 1998 for the State shall be 100%, and for other employers shall be 57% plus such additional percentage as is equivalent to \$150,000,000. Notwithstanding the first sentence of this paragraph, the amount of the difference between the expected value and the full market value of the assets to be added to the expected value of the assets for the valuation period ending June 30, 1999 shall include an additional amount of the market value of the assets sufficient to fund the unfunded accrued liability for the supplementary "special retirement" allowances provided under subsection b. of section 16 of P.L.1964, c.241 (C.43:16A-11.1).

"Excess valuation assets" means, with respect to the valuation assets allocated to the State, the valuation assets allocated to the State for a valuation period less the actuarial accrued liability of the State for the valuation period, and beginning with the valuation period ending June 30, 1998, less the present value of the expected additional normal cost contributions attributable to the provisions of P.L.1999, c.428 (C.43:16A-15.8 et al.) payable on behalf of the active members employed by the State as of the valuation period over the expected working lives of the active members in accordance with the tables of actuarial assumptions applicable to the valuation period, if the sum is greater than zero. "Excess valuation assets" means, with respect to the valuation assets allocated to other employers, the valuation assets allocated to the other employers for a valuation period less the actuarial accrued liability of the other employers

for the valuation period, excluding the unfunded accrued liability for early retirement incentive benefits pursuant to P.L.1993, c.99 for the other employers, and beginning with the valuation period ending June 30, 1998, less the present value of the expected additional normal cost contributions attributable to the provisions of P.L.1999, c.428 (C.43:16A-15.8 et al.) payable on behalf of the active members employed by other employers as of the valuation period over the expected working lives of the active members in accordance with the tables of actuarial assumptions applicable to the valuation period, if the sum is greater than zero.

If there are excess valuation assets allocated to the State or to the other employers for the valuation period ending June 30, 1995, the normal contributions payable by the State or by the other employers for the valuation periods ending June 30, 1995, and June 30, 1996 which have not yet been paid to the retirement system shall be reduced to the extent possible by the excess valuation assets allocated to the State or to the other employers, respectively, provided that with respect to the excess valuation assets allocated to the State, the General Fund balances that would have been paid to the retirement system except for this provision shall first be allocated as State aid to public schools to the extent that additional sums are required to comply with the May 14, 1997 decision of the New Jersey Supreme Court in *Abbott v. Burke*.

If there are excess valuation assets allocated to the other employers for the valuation period ending June 30, 1998, the accrued liability contributions payable by the other employers for the valuation period ending June 30, 1997 shall be reduced to the extent possible by the excess valuation assets allocated to the other employers.

If there are excess valuation assets allocated to the State or to the other employers for a valuation period ending after June 30, 1998, the State Treasurer may reduce the normal contribution payable by the State or by other employers for the next valuation period as follows:

(1) for valuation periods ending June 30, 1996 through June 30, 2000, to the extent possible by up to 100% of the excess valuation assets allocated to the State or to the other employers, respectively;

(2) for the valuation period ending June 30, 2001, to the extent possible by up to 84% of the excess valuation assets allocated to the State or to the other employers, respectively;

(3) for the valuation period ending June 30, 2002, to the extent possible by up to 68% of the excess valuation assets allocated to the State or to the other employers, respectively; and

(4) for valuation periods ending on or after June 30, 2003, to the extent possible by up to 50% of the excess valuation assets allocated to the State or to the other employers, respectively.

Notwithstanding the discretion provided to the State Treasurer in the previous paragraph to reduce the amount of the normal contribution payable by employers other than the State, the State Treasurer shall reduce the amount of the normal contribution payable by employers other than the State by \$150,000,000 in the aggregate for the valuation period ending June 30, 1998, and then the State Treasurer may reduce further pursuant to the provisions of the previous paragraph the normal contribution payable by such employers for that valuation period.

The normal and accrued liability contributions shall be certified annually by the retirement system and shall be included in the budget of the employer and levied and collected in the same manner as any other taxes are levied and collected for the payment of the salaries of members.

(10) The treasurer or corresponding officer of the employer shall pay to the State Treasurer no later than April 1 of the State's fiscal year in which payment is due the amount so certified as payable by the employer, and shall pay monthly to the State Treasurer the amount of the deductions from the salary of the members in the employ of the employer, and the State Treasurer shall credit such amount to the appropriate fund or funds, of the retirement system.

If payment of the full amount of the employer's obligation is not made within 30 days of the due date established by this act, interest at the rate of 10% per annum shall commence to run against the unpaid balance thereof on the first day after such 30th day.

If payment in full, representing the monthly transmittal and report of salary deductions, is not made within 15 days of the due date established by the retirement system, interest at the rate of 10% per annum shall commence to run against the total transmittal of salary deductions for the period on the first day after such 15th day.

(11) The expenses of administration of the retirement system shall be paid by the State of New Jersey. Each employer shall reimburse the State for a proportionate share of the amount paid by the State for administrative expense. This proportion shall be computed as the number of members under the jurisdiction of such employer bears to the total number of members in the system. The pro rata share of the cost of administrative expense shall be included with the certification by the retirement system of the employer's contribution to the system.

(12) Notwithstanding anything to the contrary, the retirement system shall not be liable for the payment of any pension or other benefits on account of the employees or beneficiaries of any employer participating in the retirement system, for which reserves have not been previously created from funds, contributed by such employer or its employees for such benefits.

(13) (Deleted by amendment, P.L.1992, c.125.)

(14) Commencing with valuation year 1991, with payment to be made in Fiscal Year 1994, the Legislature shall annually appropriate and the State Treasurer shall pay into the pension accumulation fund of the retirement system an amount equal to 1.1% of the compensation of the members of the system for the valuation year to fund the benefits provided by section 16 of P.L.1964, c.241 (C.43:16A-11.1), as amended by P.L.1979, c.109.

(15) If the valuation assets are insufficient to fund the normal and accrued liability costs attributable to P.L.1999, c.428 (C.43:16A-15.8 et al.) as provided hereinabove, the normal and unfunded accrued liability contributions required to fund these costs for the State and other employers shall be paid by the State.

(16) The savings realized as a result of the amendments to this section by P.L.2001, c.44 in the payment of normal contributions computed by the actuary for the valuation periods ending June 30, 1998 for employers other than the State shall be used solely and exclusively by a county or municipality for the purpose of reducing the amount that is required to be raised by the local property tax levy by the county for county purposes or by the municipality for municipal purposes, as appropriate. The Director of the Division of Local Government Services in the Department of Community Affairs shall certify for each year that each county or municipality has complied with the requirements set forth herein. If the director finds that a county or municipality has not used the savings solely and exclusively for the purpose of reducing the amount that is required to be raised by the local property tax levy by the county for county purposes or by the municipality for municipal purposes, as appropriate, the director shall direct the county or municipal governing body, as appropriate, to make corrections to its budget.

3. This act shall take effect immediately.

Approved March 29, 2001.

CHAPTER 45

AN ACT prohibiting certain trucks and truck-trailer combinations from using certain portions of State Highway Route No. 29 for through travel, and supplementing article 21 of chapter 4 of Title 39 of the Revised Statutes.

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

C.39:4-197.16 Findings, declarations relative to prohibiting certain trucks, truck-trailer combinations from using portions of Route 29.

1. The Legislature finds that sections of State Highway Route 29, from its intersection with Interstate Route 95 to its northern terminus at State Highway Route 12, have sharp curves, minimal shoulders and limited sight distances. The Legislature further finds that the use of Route 29 between the stated points by heavy vehicles constitutes a hazard to the traveling public, as evidenced by serious accidents on that roadway, some including fatalities, and confirmed by extensive formal public comments, in recognition of which the Department of Transportation issued a traffic regulation order on November 15, 2000 temporarily prohibiting heavy trucks and truck-trailer combinations from using Route 29 between the stated points for through travel. The Legislature further finds that there are nearby alternative through routings which have significantly better overall roadway conditions and geometric designs.

The Legislature finds and declares that State Highway Route 29, from its intersection with Interstate 95 to its northern terminus at State Highway Route 12, is inappropriate for through travel by truck and truck-trailer combinations which exceed 26,000 pounds in weight, and that these vehicles should be permanently prohibited from using that roadway.

C.39:4-197.17 Weight prohibitions.

2. Except as otherwise provided in section 3 of this act, truck and truck-trailer combinations which exceed 26,000 pounds in gross registered vehicle weight, gross vehicle weight rating, or gross combination weight rating regardless of their dimensions, are prohibited from using State Highway Route 29, in either the northbound or southbound travel lanes, from its intersection with Interstate Route 95 to its northern terminus at State Highway Route 12.

C.39:4-197.18 Exceptions for emergency, government or local service.

3. The prohibitions contained in section 2 of this act shall not apply to emergency vehicles, government owned or leased vehicles, vehicles which have an origin or final destination on or within three miles of the prohibited sections of State Highway Route 29, or vehicles making an actual pickup, delivery or providing services at a location on or within three miles of the prohibited sections.

C.39:4-197.19 Exceptions for certain vehicles after hearing.

4. Notwithstanding the provisions of section 2 of this act, the Commissioner of Transportation in accordance with the provisions of section 2 of P.L.1998, c.28 (C.39:4-8.3) may after the holding of a public

meeting by written order provide for the use of the prohibited portions of State Route 29 by vehicles engaged in the commercial transportation of certain rapidly setting concrete mixtures under circumstances in which adherence to the prohibitions set forth in this act makes delivery impossible or economically impracticable.

C.39:4-197.20 Necessary signage by DOT.

5. The provisions of this act shall not be enforceable until the Commissioner of Transportation has caused to be erected such signage as may be necessary to effectuate the purposes of this act, which shall be done no later than 90 days following enactment.

C.39:4-197.21 Violations, fines.

6. The driver, owner, lessee, bailee or any one of the foregoing of any truck or truck-trailer combination found or operated in violation of the provisions of this act shall be fined not more than \$400 for the first offense, and shall be subject to a fine of \$700 for the second offense and a fine of \$1,000 for each subsequent offense.

7. This act shall take effect immediately.

Approved March 30, 2001.

CHAPTER 46

A SUPPLEMENT to "An Act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 2000 and regulating the disbursement thereof," approved June 28, 1999 (P.L.1999, c.138).

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

1. In addition to the amounts appropriated under P.L.1999, c.138, there is appropriated out of the General Fund the following sum for the purpose specified:

74 DEPARTMENT OF STATE
30 Educational, Cultural and Intellectual Development
36 Higher Educational Services
2430 New Jersey Institute of Technology
GRANTS-IN-AID

82-2430 Institutional Support \$500,000

Total Funding Grants-In-Aid,
 New Jersey Institute of Technology \$500,000
 Special Purpose:
 82 Smart Gun Technology Development ... (\$500,000)

2. This act shall take effect immediately.

Approved April 2, 2001.

CHAPTER 47

A SUPPLEMENT to "An Act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 2001 and regulating the disbursement thereof," approved June 30, 2000 (P.L.2000, c.53).

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

1. In addition to the amounts appropriated under P.L.2000, c.53, there is appropriated out of the General Fund the following sum for the purpose specified:

34 DEPARTMENT OF EDUCATION
30 Educational, Cultural and Intellectual Development
31 Direct Educational Services and Assistance
STATE AID

03-5120 Miscellaneous Grants-In-Aid \$3,150,000
 Total State Aid Appropriation,
 Direct Educational Services
 and Assistance \$3,150,000
State Aid:
 03 Lakewood School District (\$3,150,000)

The funds appropriated hereinabove shall be provided: (1) pursuant to an agreement entered into between the Department of Education, the Lakewood School District, and Lakewood Township that shall provide for Lakewood Township to allocate additional funds to the district for the 2000-2001 school year in an amount equal to \$1,000,000; and (2) contingent upon the submission of a corrective action plan by the Lakewood School District which is to be implemented by the district, to be approved by the Commissioner of Education, and which addresses the recommendations contained in the Comprehensive Operational Performance Assessment Report issued by the Department of Education. The commissioner shall transmit to the Senate Budget and Appropriations Committee and the Assembly Appropriations

Committee, or their successors, a copy of the Report upon its completion, but not later than October 1, 2001. Of the appropriated amount, \$150,000 shall be allocated to the Department of Education for the appointment of a State monitor of the Lakewood School District or any other oversight measures required by the commissioner.

2. This act shall take effect immediately.

Approved April 4, 2001.

CHAPTER 48

AN ACT concerning funding alcohol treatment programs, amending P.L.1994, c.57, and supplementing Title 26 of the Revised Statutes.

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

1. Section 12 of P.L.1994, c.57 (C.34:1B-21.12) is amended to read as follows:

C.34:1B-21.12 "Division of Motor Vehicles Surcharge Fund."

12. There is created within the Department of the Treasury a special nonlapsing fund to be known as the "Division of Motor Vehicles Surcharge Fund," which, beginning September 1, 1996 or earlier as provided pursuant to this section, shall be comprised of monies transferred to the DMV Surcharge Fund from the Market Transition Facility which, notwithstanding the provisions of this section to the contrary, may be appropriated, immediately upon receipt from the Market Transition Facility, by the Legislature to the Facility Revenue Fund and all monies collected pursuant to subsection b. of section 6 of P.L.1983, c.65 (C.17:29A-35) and any interest or other income earned thereon. Monies in the DMV Surcharge Fund shall be managed and invested by the Division of Investment in the Department of the Treasury. Commencing September 1, 1996, or at such earlier time as may be certified by the commissioner that monies on deposit in the New Jersey Automobile Insurance Guaranty Fund created pursuant to section 23 of P.L.1990, c.8 (C.17:33B-5) are sufficient to satisfy the current and anticipated financial obligations of the New Jersey Automobile Full Insurance Underwriting Association, the monies in the DMV Surcharge Fund shall be disbursed from time to time by the State Treasurer, upon appropriation by the Legislature, to the Market Transition Facility Revenue Fund, for payment of principal, interest and premium on the Market Transition Facility bonds or notes issued

by the authority pursuant to section 4 of P.L.1994, c.57 (C.34:1B-21.4). From the amounts remaining in the fund after these payments are fully defrayed, there shall be remitted to the fund created in section 2 of P.L.2001, c.48 (C.26:2B-9.2), \$1.5 million in Fiscal Year 2002, \$3 million in Fiscal Year 2003, \$4.5 million in Fiscal Year 2004, \$6 million in Fiscal Year 2005, and \$7.5 million in Fiscal Year 2006 and each fiscal year thereafter.

C.26:2B-9.2 "Alcohol Treatment Programs Fund."

2. a. There is created within the Department of Health and Senior Services a special nonlapsing revolving fund to be known as the "Alcohol Treatment Programs Fund." The fund shall consist of such monies as are deposited pursuant to section 12 of P.L.1994, c.57 (C.34:1B-21.12), any other monies as may be appropriated to the fund by the Legislature or otherwise provided to the fund, and interest or other income derived from the investment of monies in the fund.

b. Except as provided in subsection c. of this section, monies in the fund shall be used exclusively for making grants, approved by the Director of the Division of Addiction Services in the Department of Health and Senior Services, to programs that provide treatment for alcoholism, alcohol abuse and other conditions related to the excessive consumption of alcoholic beverages among persons convicted of violating the State's drunk driving laws and others.

c. An amount not to exceed \$150,000 in Fiscal Year 2002 and five percent of the total annual revenue allocated to the fund in each fiscal year thereafter may be expended from the fund to defray actual expenses incurred by the department in the administration of the fund subject to approval by the Director of the Division of Budget and Accounting.

C.26:2B-9.3 Regulations.

3. The Director of the Division of Addiction Services in the Department of Health and Senior Services shall promulgate regulations pursuant to the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) necessary to effectuate the provisions of this act. The regulations shall include, but not be limited to, the following:

- a. Criteria for grantee eligibility;
- b. The form and manner in which application for grants from the fund shall be made; and
- c. The treatment services and treatment recipients for which grant funds may be expended.

4. This act shall take effect on the first day of the third month after enactment, except that section 3 shall take effect immediately.

Approved April 4, 2001.

CHAPTER 49

AN ACT concerning the issuance of zoning permits and amending P.L.1975, c.291.

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

1. Section 9 of P.L.1975, c.291 (C.40:55D-18) is amended to read as follows:

C.40:55D-18 Enforcement.

9. Enforcement. The governing body of a municipality shall enforce this act and any ordinance or regulation made and adopted hereunder. To that end, the governing body may require the issuance of specified permits, certificates or authorizations as a condition precedent to (1) the erection, construction, alteration, repair, remodeling, conversion, removal or destruction of any building or structure, (2) the use or occupancy of any building, structure or land, and (3) the subdivision or resubdivision of any land; and shall establish an administrative officer and offices for the purpose of issuing such permits, certificates or authorizations; and may condition the issuance of such permits, certificates and authorizations upon the submission of such data, materials, plans, plats and information as is authorized hereunder and upon the express approval of the appropriate State, county or municipal agencies; and may establish reasonable fees to cover administrative costs for the issuance of such permits, certificates and authorizations. The administrative officer shall issue or deny a zoning permit within 10 business days of receipt of a request therefor. If the administrative officer fails to grant or deny a zoning permit within this period, the failure shall be deemed to be an approval of the application for the zoning permit. In case any building or structure is erected, constructed, altered, repaired, converted, or maintained, or any building, structure or land is used in violation of this act or of any ordinance or other regulation made under authority conferred hereby, the proper local authorities of the municipality or an interested party, in addition to other remedies, may institute any appropriate action or proceedings to prevent such unlawful erection, construction, reconstruction, alteration, repair, conversion, maintenance or use, to restrain, correct or abate such violation, to prevent the occupancy of said building, structure or land, or to prevent any illegal act, conduct, business or use in or about such premises.

2. This act shall take effect on the 90th day after enactment.

Approved April 4, 2001.

CHAPTER 50

AN ACT concerning the date for filing petitions of nomination for certain offices for the primary election in the year 2001 and making an appropriation.

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

1. a. Notwithstanding the provisions of R.S.19:23-14 or any other law, rule or regulation to the contrary, the petitions of nomination for candidates for the office of member of the Legislature for the primary election for the general election in the year 2001 shall be filed with the Attorney General no later than 4:00 p.m. of the 47th day next preceding the day of the holding of the primary election for the general election.

b. Notwithstanding the provisions of section 23 of P.L.1953, c.211 (C.19:57-23) or any other law, rule or regulation to the contrary concerning the deadline for receiving absentee ballots, an absentee ballot for the primary election for the general election in the year 2001 that is transmitted from outside of the United States, regardless of the date of the postmark or the absence of a postmark, must be received by the county board of elections or its designee before 8:00 p.m. of the seventh day following the day of the primary election for the general election and if so received shall be counted and canvassed by the county board of elections unless the absentee ballot is otherwise rejected or declared invalid.

c. The Attorney General shall make such appropriate adjustments for the dates of the pre-primary election and post-primary election activities specified by law or otherwise as may be necessary to accommodate the petition filing deadline set forth in subsection a. of this section and to permit the holding of the primary election on the day provided by R.S.19:2-1 and R.S.19:23-40, and to accommodate the receipt of absentee ballots by the deadline set forth in subsection b. of this section.

d. (1) The Attorney General shall provide notice to the public of the petition filing deadline set forth in subsection a. of this section, of the change in the deadline for receipt of absentee ballots set forth in subsection b. of this section and of the dates adjusted pursuant to subsection c. of this section and official written notice thereof to the clerk of each county and to the superintendent of elections or the commissioner of registration, as the case may be, of each county. The public notice shall be published in one or more newspapers published or in general circulation in each county of the State, and shall be posted on Internet sites of the State and as may be appropriate and practical, its instrumentalities. The

Attorney General may provide additional public notice through television and radio announcements.

(2) The county clerk shall provide notice with each absentee ballot application form, and each absentee ballot, transmitted to an absentee ballot voter outside of the United States of the deadline set forth in subsection b. of this section for the receipt of the absentee ballot by the county board of elections or its designee.

e. Each county may apply to the State Treasurer for such funds as may be necessary to reimburse the county for the reasonable and necessary expenses incurred as a result of the implementation of this section. An application shall be accompanied by such documentation as the State Treasurer may require. The State Treasurer shall review the applications and reimburse the applicants in a timely manner from funds appropriated for that purpose.

2. There is appropriated from the General Fund to the Department of the Treasury such amounts as may be necessary to effectuate the purposes of subsections d. and e. of section 1 of P.L.2001, c.50, as certified by the Director of the Division of Budget and Accounting.

3. This act shall take effect immediately and shall expire on December 31, 2001.

Approved April 4, 2001.

CHAPTER 51

AN ACT concerning abandoned tenant property and amending P.L.1999, c.340.

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

1. Section 1 of P.L.1999, c.340 (C.2A:18-72) is amended to read as follows:

C.2A:18-72 Disposal of remaining personal property abandoned by tenant.

1. A landlord of commercial or residential property, in the manner provided by P.L.1999, c.340 (C.2A:18-72 et al.), may dispose of any tangible goods, chattels, manufactured or mobile homes or other personal property left upon a premises by a tenant after giving notice as required

by section 2 of P.L.1999, c.340 (C.2A:18-73), only if the landlord reasonably believes under all the circumstances that the tenant has left the property upon the premises with no intention of asserting any further claim to the premises or the property and:

- a. A warrant for removal has been executed and possession of the premises has been restored to the landlord; or
- b. The tenant has given written notice that he or she is voluntarily relinquishing possession of the premises.

The provisions of P.L.1999, c.340 (C.2A:18-72 et al.) shall not apply to the disposal of tenant property left on nonresidential rental property if there is a lease in effect which has been duly executed by all parties which contains specific terms and conditions for the disposal of tenant property.

2. This act shall take effect immediately.

Approved April 9, 2001.

CHAPTER 52

AN ACT concerning the office of register of deeds and mortgages in certain counties and amending N.J.S.40A:9-80.

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

1. N.J.S.40A:9-80 is amended to read as follows:

Existing offices of register of deeds and mortgages, confirmed, continued; exceptions.

40A:9-80. The office of register of deeds and mortgages heretofore established and now in existence in any county is confirmed and shall be continued until altered or abolished as provided by law, except that:

- a. in a county in which the office of register of deeds and mortgages initially was established pursuant to P.L.1875, c.CXXXV (c.135), the office of register of deeds and mortgages shall be consolidated with the office of county clerk;

- b. in a county of the second class with a population density greater than 4,500 persons per square mile and a population between 490,000 and 505,000 according to the most recent federal decennial census, the office of register of deeds and mortgages shall be consolidated with the office of county clerk upon the expiration of the term of office of the current register of deeds and mortgages or the occurrence of a vacancy prior to

the expiration of the term of the current register of deeds and mortgages, whichever occurs first; and

c. in every county other than counties of the first class, the office of register of deeds and mortgages shall be consolidated with the office of county clerk upon the expiration of the term of office of the current register of deeds and mortgages or the occurrence of a vacancy prior to the expiration of the term of the current register of deeds and mortgages, whichever occurs first.

Upon the consolidation of the office of register of deeds and mortgages as provided herein, the office of register of deeds and mortgages in those counties shall be abolished, and the powers, functions, and duties of the register of deeds and mortgages shall pertain to the county clerk.

2. This act shall take effect immediately.

Approved April 10, 2001.

CHAPTER 53

AN ACT concerning licensing of auto body repair facilities, amending P.L.1987, c.280 and amending and supplementing P.L.1983, c.360.

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

1. Section 1 of P.L.1983, c.360 (C.39:13-1) is amended to read as follows:

C.39:13-1 Definitions.

1. For the purposes of this act:

"Auto body repair facility" means a business or person who for compensation engages in the business of repairing, removing, installing or painting integral component parts of a chassis or body of a motor vehicle damaged as a result of a collision.

"Director" means the Director of the Division of Motor Vehicles in the Department of Transportation.

"Motor vehicle" means a vehicle as defined in R.S.39:1-1 and which is required to be registered with the Division of Motor Vehicles, excluding motorcycles.

2. Section 2 of P.L.1983, c.360 (C.39:13-2) is amended to read as follows:

C.39:13-2 System for licensure of auto body repair facilities.

2. a. The director shall establish a system for the licensure of auto body repair facilities. This system may provide for licenses based upon the type or types of motor vehicles repaired by the facility and the equipment required for repair of the vehicles. At a minimum, the director shall provide for a full service auto body repair facility license, the qualifications for which are established under section 7 of this amendatory and supplementary act, and an automobile dealer sublet license, the qualifications for which are established under section 8 of this amendatory and supplementary act. All facilities licensed pursuant to this section may hold themselves out to the public as licensed auto body repair facilities.

b. No person may engage in the business of an auto body repair facility unless it is licensed by the director. An auto body repair facility shall be licensed by the director upon submission and approval of an application and payment of a reasonable application fee sufficient to cover the cost of implementing the provisions of this act and to be prescribed by the director. The director may require biennial renewal of applications for licensure and may stagger the renewal dates and adjust the application fees accordingly. Revenue received from application fees and renewals shall be annually appropriated to the Department of Transportation for the use of the Division of Motor Vehicles in implementing and administering the provisions of P.L.1983, c.360 (C.39:13-1 et seq.), as amended and supplemented.

3. Section 4 of P.L.1983, c.360 (C.39:13-4) is amended to read as follows:

C.39:13-4 Fine; refusal to grant, suspension, revocation of license.

4. The director may fine or refuse to grant or may suspend or revoke a license of an auto body repair facility for any of the following acts or omissions related to the conduct of the business of the auto body repair facility:

a. Making or authorizing any material written or oral statement which is known to be untrue or misleading;

b. Causing or allowing a customer to sign any estimate for repairs which does not state the repairs requested by the customer or the motor vehicle's odometer reading at the time of repair;

c. Failing to provide a customer with a copy of any estimate or document requiring his signature, as soon as a customer signs the estimate or document;

- d. Making false promises or representations intended to influence, persuade, or induce a customer to authorize a repair of a motor vehicle which has been damaged as a result of a collision;
- e. Giving an adjuster or appraiser directly or indirectly any gratuity or other consideration in connection with his appraisal service;
- f. Making appraisals of the cost of repairing a motor vehicle which has been damaged as a result of a collision through the use of photographs, telephone calls, or any manner other than personal inspection;
- g. Making an estimate for repairs or charging for repairs in such amount as to compensate the insured for the cost of the deductible applicable under an insurance policy;
- h. A pattern of conduct which includes any of the acts or omissions prohibited in this section or any other unconscionable or fraudulent commercial practice prohibited by the director pursuant to regulations promulgated under the provisions of this act;
- i. Failing to maintain its equipment and facilities in good operating condition, or failing to keep in force and effect any permits, accreditation, letter of credit or insurance required for licensure;
- j. Operating an auto body repair facility without a license as required pursuant to section 2 of P.L.1983, c.360 (C.39:13-2).

4. Section 5 of P.L.1983, c.360 (C.39:13-5) is amended to read as follows:

C.39:13-5 Notification, hearing upon written request.

5. Upon refusal to grant a license or suspension or revocation of a license of an auto body repair facility, the director shall notify the auto body repair facility in writing by registered mail. The auto body repair facility shall be given a hearing by the director if, within 30 days thereafter, it files with the director a written request for a hearing concerning the refusal to grant a license or suspension or revocation of the license.

5. Section 6 of P.L.1983, c.360 (C.39:13-6) is amended to read as follows:

C.39:13-6 Cease and desist order, civil penalty.

6. The director may issue and cause to be served, upon an auto body repair facility charged with a violation of P.L.1983, c.360 (C.39:13-1 et seq.), an order requiring the auto body repair facility to cease and desist from the violation and the director may impose upon an auto body repair facility violating this act a civil penalty of not more than \$5,000 for the first offense and not more than \$20,000 for the second and each subsequent offense. The civil penalty shall be issued for and recovered by and in the name of the director and shall be collected and

enforced by summary proceedings pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). In the event of continued or serious violations, the director may suspend the license of the facility and require it to cease operations during the period of suspension.

6. Section 1 of P.L.1987, c.280 (C.39:13-8) is amended to read as follows:

C.39:13-8 Damage repairs reimbursable under insurance policy by negotiable instrument payable to insured and lienholder or lessor; statement and photograph as proof; inspection.

1. a. When a motor vehicle is repaired by an auto body repair facility as a result of damage to the vehicle and (1) the damage is reimbursable under a policy of insurance or is otherwise reimbursable by a third party; and (2) the proceeds of the reimbursement are in the form of a negotiable instrument issued by an insurer or other payer which is payable jointly to the owner or lessee of the vehicle and a lienholder or lessor, the auto body repair facility shall provide the lienholder or lessor with a statement of the repairs which have been made to the vehicle, which statement shall be attested by an authorized representative of the auto body repair facility. The statement shall constitute proof to the lienholder or lessor that all repairs have been made by an auto body repair facility. A color photograph of the repaired vehicle shall accompany the statement.

b. In the event that any lienholder or lessor should wish to inspect any motor vehicle to which repairs have been made as provided in subsection a. of this section, the lienholder or lessor shall conduct the inspection upon the premises of the auto body repair facility within three business days after receipt of the notice by certified mail that the repair has been completed. If an inspection is not made by a lienholder or lessor within the three-day period provided herein, the lienholder or lessor shall forfeit the right to make an inspection.

c. In the event a lienholder or lessor shall sell any motor vehicle to which repairs have been made as provided in subsection a. of this section prior to the payment or reimbursement of the auto body repair facility which repaired that motor vehicle, except for the amounts due that lienholder or lessor under the provisions of a perfected lien or security interest, the amount due the auto body repair facility for those repairs shall supersede and have priority over all other liens or outstanding interests, including those payable by an insurer to the owner or lessee of the repaired motor vehicle. In such cases, if the insurer or other payor has received a statement and request demanding payment from the auto body repair facility, the proceeds, or portion thereof, shall be directed by the insurer or other payor to that auto body repair facility.

d. No lienholder or lessor shall deduct any amount from the aggregate proceeds of a negotiable instrument that was issued by an insurer or other payor to reimburse an auto body repair facility which, pursuant to the provisions of subsection a. of this section, repaired a damaged motor vehicle, but which is payable jointly to the owner or lessee and the lienholder or lessor, for the purpose of paying any delinquent amounts or outstanding installments that the owner or lessee may owe to the lienholder or lessor for the motor vehicle that has been repaired, nor shall any lienholder or lessor unreasonably withhold the endorsement of such instrument or, following endorsement, refuse to transmit the endorsed instrument to the owner or lessee.

For the purposes of this act, "auto body repair facility" shall mean an auto body repair facility as defined in section 1 of P.L.1983, c.360 (C.39:13-1).

C.39:13-2.1 Qualification for full service license.

7. a. To qualify for a full service license an auto body repair facility shall:

(1) Have a building suitable for the conduct of all operations within the building, and a Certificate of Occupancy for an auto body repair facility issued by the applicable zoning authority. In the absence of evidence to the contrary, public operation as an auto body repair facility for a continuous period of five years shall create a presumption of compliance;

(2) Have all required licenses, permits and registrations required for the conduct of business including, but not limited to: a federal tax identification number; a New Jersey sales tax identification number; hazardous waste disposal systems that are in accordance with standards established by the State or federal government; stack permits; and any other licenses, permits and registrations as the director may find applicable;

(3) Maintain insurance coverage for damage to property and for liability arising from bodily injury, including, but not limited to: garage keepers' liability insurance in a minimum amount of \$300,000 or a letter of credit in the amount of \$300,000; workers' compensation insurance coverage in the amounts required pursuant to R.S.34:15-1 et seq.; fire insurance, and any other coverage required by the director;

(4) Possess and maintain an auto body repair facility reference source for estimating the cost of repairs, which reference source is generally accepted by the auto body repair industry. The reference source may be in either book or computerized form;

(5) Possess and maintain equipment to safely raise and support vehicles for inspection and repair;

(6) Possess and maintain a metal inert gas welder;

(7) Possess, maintain and utilize for all spray painting:

(a) an enclosed area for refinishing which complies with all applicable safety, fire, environmental and other regulations;

(b) the means to supply fresh air to workers within the spray area when using materials that require breathable air to be supplied; and

(c) a filtration method to reduce particles from the air exhausted from the spray area which is established in accordance with standards established by the State or federal government;

(8) Have equipment necessary to perform or the means for performing structural repair including, but not limited to: equipment to make multiple body and chassis pulls to straighten damaged vehicle components; equipment to anchor a unibody vehicle at four points; a three dimensional measuring device suitable to measure structural dimensions of symmetrical and non-symmetrical vehicles; and dimensional guides appropriate to the vehicles being repaired;

(9) Have equipment necessary to perform or the means for performing vehicle four-wheel alignment;

(10) Have (a) equipment necessary to perform or the means for performing vehicle air conditioner servicing including the means to evacuate, recycle, and recharge refrigerants and (b) a technician-employee certified to perform such repairs;

(11) Have equipment necessary to perform or the means for performing mechanical repairs necessitated by collision damage; and

(12) Provide evidence that at least one employee or ten (10%) percent, whichever is greater, of the employees performing repairs at the auto body repair facility have completed a recognized auto body repair related training course during the year immediately preceding the application for or renewal of licensure as a full service auto body repair facility. Training courses available through ICAR (Inter-Industry Conference on Auto Collision Repair), the manufacturer's representative or a generally recognized auto body repair training program shall qualify to satisfy the requirement.

b. An auto body repair facility may, however, qualify for a full service license if it meets all of the conditions established by paragraphs (1), (2), (3), (4), (5), (6), (7) and (12) of subsection a. of this section and has a written agreement to subcontract with another autobody repair facility licensee or other party to perform the work for which the equipment set forth in paragraph (8), (9), (10) or (11) of subsection a. of this section is required provided, however, that the other party meets the requirements set forth in those paragraphs with regard to equipment or the means for performing the required tasks and training.

C.39:13-2.2 Qualification for automobile dealer sublet license.

8. A person which sells new automobiles under an agreement with an automobile manufacturer and does not satisfy the equipment requirements of section 7 of this amendatory and supplementary act may qualify for an automobile dealer sublet license provided that the automobile dealer agrees in the sublet license application to use only auto body repair facilities licensed pursuant to the provisions of section 7 of this amendatory and supplementary act to perform auto body repairs.

C.39:13-2.3 Review of applications for licensure.

9. Applications for a new or renewal full service auto body repair facility license or a motor vehicle dealer sublet license shall be reviewed by the director and a license issued or denied within 90 days following receipt by the director of the completed application and supporting documents. Applicants for renewal or initial licensure filed after the effective date of this amendatory and supplementary act shall certify that the applicant has met the requirements of the act. Auto body repair facilities holding a license issued prior to the effective date of this amendatory and supplementary act shall be subject to the provisions of the act on the first renewal date of the license established by the director. The director may extend licenses issued under the provisions of P.L.1983, c.360 (C.39:13-1 et seq.), pending renewal of the licenses pursuant to the terms and conditions established by this amendatory and supplementary act. No later than the 45th day following the effective date of this amendatory and supplementary act, the director shall notify all licensed auto body repair facilities of the terms, conditions and requirements of the act.

C.39:13-2.4 Regulations.

10. Within 360 days of the effective date of this amendatory and supplementary act the director shall promulgate regulations, in accordance with the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to implement the provisions of this amendatory and supplementary act and to revise any existing regulations to make them consistent herewith.

11. This act shall take effect on the 360th day following enactment, except that section 10 shall take effect immediately.

Approved April 10, 2001.

CHAPTER 54

A SUPPLEMENT to "An Act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending

June 30, 2001 and regulating the disbursement thereof," approved June 30, 2000 (P.L.2000, c.53).

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

1. In addition to the amounts appropriated under P.L.2000, c.53, there are appropriated out of the General Fund the following sums for the purposes specified:

82 DEPARTMENT OF THE TREASURY
50 Economic Planning, Development and Security
51 Economic Planning and Development
GRANTS-IN-AID

38-2043 Economic Development	<u>\$4,299,700</u>
Total Grants-In-Aid Appropriation,	
Economic Planning and Development	<u>\$4,299,700</u>
<i>Grants-In-Aid:</i>	
38 Brownfield Site	
Reimbursement Fund	(\$4,299,700)

34 DEPARTMENT OF EDUCATION
30 Educational, Cultural and Intellectual Development
31 Direct Educational Services and Assistance
STATE AID

01-5120 General Formula Aid	<u>\$928,800</u>
Total State Aid Appropriation,	
Direct Educational Services and Assistance	<u>\$928,800</u>
<i>State Aid:</i>	
01 Aid for Districts with High Senior	
Citizen Populations	(\$928,800)

78 DEPARTMENT OF TRANSPORTATION
10 Public Safety and Criminal Justice
11 Vehicular Safety
DIRECT STATE SERVICES

01-6400 Motor Vehicle Services	<u>\$6,951,000</u>
Total Direct State Services Appropriation,	
Vehicular Safety	<u>\$6,951,000</u>
<i>Direct State Services:</i>	
<i>Special Purpose:</i>	
01 Graduated Driver's License	(\$6,951,000)

66 DEPARTMENT OF LAW AND PUBLIC SAFETY
10 Public Safety and Criminal Justice
13 Special Law Enforcement Activities
GRANTS-IN-AID

22-1410 New Jersey Racing Commission	<u>\$18,000,000</u>
Total Grants-In-Aid Appropriation,	

	Special Law Enforcement Activities	<u>\$18,000,000</u>
<i>Grants-In-Aid:</i>		
22	New Jersey Thoroughbred Horsemen's Association	(\$11,700,000)
22	New Jersey Standardbred Breeders and Owners' Association	(\$6,300,000)

Of the amount hereinabove appropriated, \$11,700,000 shall be deposited in an interest bearing account under the jurisdiction of the commission and the Racing Secretaries of the Meadowlands and Monmouth Park, to be distributed to benefit thoroughbred horsemen as provided herein. The remaining \$6,300,000 shall be deposited in an interest bearing account under the jurisdiction of the commission and the Racing Secretaries of the Meadowlands and Freehold Raceway, to be distributed to benefit standardbred horsemen as provided herein. Of the \$11,700,000 to be distributed to benefit thoroughbred horsemen, \$340,000 shall be distributed to the New Jersey Thoroughbred Horsemen's Benevolent Association, to be distributed to programs designed to aid horsemen and horsemen's organizations. The remaining \$11,360,000 shall be used solely to supplement thoroughbred purses at the tracks designated herein. Interest earned on the account shall be distributed to the New Jersey Thoroughbred Horsemen's Association to be used specifically for an owner/trainer incentive awards program to encourage participation in New Jersey racing, and such program shall be designated, implemented and maintained by the association in conjunction with the Racing Secretaries of Monmouth Park and the Meadowlands. Money remaining in the account at the end of the calendar year shall be available to supplement purses in the following year.

Thoroughbred purse supplements distributed from the amount appropriated hereinabove shall be reconciled by the commission and the respective Racing Secretary with the track operator in writing, on a weekly basis, and payment shall be made within the same time period to the track operator's purse account. The track operator shall continue the practice of exercising responsibility for tax accounting on the distribution of the amounts appropriated hereinabove that are used in supplementing purses. The thoroughbred purse supplements distributed from the amounts appropriated hereinabove shall be paid over and above the contract rate in effect at that thoroughbred track in calendar year 2000. The commission shall coordinate with the respective Racing Secretary as to the allotment of thoroughbred purse supplements to the overnight purse schedule at each track, and thoroughbred purse supplements from the amounts appropriated

hereinabove shall not be allocated to any of the following unless the commission receives written approval from the New Jersey Thoroughbred Horsemen's Association: (1) races that have any type of subscription fee, including but not limited to nomination fee (whether stipulated as free or otherwise), entry fee, start fee, or supplementary nomination, (2) races that are advertised as "guaranteed," wherein fees or funds are deducted from the gross value of the advertised purse to determine the "track's share," (3) races that are defined as "overnight stakes," (4) races that are defined as "stakes." Purse supplements from the amounts appropriated hereinabove shall be applied to purses at the Monmouth Park Thoroughbred Meet during those days designated as "Monmouth Park" days and the Meadowlands Thoroughbred Meeting during those days designated as "Meadowlands" days only and shall not apply to any other track that opts to run its meet at either Monmouth Park or the Meadowlands. Purse supplements from the amounts appropriated hereinabove shall be applied only to purses at a track that runs a "Meet" that consists of a complement of at least 45 race days with an average of at least nine live thoroughbred events each race day.

Of the \$6,300,000 to be distributed to benefit standardbred horsemen, the commission may, in consultation with the New Jersey Standardbred Breeders and Owners' Association, distribute up to \$202,000 to the association for programs designed to aid horsemen. All remaining money shall be used solely to supplement standardbred purses at Freehold Raceway and the Meadowlands, with each track receiving a share according to the following formula: A/B , where A equals the total amount of standardbred overnight purses distributed by that racetrack in calendar year 2000 and where B equals the total amount of standardbred overnight purses distributed by both racetracks in calendar year 2000. Moneys remaining in the account at the end of the calendar year shall be available to supplement standardbred purses in the following year.

Standardbred purse supplements distributed from the amount appropriated hereinabove shall be reconciled by the commission and the respective Racing Secretary with the track operator in writing, on a weekly basis, and payment shall be made within the same time period to the track operator's purse account. The track operator shall continue the practice of exercising responsibility for tax accounting on the distribution of the amounts appropriated hereinabove that are used in supplementing purses. Standardbred purse supplements distributed from the amounts appropriated hereinabove shall be paid over and above the contract rate in effect at that standardbred track in calendar year 2000. The commission shall coordinate with the respective Racing Secretary as to the allotment of standardbred purse supplements to the overnight purse schedule at each track, and no purse supplement from the amount appropriated

hereinabove shall be allocated to any of the following unless the commission receives written approval from the New Jersey Standardbred Breeders and Owners' Association: (1) races that have any type of subscription fee, including but not limited to nomination fee (whether stipulated as free or otherwise), entry fee, start fee, or supplementary nomination, (2) races that are advertised as "guaranteed," wherein fees or funds are deducted from the gross value of the advertised purse to determine the "track's share," (3) races that are defined as "overnight stakes," or (4) races that are defined as "stakes."

74 DEPARTMENT OF STATE
30 Educational, Cultural and Intellectual Development
36 Higher Educational Services
2420 University of Medicine and Dentistry of New Jersey
GRANTS-IN-AID

82-2420 Institutional Support	<u>\$800,000</u>
Total Grants-In-Aid Appropriation, University of Medicine and Dentistry of New Jersey	<u>\$800,000</u>
Special Purpose:	
82 Center for Children's Support, UMDNJ- Expansion (\$800,000)	

46 DEPARTMENT OF HEALTH AND SENIOR SERVICES
20 Physical and Mental Health
21 Health Services
GRANTS-IN-AID

02-4220 Family Health Services	<u>\$500,000</u>
Total Grants-In-Aid Appropriation, Health Services	<u>\$500,000</u>
<i>Grants-In-Aid:</i>	
02 Visiting Nurse Association of Central Jersey (\$500,000)	

22 DEPARTMENT OF COMMUNITY AFFAIRS
40 Community Development and Environmental Management
41 Community Development Management
GRANTS-IN-AID

32-8015 Workplace Standards	<u>\$60,000</u>
Total Grants-In-Aid Appropriation, Community Development Management	<u>\$60,000</u>
<i>Grants-In-Aid:</i>	
32 UTCA Construction Safety Training (\$60,000)	
Total Appropriation	<u>\$31,539,500</u>

2. This act shall take effect immediately.

Approved April 10, 2001.

CHAPTER 55

AN ACT appropriating \$4,960,536 from the "Garden State Historic Preservation Trust Fund" for the purpose of making grants, as awarded by the New Jersey Historic Trust, for certain historic preservation projects in southern New Jersey.

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

1. a. There is appropriated from the "Garden State Historic Preservation Trust Fund," established pursuant to section 21 of P.L.1999, c.152 (C.13:8C-21), to the New Jersey Historic Trust the sum of \$4,960,536 for the purpose of making grants, as awarded by the New Jersey Historic Trust, for historic preservation projects in southern New Jersey listed in this subsection. The following projects are eligible for funding with the moneys appropriated pursuant to this subsection:

County	Municipality	Name of Organization	Project Name	Grant Award
Burlington	Burlington City	City of Burlington	William R. Allen School	\$200,010
Camden	Haddonfield Boro	Bancroft NeuroHealth	Lullworth Hall and Carriage House	200,148
Cape May	Cape May City	Mid-Atlantic Center for the Arts	Emlen Physick Estate	97,651
Cape May	Lower Twp	Naval Air Station Wildwood Foundation	Hangar No.1	535,246
Cape May	North Wildwood City	City of North Wildwood	Hereford Inlet Light Station	102,000
Cumberland	Bridgeton City	County of Cumberland	County of Cumberland Courthouse Cupola	260,127
Cumberland	Maurice River Twp	Maurice River Historical Society	East Point Lighthouse	300,000
Gloucester	Glassboro Boro	Friends of Holly Bush	Holly Bush	750,000
Mercer	Princeton Boro	Princeton University	Princeton University Chapel	750,000

Mercer	Trenton City	Invention Factory Science Center	Invention Factory Science Center/ Roebbling Machine Shop	750,000
Ocean	Lakewood Twp	Georgian Court College	Georgian Court College/ Court Tennis Court	168,723
Ocean	Lakewood Twp	Lakewood Development Corporation	Strand Theatre	475,171
Salem	Salem City	First Presbyterian Church of Salem	First Presbyterian Church of Salem	371,460
TOTAL				\$4,960,536

b. Any transfer of any funds, or change in project sponsor, site, or type, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any project of a local government unit or qualifying tax exempt nonprofit organization that previously received funding for historic preservation purposes appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Historic Preservation Trust Fund, or that receives funding pursuant to section 1 of P.L.2001, c.56 or section 1 of P.L.2001, c.57, shall be eligible to receive additional funding, as determined by the New Jersey Historic Trust, subject to the approval of the Joint Budget Oversight Committee or its successor.

For the purposes of this subsection, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, and P.L.1987, c.265.

2. This act shall take effect immediately.

Approved April 10, 2001.

CHAPTER 56

AN ACT appropriating \$6,871,462.01 from the "Garden State Historic Preservation Trust Fund" for the purpose of making grants, as awarded by the New Jersey Historic Trust, for certain historic preservation projects in northern New Jersey.

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

1. a. There is appropriated from the "Garden State Historic Preservation Trust Fund," established pursuant to section 21 of P.L.1999, c.152 (C.13:8C-21), to the New Jersey Historic Trust the sum of \$6,871,462.01 for the purpose of making grants, as awarded by the New Jersey Historic Trust, for historic preservation projects in northern New Jersey listed in this subsection. The following projects are eligible for funding with the moneys appropriated pursuant to this subsection:

County	Municipality	Name of Organization	Project Name	Grant Award
Bergen	Hackensack City	County of Bergen	Old Jail	\$637,057.50
Essex	Bloomfield Twp	Oakeside-Bloomfield Cultural Center	Oakeside-Bloomfield Cultural Center	195,000.00
Essex	Newark City	St. Columba's Roman Catholic Church	St. Columba's Roman Catholic Church	692,907.00
Hudson	Bayonne City	First Federated Church	The Old Dutch Bergen Reformed Church	152,164.00
Hudson	Jersey City	Saints Peter and Paul Orthodox Church	Saints Peter and Paul Orthodox Church	268,424.00
Hunterdon	Lambertville City	Lambertville Historical Society	James Wilson Marshall House	10,070.00
Middlesex	Cranbury Twp	Township of Cranbury	Old School Building	529,035.00
Middlesex	Perth Amboy City	St. Peter's Episcopal Church	St. Peter's Episcopal Church	232,406.51
Monmouth	Allentown Boro	Allentown Public Library Association, Inc.	Allentown Library	134,000.00
Monmouth	Freehold Boro	St. Peter's Episcopal Church	St. Peter's Episcopal Church	139,784.00
Monmouth	Middletown Twp	Township of Middletown	Grover House	278,175.00
Monmouth	Red Bank Boro	Children's Cultural Center at Red Bank, Inc.	Historic Shrewsbury Township Hall	750,000.00
Monmouth	West Long Branch Boro	Monmouth University	Woodrow Wilson Hall	750,000.00

Morris	Morris Twp	Morris County Park Commission	Fosterfields Living Historical Farm	172,249.00
Passaic	Paterson City	New Jersey Community Development Corporation	Rogers Locomotive Works Frame Fitting Shop	750,000.00
Somerset	Bedminster Twp	Friends of the Vanderveer/ Knox House	Jacobus Vanderveer House	322,840.00
Union	Plainfield City	Grace Episcopal Church	Grace Episcopal Church	422,500.00
Union	Plainfield City	Y.W.C.A. of Plainfield/ North Plainfield	Y.W.C.A. of Plainfield/ North Plainfield	200,000.00
Warren	Washington Twp	Washington Township Board of Education	Port Colden School	234,850.00
TOTAL				\$6,871,462.01

b. Any transfer of any funds, or change in project sponsor, site, or type, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any project of a local government unit or qualifying tax exempt nonprofit organization that previously received funding for historic preservation purposes appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Historic Preservation Trust Fund, or that receives funding pursuant to section 1 of P.L.2001, c.55 or section 1 of P.L.2001, c.57, shall be eligible to receive additional funding, as determined by the New Jersey Historic Trust, subject to the approval of the Joint Budget Oversight Committee or its successor.

For the purposes of this subsection, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, and P.L.1987, c.265.

2. This act shall take effect immediately.

Approved April 10, 2001.

CHAPTER 57

AN ACT appropriating \$502,201.99 from the "Garden State Historic Preservation Trust Fund" for the purpose of making grants, as awarded

by the New Jersey Historic Trust, for certain historic preservation projects in New Jersey.

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

1. a. There is appropriated from the "Garden State Historic Preservation Trust Fund," established pursuant to section 21 of P.L.1999, c.152 (C.13:8C-21), to the New Jersey Historic Trust the sum of \$502,201.99 for the purpose of making grants, as awarded by the New Jersey Historic Trust, for historic preservation projects in New Jersey listed in this subsection. The following projects are eligible for funding with the moneys appropriated pursuant to this subsection:

County	Municipality	Name of Organization	Project Name	Grant Award
Cumberland	Greenwich Twp	Cumberland County Historical Society	John DuBois Maritime Museum	\$7,500.00
Cumberland	Greenwich Twp	Township of Greenwich	Old Stone School	5,000.25
Cumberland	Millville City	Levoy Theatre Preservation Society, Inc.	Levoy Theatre Society, Inc.	31,500.00
Essex	Montclair Twp	Montclair Historical Society	Israel Crane/Clark House and Evergreens	48,071.00
Gloucester	Glassboro Boro	Friends of Holly Bush	Holly Bush	50,000.00
Gloucester	Swedesboro Boro	Historical and Educational Lodge-Hall Preservatory, Inc.	Richardson Avenue School	7,125.00
Hunterdon	Tewksbury Twp	Tewksbury Historical Society	Christy House	30,907.50
Mercer	Ewing Twp	Jewish Community Center of the Delaware Valley	Trenton Bathhouse and Summer Day Camp Pavilions	23,325.00
Mercer	Hopewell Twp	Mercer County Park Commission	Howell Living History Farm	28,453.24
Mercer	Princeton Boro	Historical Society of Princeton	Bainbridge House and Beatty House	35,155.00
Mercer	Princeton Boro	Historic Morven	Morven	26,235.00

Mercer	Trenton City	City of Trenton, Department of Recreation, Natural Resources and Culture	Cadwalader Park	50,000.00
Monmouth	Middletown Twp	Christ Church	Christ Church	12,075.00
Monmouth	Red Bank Boro	Woman's Club of Red Bank	Anthony Reckless Estate	16,500.00
Passaic	Wayne Township	Township of Wayne	Schuyler-Colfax House	20,880.00
Union	Rahway City	Rahway Historical Society	Merchants & Drovers Tavern	50,000.00
Warren	Franklin Twp	Warren County Planning Department	Morris Canal Lock 7 West, Bread Lock Park	30,000.00
Warren	Hope Twp	Help Our Preservation Effort	Long House	29,475.00
TOTAL				\$ 502,201.99

b. Any transfer of any funds, or change in project sponsor, site, or type, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any project of a local government unit or qualifying tax exempt nonprofit organization that previously received funding for historic preservation purposes appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Historic Preservation Trust Fund, or that receives funding pursuant to section 1 of P.L.2001, 55 or section 1 of P.L.2001, 56, shall be eligible to receive additional funding, as determined by the New Jersey Historic Trust, subject to the approval of the Joint Budget Oversight Committee or its successor.

For the purposes of this subsection, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, and P.L.1987, c.265.

2. This act shall take effect immediately.

Approved April 10, 2001.

CHAPTER 58

AN ACT appropriating \$29,000,000 from the "Garden State Green Acres Preservation Trust Fund," and reappropriating certain other moneys, for the acquisition of lands by the State for recreation and conservation purposes.

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

1. a. There is appropriated from the "Garden State Green Acres Preservation Trust Fund," established pursuant to section 19 of P.L.1999, c.152 (C.13:8C-19), to the Department of Environmental Protection the sum of \$29,000,000 for the acquisition of lands by the State for recreation and conservation purposes. This sum shall be allocated as follows:

Project	County	Municipality	Amount
(1) BARNEGAT BAY WATERSHED GREENWAY <i>Barnegat Bay Greenway</i>			\$2,500,000
	Monmouth	Freehold Twp Howell Twp	
	Ocean	Barnegat Light Boro Barnegat Twp Berkeley Twp Brick Twp Dover Twp Eagleswood Twp Jackson Twp Lacey Twp Lakewood Twp Little Egg Harbor Twp Ocean Twp Stafford Twp	
(2) CAPE MAY PENINSULA <i>Cape May Peninsula</i>			1,500,000
	Cape May	Cape May City Cape May Point Boro Dennis Twp Lower Twp Middle Twp Sea Isle City Upper Twp West Cape May Boro Woodbine Boro	
(3) CROSSROADS OF AMERICAN REVOLUTION <i>Princeton Battlefield to Monmouth</i>			1,500,000
	Burlington	Bordentown City Bordentown Twp Chesterfield Twp New Hanover Twp	
	Mercer	East Windsor Twp Hamilton Twp Lawrence Twp Washington Twp	

	Middlesex	West Windsor Twp Cranbury Twp Monroe Twp	
	Monmouth	Plainsboro Twp Allentown Boro Englishtown Boro Freehold Twp Manalapan Twp Marlboro Twp Millstone Twp Roosevelt Boro Upper Freehold Twp	
	<i>Washington Crossing to Princeton Battlefield</i>		
	Hunterdon	East Amwell Twp West Amwell Twp	
	Mercer	Hopewell Twp Princeton Twp	
	Somerset	Montgomery Twp	
(4)	DELAWARE & RARITAN CANAL	WATERSHED GREENWAY	1,000,000
	Hunterdon	Lambertville City Stockton Boro	
	Mercer	Ewing Twp Hamilton Twp Hopewell Twp Lawrence Twp Princeton Twp Trenton City	
	Middlesex	New Brunswick City Plainsboro Twp	
	Somerset	Franklin Twp	
(5)	DELAWARE BAY WATERSHED	GREENWAY	2,000,000
	<i>Alloways Creek Greenway</i>		
	Salem	Alloway Twp Elsinboro Twp Lower Alloways Creek Twp Pilesgrove Twp Quinton Twp Upper Pittsgrove Twp	
	<i>Cape May Tributaries</i>		
	Cape May	Lower Twp Middle Twp Upper Twp	
	<i>Cohansey River Greenway</i>		
	Cumberland	Bridgeton City Fairfield Twp Greenwich Twp Hopewell Twp Lawrence Twp Upper Deerfield Twp	

	Salem	Alloway Twp	
	<i>Dividing/ Nantuxent/ Cedar/ Back Creeks Greenway</i>	Commercial Twp	
	Cumberland	Downe Twp	
		Fairfield Twp	
		Lawrence Twp	
	<i>Maurice River Greenway</i>		
	Atlantic	Buena Boro	
		Buena Vista Twp	
	Cape May	Dennis Twp	
	Cumberland	Commercial Twp	
		Deerfield Twp	
		Maurice River Twp	
		Millville City	
		Vineland City	
	Gloucester	Clayton Boro	
		Elk Twp	
		Franklin Twp	
		Glassboro Boro	
		Monroe Twp	
		Newfield Boro	
	Salem	Pittsgrove Twp	
		Upper Pittsgrove Twp	
	<i>Salem River/ Mannington Greenway</i>		
	Salem	Carneys Point Twp	
		Elsinboro Twp	
		Mannington Twp	
		Pilesgrove Twp	
		Upper Pittsgrove Twp	
		Woodstown Boro	
	<i>Stow Creek Greenway</i>		
	Cumberland	Greenwich Twp	
		Stow Creek Twp	
	Salem	Alloway Twp	
		Lower Alloways Creek Twp	
		Quinton Twp	
(6)	DELAWARE RIVER WATERSHED GREENWAY		1,000,000
	<i>Assiscunk Creek Watershed</i>		
	Burlington	Mansfield Twp	
	<i>Big Timber Creek</i>		
	Camden	Gloucester Twp	
		Lindenwold Boro	
	Gloucester	Deptford Twp	
		Westville Boro	
	<i>Delaware River Bluffs</i>		
	Hunterdon	Alexandria Twp	
		Delaware Twp	
		Frenchtown Boro	
		Holland Twp	
		Kingwood Twp	
		Lambertville City	

		Milford Boro
		Stockton Boro
		West Amwell Twp
	Mercer	Hopewell Twp
	Warren	Belvidere Town
		Harmony Twp
		Knowlton Twp
		Lopatcong Twp
		Phillipsburg Town
		Pohatcong Twp
		White Twp
<i>Nishisakawick Greenway</i>		
	Hunterdon	Alexandria Twp
		Delaware Twp
		Frenchtown Boro
		Kingwood Twp
<i>Oldsman Creek Greenway</i>		
	Gloucester	Logan Twp
		South Harrison Twp
		Woolwich Twp
	Salem	Oldmans Twp
		Pilesgrove Twp
		Upper Pittsgrove Twp
<i>Raccoon Creek Greenway</i>		
	Gloucester	Elk Twp
		Harrison Twp
		Logan Twp
		Woolwich Twp
<i>Rancocas Creek Greenway</i>		
	Burlington	Delran Twp
		Eastampton Twp
		Hainesport Twp
		Lumberton Twp
		Medford Twp
		Moorestown Twp
		Mount Holly Twp
		Mount Laurel Twp
		Pemberton Twp
		Southampton Twp
		Springfield Twp
		Westampton Twp
		Willingboro Twp
<i>Trenton/ Hamilton Marsh</i>		
	Burlington	Bordentown Twp
		Chesterfield Twp
	Mercer	Hamilton Twp
		Trenton City
<i>Woodbury Creek Watershed</i>		
	Gloucester	National Park Boro
		West Deptford Twp

(7) HARBOR ESTUARY			1,000,000
	Bergen	Carlstadt Boro East Rutherford Boro Emerson Boro Haworth Boro Lyndhurst Twp North Arlington Boro Old Tappan Boro Oradell Boro Ridgefield Boro Ridgefield Park Village River Vale Twp Westwood Boro	
	Hudson	Jersey City Kearny Town North Bergen Twp Secaucus Town	
	Middlesex	Carteret Boro Edison Twp Old Bridge Twp Sayreville Boro South Amboy City Woodbridge Twp	
	Monmouth	Aberdeen Twp Hazlet Twp Keansburg Boro Keyport Boro Matawan Boro Middletown Twp Union Beach Boro	
	Union	Clark Twp Linden City Rahway City	
(8) HIGHLANDS GREENWAY			2,000,000
	Bergen	Mahwah Twp Oakland Boro	
	Morris	Boonton Twp Denville Twp Jefferson Twp Montville Twp Rockaway Twp Roxbury Twp	
	Passaic	Ringwood Boro Wanaque Boro West Milford Twp	
(9) HISTORIC RESOURCES			1,000,000
	<i>Allaire State Park</i>		
	Monmouth	Howell Twp Wall Twp	
	<i>Monmouth Battlefield</i>		
	Monmouth	Freehold Twp	

		Manalapan Twp	
	<i>New Bridge Landing</i>		
	Bergen	New Milford Boro	
		River Edge Boro	
	<i>Princeton Battlefield</i>		
	Mercer	Princeton Twp	
	<i>Proprietary House</i>		
	Middlesex	Perth Amboy City	
	<i>Twin Lights</i>		
	Monmouth	Highlands Boro	
	<i>Washington Crossing State Park</i>		
	Mercer	Ewing Twp	
		Hopewell Twp	
(10)	JENNY JUMP STATE PARK		1,250,000
	Warren	Allamuchy Twp	
		Frelinghuysen Twp	
		Hope Twp	
		Independence Twp	
		Knowlton Twp	
		Liberty Twp	
		White Twp	
(11)	MUSCONETCONG WATERSHED GREENWAY		1,000,000
	Hunterdon	Alexandria Twp	
		Bethlehem Twp	
		Bloomsbury Boro	
		Franklin Twp	
		Hampton Boro	
		Holland Twp	
		Lebanon Boro	
	Morris	Mount Olive Twp	
		Roxbury Twp	
		Washington Twp	
	Warren	Allamuchy Twp	
		Franklin Twp	
		Greenwich Twp	
		Hackettstown Town	
		Lopatcong Twp	
		Mansfield Twp	
		Pohatcong Twp	
		Washington Boro	
		Washington Twp	
(12)	NATURAL AREAS		250,000
	<i>Bill Henry Pond</i>		
	Atlantic	Egg Harbor Twp	
	<i>Budd Lake Bog</i>		
	Morris	Mount Olive Twp	
	<i>Campus Swamp</i>		
	Camden	Gloucester Twp	
	<i>Cheesequake State Park</i>		
	Middlesex	Old Bridge Twp	

<i>Crossley Preserve</i>	Ocean	Berkeley Twp Manchester Twp	
<i>Five Acre Pond</i>	Atlantic	Estell Manor City	
<i>Great Piece Meadows</i>	Essex Morris	Fairfield Twp East Hanover Twp Lincoln Park Boro	
<i>Hidden Lake</i>	Camden	Gloucester Twp	
<i>High Mountain</i>	Passaic	North Haledon Boro Wayne Twp	
<i>Limestone Ridge</i>	Warren	Blairstown Twp	
<i>Long-A-Coming Branch</i>	Camden	Winslow Twp	
<i>Milford Bluffs</i>	Hunterdon	Holland Twp	
<i>Mountain Lake Bog</i>	Warren	White Twp	
<i>Oswego River Natural Area</i>	Burlington	Washington Twp	
<i>Phone-In-Fen</i>	Warren	Hardwick Twp	
<i>Ramapo Lake Natural Area</i>	Bergen Passaic	Oakland Boro Ringwood Boro Wanaque Boro	
<i>Ramapo Mountain State Park</i>	Bergen Passaic	Mahwah Twp Oakland Boro Pompton Lakes Boro Ringwood Boro Wanaque Boro	
<i>Strawberry Hill</i>	Mercer	Hopewell Twp	
<i>Sunfish Pond</i>	Warren	Hardwick Twp	
<i>Troy Meadows</i>	Morris	Parsippany - Troy Hills Twp	
<i>Uttertown Bog</i>	Passaic	West Milford Twp	
<i>Washington Crossing State Park</i>	Mercer	Hopewell Twp	
<i>Woodbine Bogs</i>	Cape May	Upper Twp	
(13) NON-PROFIT CAMPS			1,500,000
<i>Youth Camps</i>	Burlington	Evesham Twp Medford Twp	

	Hunterdon	Tabernacle Twp	
	Morris	East Amwell Twp	
	Ocean	Rockaway Boro	
	Passaic	Ocean Twp	
	Salem	Ringwood Boro	
	Somerset	Alloway Twp	
	Warren	Franklin Twp	
		Hardwick Twp	
		Independence Twp	
		Mansfield Twp	
(14) PAULINSKILL RIVER WATERSHED GREENWAY			1,500,000
	Warren	Blairstown Twp	
		Frelinghuysen Twp	
		Hardwick Twp	
		Knowlton Twp	
(15) PEQUEST RIVER WATERSHED GREENWAY			1,000,000
	Warren	Allamuchy Twp	
		Belvidere Town	
		Hackettstown Town	
		Independence Twp	
		Liberty Twp	
		Mansfield Twp	
		White Twp	
(16) PINELANDS			5,000,000
	Atlantic	Brigantine City	
		Buena Boro	
		Buena Vista Twp	
		Corbin City	
		Egg Harbor City	
		Egg Harbor Twp	
		Estell Manor City	
		Folsom Boro	
		Galloway Twp	
		Hamilton Twp	
		Hammonton Town	
		Mullica Twp	
		Port Republic City	
		Weymouth Twp	
	Burlington	Bass River Twp	
		Evesham Twp	
		Medford Lakes Boro	
		Medford Twp	
		New Hanover Twp	
		North Hanover Twp	
		Pemberton Twp	
		Shamong Twp	
		Southampton Twp	
		Springfield Twp	
		Tabernacle Twp	
		Washington Twp	

	Woodland Twp	
	Wrightstown Boro	
Camden	Berlin Boro	
	Berlin Twp	
	Chesilhurst Boro	
	Waterford Twp	
	Winslow Twp	
Cape May	Dennis Twp	
	Middle Twp	
	Upper Twp	
	Woodbine Boro	
Cumberland	Maurice River Twp	
	Vineland City	
Gloucester	Franklin Twp	
	Monroe Twp	
Ocean	Barnegat Twp	
	Beachwood Boro	
	Berkeley Twp	
	Dover Twp	
	Eagleswood Twp	
	Jackson Twp	
	Lacey Twp	
	Lakehurst Boro	
	Little Egg Harbor Twp	
	Manchester Twp	
	Ocean Twp	
	Plumsted Twp	
	South Toms River Boro	
	Stafford Twp	
	Tuckerton Boro	
(17) RARITAN RIVER WATERSHED GREENWAY		1,000,000
Hunterdon	Bethlehem Twp	
	Clinton Twp	
	East Amwell Twp	
	Franklin Twp	
	High Bridge Boro	
	Lebanon Twp	
	Raritan Twp	
	Readington Twp	
	Tewksbury Twp	
	Union Twp	
Morris	Chester Twp	
	Harding Twp	
	Long Hill Twp	
	Mendham Boro	
	Mendham Twp	
	Washington Twp	
Somerset	Bernards Twp	
	Branchburg Twp	
	Bridgewater Twp	
	Franklin Twp	
	Hillsborough Twp	

		Manville Boro Montgomery Twp Peapack-Gladstone Boro Somerville Boro Warren Twp	
(18) TRAILS			1,500,000
	<i>Appalachian Trail Easements</i>		
	Passaic	West Milford Twp	
	<i>Capitol to the Coast</i>		
	Mercer	Hamilton Twp Trenton City Washington Twp West Windsor Twp	
	Monmouth	Freehold Twp Howell Twp Manasquan Boro Millstone Twp Roosevelt Boro Spring Lake Boro Spring Lake Heights Boro Upper Freehold Twp Wall Twp	
	Ocean	Jackson Twp	
	<i>Rails to Trails</i>		
	Burlington	Burlington City Burlington Twp Chesterfield Twp Mansfield Twp North Hanover Twp Pemberton Boro Pemberton Twp Southampton Twp Springfield Twp Westampton Twp Willingboro Twp	
	Mercer	East Windsor Twp Hightstown Boro Washington Twp West Windsor Twp	
	Ocean	Plumsted Twp	
	Warren	Allamuchy Twp Franklin Twp Independence Twp Washington Twp White Twp	
	<i>Warren County Trail</i>		
	Warren	Franklin Twp Harmony Twp Lopatcong Twp Oxford Twp Phillipsburg Town Washington Twp	

(19) WATERSHED LANDS/ RESERVOIRS		1,500,000
	Hunterdon	Bethlehem Twp Clinton Town Clinton Twp Glen Gardner Boro High Bridge Boro Lebanon Twp Readington Twp Union Twp
	Monmouth	Howell Twp
	Morris	Jefferson Twp Kinnelon Boro Rockaway Twp
	Passaic	Bloomington Boro Ringwood Boro Wanaque Boro West Milford Twp
TOTAL		\$29,000,000

b. Any transfer of any funds, or change in project site, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any State project that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes shall be eligible to receive additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor.

d. There is reappropriated to the Department of Environmental Protection the unexpended balances, due to project cancellations or cost savings, of the amounts appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for State projects to acquire lands for recreation and conservation purposes, for the purpose of providing additional funding, as determined by the Department of Environmental Protection, to any State project that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

e. For the purposes of this section, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, and P.L.1989, c.183.

2. This act shall take effect immediately.

Approved April 11, 2001.

CHAPTER 59

AN ACT approving projects of certain local government units in northern New Jersey as eligible for funding from the State to acquire lands for recreation and conservation purposes.

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

1. a. The following projects to acquire lands for recreation and conservation purposes are eligible for funding with moneys appropriated or reappropriated pursuant to sections 1 and 2 of P.L.2001, c.63:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Bergen County	Bergen	Planning Incentive	\$1,500,000
Mahwah Twp	Bergen	Open Space Acq	500,000
Old Tappan Boro	Bergen	Old Tappan Acq	500,000
River Vale Twp	Bergen	Watershed Property Acq	500,000
South Orange Village Twp	Essex	Village Open Space Acq	500,000
Clinton Twp	Hunterdon	Open Space Acq Plan	500,000
East Amwell Twp	Hunterdon	Open Space and Recreation Plan	195,000
Kingwood Twp	Hunterdon	Open Space Plan	500,000
Readington Twp	Hunterdon	Open Space Plan	500,000
Hanover Twp	Morris	Open Space Acq.	500,000
Mendham Twp	Morris	Mendham Twp Open Space Acq	500,000
Morris County	Morris	Morris County Planning Incentive	1,500,000
Mount Olive Twp	Morris	Mt. Olive Greenway Acq	500,000
Parsippany - Troy Hills Twp	Morris	Open Space Acq	500,000
Randolph Twp	Morris	Randolph Acq Program	500,000
Roxbury Twp	Morris	Roxbury Open Space Plan	500,000

Bedminster Twp	Somerset	Bedminster Parks Exp	500,000
Bridgewater Twp	Somerset	Bridgewater Open Space Plan	500,000
Montgomery Twp	Somerset	Open Space Acq 5	500,000
Somerset County	Somerset	County Open Space Acq	1,500,000
Warren Twp	Somerset	Warren Twp Planning Incentive	500,000
Byram Twp	Sussex	Byram Open Space Plan	500,000
Lopatcong Twp	Warren	Lopatcong Open Space Plan	500,000
TOTAL			\$14,195,000

b. Any transfer of any funds, or change in project sponsor, site, or type, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the "Garden State Green Acres Preservation Trust Fund," established pursuant to section 19 of P.L.1999, c.152 (C.13:8C-19), for recreation and conservation purposes, or that receives funding approved pursuant to section 3 or section 4 of P.L.2001, c.63, section 1 of P.L.2001, c.33, or section 1 of P.L.2001, c.64, shall be eligible to receive additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

For the purposes of this subsection, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

2. This act shall take effect immediately.

Approved April 11, 2001.

CHAPTER 60

AN ACT concerning certain crimes involving minors and amending N.J.S.2C:14-2.

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

1. N.J.S.2C:14-2 is amended to read as follows:

Sexual assault.

2C:14-2. Sexual assault. a. An actor is guilty of aggravated sexual assault if he commits an act of sexual penetration with another person under any one of the following circumstances:

- (1) The victim is less than 13 years old;
- (2) The victim is at least 13 but less than 16 years old; and
 - (a) The actor is related to the victim by blood or affinity to the third degree, or
 - (b) The actor has supervisory or disciplinary power over the victim by virtue of the actor's legal, professional, or occupational status, or
 - (c) The actor is a foster parent, a guardian, or stands in loco parentis within the household;
- (3) The act is committed during the commission, or attempted commission, whether alone or with one or more other persons, of robbery, kidnapping, homicide, aggravated assault on another, burglary, arson or criminal escape;
- (4) The actor is armed with a weapon or any object fashioned in such a manner as to lead the victim to reasonably believe it to be a weapon and threatens by word or gesture to use the weapon or object;
- (5) The actor is aided or abetted by one or more other persons and the actor uses physical force or coercion;
- (6) The actor uses physical force or coercion and severe personal injury is sustained by the victim;
- (7) The victim is one whom the actor knew or should have known was physically helpless, mentally defective or mentally incapacitated.

Aggravated sexual assault is a crime of the first degree.

b. An actor is guilty of sexual assault if he commits an act of sexual contact with a victim who is less than 13 years old and the actor is at least four years older than the victim.

c. An actor is guilty of sexual assault if he commits an act of sexual penetration with another person under any one of the following circumstances:

- (1) The actor uses physical force or coercion, but the victim does not sustain severe personal injury;
- (2) The victim is on probation or parole, or is detained in a hospital, prison or other institution and the actor has supervisory or disciplinary power over the victim by virtue of the actor's legal, professional or occupational status;
- (3) The victim is at least 16 but less than 18 years old and:

- (a) The actor is related to the victim by blood or affinity to the third degree; or
 - (b) The actor has supervisory or disciplinary power of any nature or in any capacity over the victim; or
 - (c) The actor is a foster parent, a guardian, or stands in loco parentis within the household;
 - (4) The victim is at least 13 but less than 16 years old and the actor is at least four years older than the victim.
- Sexual assault is a crime of the second degree.

2. This act shall take effect immediately.

Approved April 19, 2001.

CHAPTER 61

AN ACT concerning the self-administration of medication by school pupils for asthma, amending P.L.1993, c.308 and supplementing chapter 40 of Title 18A of the New Jersey Statutes, and making an appropriation.

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

1. Section 1 of P.L.1993, c.308 (C.18A:40-12.3) is amended to read as follows:

C.18A:40-12.3 Self-administration of medication by pupil permitted.

1. a. A board of education or the governing board or chief school administrator of a nonpublic school shall permit the self-administration of medication by a pupil for asthma or other potentially life-threatening illnesses provided that:

(1) the parents or guardians of the pupil provide to the board of education or the governing board or chief school administrator of a nonpublic school written authorization for the self-administration of medication;

(2) the parents or guardians of the pupil provide to the board of education or the governing board or chief school administrator of a nonpublic school written certification from the physician of the pupil that the pupil has asthma or another potentially life-threatening illness and is capable of, and has been instructed in, the proper method of self-administration of medication;

(3) the board of education or the governing board or chief school administrator of a nonpublic school informs the parents or guardians of the pupil in writing that the district and its employees or agents or the nonpublic

school and its employees or agents shall incur no liability as a result of any injury arising from the self-administration of medication by the pupil;

(4) the parents or guardians of the pupil sign a statement acknowledging that the district or the nonpublic school shall incur no liability as a result of any injury arising from the self-administration of medication by the pupil and that the parents or guardians shall indemnify and hold harmless the district and its employees or agents or the nonpublic school and its employees or agents against any claims arising out of the self-administration of medication by the pupil; and

(5) the permission is effective for the school year for which it is granted and is renewed for each subsequent school year upon fulfillment of the requirements in paragraphs (1) through (4) of this subsection.

b. Notwithstanding any other law or regulation to the contrary, a pupil who is permitted to self-administer medication under the provisions of this section shall be permitted to carry an inhaler at all times, provided that the pupil does not endanger himself or other persons through misuse.

c. Any person who acts in good faith in accordance with the requirements of this act shall be immune from any civil or criminal liability arising from actions performed pursuant to this act.

C.18A:40-12.7 Nebulizer required in schools.

2. Each public and nonpublic school in the State shall have and maintain for the use of pupils at least one nebulizer in the office of the school nurse or a similar accessible location

C.18A:40-12.8 Regulations for use of nebulizer in schools.

3. The State Board of Education, in consultation with the Commissioner of Health and Senior Services, shall adopt regulations requiring each public school board of education to develop policies for the administration of asthma medication through the use of a nebulizer by the school nurse or other person authorized by regulation. The regulations shall include:

a. a requirement that each certified nurse or other person authorized to administer asthma medication receive training in airway management and in the use of nebulizers and inhalers consistent with nationally recognized standards, including, but not limited to, those of the National Institutes of Health and the American Association of Allergy and Immunology; and

b. a requirement that each pupil authorized to use asthma medication pursuant to section 1 of P.L.1993, c.308 (C.18A:40-12.3), or a nebulizer have an asthma treatment plan prepared by the physician of the pupil, which shall identify, at a minimum, asthma triggers, the treatment plan, and such other elements as shall be determined by the State Board of Education.

C.18A:40-12.9 Annual asthma education opportunities.

4. The Commissioner of Education shall ensure that annual asthma education opportunities are made available for medical inspectors and all members of the teaching staff.

C.18A:40-12.10 Reimbursement to school.

5. A public or nonpublic school shall apply to the Department of Education for reimbursement of the costs incurred in implementing the provisions of this act. The department is authorized to accept contributions of funds to reimburse public and nonpublic schools for those costs.

6. There is appropriated from the General Fund to the Department of Education \$344,000 for the purposes of reimbursing the costs of nebulizer purchases by public and nonpublic schools pursuant to this act.

7. This act shall take effect on the 180th day after enactment, but the Commissioner of Education may take such anticipatory administrative action in advance as shall be necessary for the implementation of the act.

Approved April 19, 2001.

CHAPTER 62

AN ACT concerning emergency food programs, supplementing Title 30 of the Revised Statutes and making an appropriation.

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

C.30:1A-7 Short title.

1. This act shall be known and may be cited as the "New Jersey Hunger Prevention and Nutrition Assistance Program Act."

C.30:1A-8 New Jersey Hunger Prevention and Nutrition Assistance Program.

2. There is established in the Department of Human Services, the New Jersey Hunger Prevention and Nutrition Assistance Program.

The purpose of the program is to: improve the health and nutritional status of State residents in need of food assistance, supplement the efforts of emergency food programs in the State to reduce hunger, and enable families and individuals to become food secure and self-sufficient.

a. The Commissioner of Human Services shall establish the program in conjunction with the regional food banks in the State.

- b. The goals of the program are to:
- (1) enhance the accessibility and availability of safe, nutritious food and food-related resources;
 - (2) develop and provide comprehensive nutrition education programs;
 - (3) periodically conduct assessments of the needs of persons requesting food assistance and hunger-related issues to ensure program funds are used effectively; and
 - (4) empower persons requesting food assistance or at risk of needing food assistance to increase their independence from emergency food assistance programs.

C.30:1A-9 Grants to emergency food programs.

3. a. Within the limits of funds appropriated for the program and such other funds as are made available to the program, the program shall provide grants to emergency food programs in the State to carry out the goals of the program.

An emergency food program shall submit an application for grant funds to the Department of Human Services in a form and manner prescribed by the Commissioner of Human Services. The commissioner, in consultation with the Hunger Prevention Advisory Committee established pursuant to section 4 of this act, shall award grants to emergency food programs that:

- (1) address an unmet need for emergency food services;
- (2) offer services that meet the goals of the program, particularly with respect to providing nutrition education services to persons in the service area of the emergency food program;
- (3) provide for referral or outreach services to other public and private social services programs that serve the emergency food program's target population;
- (4) demonstrate culturally competent services, including recognizing food preferences and traditions of the community, that are appropriate to the target population of the emergency food program; and
- (5) demonstrate an ability to document how the grant funds are used and to meet the reporting requirements of the program.

b. In addition to considering the criteria for awarding grants provided in subsection a. of this section, upon completion of the needs assessment conducted pursuant to section 5 of this act, the commissioner and advisory committee shall take into consideration the findings of the needs assessment in determining how grant funds shall be allocated in the State.

c. Grant recipients shall report quarterly to the Department of Human Services on the use of the grant funds, including the number of persons served by the emergency food program, the type of services received and such other information as required by the commissioner.

C.30:1A-10 Hunger Prevention Advisory Committee.

4. There is established a 13-member Hunger Prevention Advisory Committee in the Department of Human Services. The advisory committee shall assist the Commissioner of Human Services in the implementation of the New Jersey Hunger Prevention and Nutrition Assistance Program established pursuant to this act and shall oversee the needs assessment that shall be conducted pursuant to section 5 of this act.

a. The advisory committee shall consist of:

(1) the Secretary of Agriculture, the Commissioner of Human Services, and the Commissioner of Community Affairs, or their designees, who shall serve ex officio; and

(2) 10 public members appointed by the Governor who shall include: two representatives of emergency food programs in the State; two representatives of programs serving homeless individuals in the State; the Executive Directors of the County Welfare Directors Association of New Jersey, the Municipal Welfare Association of New Jersey and the Association for Children of New Jersey, or their designees; a nutritionist; and two members of the public who are knowledgeable about emergency food programs. The public members other than the executive directors shall serve during the term of office of the Governor who shall have appointed them, at the pleasure of that Governor.

b. Vacancies in the membership of the committee shall be filled in the same manner provided for the original appointments.

c. The committee shall organize as soon as practicable following the appointment of its members and shall select a chairperson and vice-chairperson from among the members. The chairperson shall appoint a secretary who need not be a member of the committee.

d. The committee shall be entitled to call to its assistance and avail itself of the services of the employees of any State, county or municipal department, board, bureau, commission or agency as it may require and as may be available to it for its purposes.

C.30:1A-11 Statewide needs assessment.

5. The Commissioner of Human Services shall contract with Rutgers, the State University to conduct a Statewide needs assessment to:

a. identify and quantify, at all steps in the State's food delivery system, wholesome and nutritious food that goes to waste before it can be made available to those in need of such food;

b. identify and quantify the need for emergency or supplemental feeding for families and individuals in the State;

c. identify strategies and structures for minimizing spoilage of food resources;

d. develop a fiscally judicious plan to secure food from loss to deterioration or waste and to transport and apportion that food to emergency feeding programs throughout the State;

e. develop strategies for behaviorally focused educational outreach with at-risk families and individuals; and

f. analyze nutritional sufficiencies and deficiencies in existing emergency food programs and develop solutions to generating nutritionally complete, culturally acceptable diets.

C.30:1A-12 Annual report to Governor, Legislature.

6. The Commissioner of Human Services shall report annually to the Governor and the Legislature on the activities of the program. The report shall include a listing of the grants awarded under the program, the number of persons served through the grants and such other information as the commissioner deems appropriate.

7. Upon certification by the Director of the Division of Budget and Accounting in the Department of the Treasury that federal funds not to exceed \$5,000,000 are available to support the expenditure, such funds are appropriated from unexpended federal Temporary Assistance to Needy Family funds to the Department of Human Services to carry out the purposes of this act.

Of this appropriation, the department shall allocate up to \$250,000 to conduct the needs assessment pursuant to section 5 of this act and up to \$4,750,000 for the purpose of making grants to emergency food programs in the State pursuant to section 3 of this act.

8. This act shall take effect immediately.

Approved April 19, 2001.

CHAPTER 63

AN ACT appropriating moneys from the "Garden State Green Acres Preservation Trust Fund," and appropriating and reappropriating certain other moneys, to assist local government units to acquire or develop lands for recreation and conservation purposes; and approving projects of certain local government units as eligible for funding from the State to acquire lands for recreation and conservation purposes.

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

1. There is appropriated to the Department of Environmental Protection from the "Garden State Green Acres Preservation Trust Fund," established pursuant to section 19 of P.L.1999, c.152 (C.13:8C-19), the sum of \$9,846,000 to provide grants or loans, or both, to assist local government units to acquire or develop lands for recreation and conservation purposes, for projects approved as eligible for such funding pursuant to section 3 of this act, section 4 of this act, section 1 of P.L.2001, c.33, section 1 of P.L.2001, c.59, or section 1 of P.L.2001, c.64.

2. a. There is reappropriated to the Department of Environmental Protection the unexpended balances, due to project withdrawals, cancellations, or cost savings, of the amounts appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund to assist local government units to acquire or develop lands for recreation and conservation purposes, for the purposes of providing:

(1) grants or loans, or both, to assist local government units to acquire or develop lands for recreation and conservation purposes, for projects approved as eligible for such funding pursuant to section 3 of this act, section 4 of this act, section 1 of P.L.2001, c.33, section 1 of P.L.2001, c.59, or section 1 of P.L.2001, c.64; and

(2) additional funding, as determined by the Department of Environmental Protection, to any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes or that receives funding approved pursuant to section 3 of this act, section 4 of this act, section 1 of P.L.2001, c.33, section 1 of P.L.2001, c.59, or section 1 of P.L.2001, c.64, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

b. There is appropriated to the Department of Environmental Protection such sums as may be, or may become available, on or before June 30, 2001, due to interest earnings or loan repayments in any "Green Trust Fund" established pursuant to a Green Acres bond act, for the purpose of providing:

(1) grants or loans, or both, to assist local government units to acquire or develop lands for recreation and conservation purposes, for projects approved as eligible for such funding pursuant to section 3 of this act, section 4 of this act, section 1 of P.L.2001, c.33, section 1 of P.L.2001, c.59, or section 1 of P.L.2001, c.64; and

(2) additional funding, as determined by the Department of Environmental Protection, to any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes or that receives funding approved pursuant to section 3 of this act, section 4 of this act, section 1 of P.L.2001, c.33, section 1 of P.L.2001, c.59, or section 1 of P.L.2001, c.64, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

c. For the purposes of this section, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

3. a. The following projects to acquire lands for recreation and conservation purposes are eligible for funding with moneys appropriated or reappropriated pursuant to sections 1 and 2 of this act:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Egg Harbor Twp	Atlantic	Egg Harbor Twp Regional Park	\$500,000
Cherry Hill Twp	Camden	Springhouse Farm Acq	500,000
Eatontown Boro	Monmouth	Eatontown Boro Open Space Acq	462,500
Hazlet Twp	Monmouth	Union Ave Acq	70,000
Point Pleasant Boro	Ocean	Canal Acq	212,500
Wayne Twp	Passaic	Barbour Pond Park Add	500,000
Linden City	Union	Land Acq	500,000
TOTAL			\$2,745,000

b. Any transfer of funds, or change in project sponsor, site, or type, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes, or that receives funding approved pursuant to section 4 of this act, section 1 of P.L.2001, c.33, section 1 of P.L.2001, c.59, or section 1 of P.L.2001, c.64, shall be eligible to receive

additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

For the purposes of this subsection, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

4. a. The following projects to acquire lands for recreation and conservation purposes are eligible for funding with moneys appropriated or reappropriated pursuant to sections 1 and 2 of this act:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Atlantic County	Atlantic	Atlantic County	\$500,000
Bordentown Twp	Burlington	Open Space Acq Bordentown Twp	500,000
Burlington County	Burlington	Open Space Acq Planning Incentive	1,500,000
Eastampton Twp	Burlington	Planning Incentive	500,000
Evesham Twp	Burlington	Planning Incentive	500,000
Mount Laurel Twp	Burlington	Mt. Laurel Acq Plan	500,000
Camden County	Camden	Open Space Plan	1,500,000
Voorhees Twp	Camden	Planning Incentive	500,000
Gloucester County	Gloucester	Open Space Plan	500,000
TOTAL			\$6,500,000

b. Any transfer of any funds, or change in project sponsor, site, or type, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes, or that receives funding approved pursuant to section 3 of this act, section 1 of P.L.2001, c.33, section 1 of P.L.2001, c.59, or section 1 of P.L.2001, c.64, shall be eligible to receive additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

For the purposes of this subsection, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

5. This act shall take effect immediately.

Approved April 19, 2001.

CHAPTER 64

AN ACT approving projects of certain local government units as eligible for funding from the State to acquire or develop lands for recreation and conservation purposes.

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

1. a. The following projects to acquire lands for recreation and conservation purposes are eligible for funding with moneys appropriated or reappropriated pursuant to sections 1 and 2 of P.L.2001, c.63:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Hackensack City	Bergen	Hackensack River Corridor Acq	\$150,000
Gloucester Twp	Camden	Open Space Acq	500,000
Weehawken Twp	Hudson	Waterfront Park Acq 2	500,000
Old Bridge Twp	Middlesex	Cedar Ridge II Acq	500,000
TOTAL			\$1,650,000

b. The following projects to develop lands for recreation and conservation purposes are eligible for funding with moneys appropriated or reappropriated pursuant to sections 1 and 2 of P.L.2001, c.63:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Pleasantville City	Atlantic	Multi Park Improvements	\$500,000
Hackensack City	Bergen	Hackensack River Waterfront Dev	350,000

Pemberton Twp	Burlington	Country Lake Redev	500,000
Camden City	Camden	Camden Waterfront Promenade	500,000
Millville City	Cumberland	Maurice River Waterfront Phase V	500,000
Bayonne City	Hudson	Waterfront Park Dev	500,000
Hudson County	Hudson	Multi Park Sports Areas 2: Bayonne City Harrison Town Hoboken City Jersey City Kearny Town North Bergen Twp Union City	500,000
West New York Town	Hudson	Multi Parks Project Dev	500,000
Asbury Park City	Monmouth	Recreational Plaza Dev	500,000
TOTAL			\$4,350,000

c. Any transfer of any funds, or change in project sponsor, site, or type, listed in subsection a. or b. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

d. To the extent that moneys remain available after the projects listed in subsection a. or b. of this section are offered funding pursuant thereto, any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the "Garden State Green Acres Preservation Trust Fund," established pursuant to section 19 of P.L.1999, c.152 (C.13:8C-19), for recreation and conservation purposes, or that receives funding approved pursuant to section 3 or section 4 of P.L.2001, c.63, section 1 of P.L.2001, c.33, or section 1 of P.L.2001, c.59, shall be eligible to receive additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

For the purposes of this subsection, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

2. This act shall take effect immediately.

Approved April 19, 2001.

CHAPTER 65

AN ACT concerning pupil transportation, amending P.L.1995, c.106 and P.L.1997, c.53 and supplementing chapter 39 of 18A of the New Jersey Statutes.

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

1. Section 1 of P.L.1995, c.106 (C.18A:39-1.3) is amended to read as follows:

C.18A:39-1.3 Contract for transportation of certain pupils; costs.

1. Any board of education which transports pupils to and from school pursuant to N.J.S.18A:39-1 or a cooperative transportation services agency may enter into a contract for the transportation of public school pupils who are not eligible for transportation services pursuant to N.J.S.18A:39-1 or any other law, and may require that if the parent, guardian or other person having legal custody of the child elects to have the pupil transported pursuant to the contract, then the parent, guardian or other person having legal custody of the child shall pay all or a part of the costs of that transportation, including, but not limited to, the cost of fuel, driver salaries and insurance. A board of education or a cooperative transportation services agency may also enter into a contract for the transportation of pupils who attend not for profit nonpublic schools and who are not eligible for transportation services pursuant to N.J.S.18A:39-1 or any other law or who receive in-lieu-of transportation payments, and may require that if the parent, guardian or other person having legal custody of the child elects to have the pupil transported pursuant to the contract, then the parent, guardian or other person having legal custody of the child shall pay all or a part of the costs of that transportation, including, but not limited to, the cost of fuel, driver salaries and insurance.

The costs of the transportation shall be paid at the time and in the manner determined by the board of education or the cooperative transportation services agency, provided that the parent, guardian or other person having legal custody of the pupil attending the public or nonpublic school shall pay no more than the per pupil cost of the route for the transportation provided pursuant to this section.

Boards of education shall not receive State transportation aid pursuant to section 25 of P.L.1996, c.138 (C.18A:7F-25) for the transportation of pupils pursuant to this section; however, the pupils shall be included in the

calculation of the district's regular vehicle capacity utilization for purposes of the application of the incentive factor pursuant to that section.

A board of education shall notify the Department of Education when it elects to provide transportation for pupils under the provisions of this act.

2. Section 1 of P.L.1997, c.53 (C.18A:39-11.1) is amended to read as follows:

C.18A:39-11.1 List of agencies providing cooperative transportation services; provision of transportation for certain pupils.

1. a. The Commissioner of Education shall identify and publish a list of local school boards of education, educational services commissions, county special services school districts, and any other established agencies providing cooperative transportation services.

b. Any school district responsible for the transportation of pupils to and from a school, other than a local district school, pursuant to N.J.S.18A:39-1 which transports pupils to a county vocational school and pupils classified pursuant to chapter 46 of Title 18A of the New Jersey Statutes shall utilize one of the agencies identified by the commissioner for the transportation of the pupils. Transportation by one of the agencies shall not be required when the local district can provide transportation at a lower cost than those agencies, or the transportation to be provided by one of the agencies does not fall within the policies of the resident school district regarding length of ride and assignment of students to a route based on student age or classification.

c. (1) A board of education shall bid or coordinate nonpublic school transportation services with another school district or a cooperative transportation services agency in accordance with criteria established by the commissioner.

(2) Any school district which has in the prior year provided payments in lieu of transportation for any nonpublic school pupil pursuant to N.J.S.18A:39-1, or which cannot provide transportation in the ensuing school year in accordance with the commissioner's criteria, shall attempt to provide transportation through an agency identified by the commissioner prior to determining to pay aid in lieu of transportation. The school district shall provide to the agency any unique limitations or restrictions of the required transportation. If the costs to provide transportation by the agency identified by the commissioner are less than the in-lieu-of payments, the agency shall provide transportation. The school district shall make the determination on the manner in which transportation services shall be provided and shall notify the nonpublic school and the parent or guardian of the nonpublic school pupil by August 1 prior to the beginning of the school year. For the purposes of this subsection, "costs to provide transportation" shall not include any administrative fee charged by the agency. If the

sum of the costs to provide transportation plus any administrative fee charged by the agency exceeds on a per pupil basis the maximum amount for nonpublic school transportation established pursuant to section 2 of P.L.1981, c.57 (C.18A:39-1a), the board of education may apply to the commissioner for that portion which exceeds the maximum amount.

d. The county superintendents shall:

(1) assist local boards of education and the chief school administrators of nonpublic schools in coordinating the calendars and schedules of the public and nonpublic schools to facilitate the coordination of transportation of pupils to and from school in their respective county:

(2) arbitrate any disputes between local boards of education and the chief school administrators of nonpublic schools regarding pupil transportation; and

(3) convene a meeting, at least once a year, of representatives of all public and nonpublic schools in the county to discuss issues related to pupil transportation.

C.18A:39-3.1 Consultation for transportation of nonpublic school pupils.

3. A board of education shall consult with the appropriate nonpublic school administrators seeking such consultation prior to preparing bus routes for the transportation of nonpublic school pupils for the school year and in a timely manner that allows sufficient time to publicly advertise for bids.

C.18A:39-3.2 Rules, regulations.

4. The State Board of Education shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations necessary to implement the provisions of this act.

5. This act shall take effect immediately and shall first apply to the 2001-2002 school year.

Approved April 19, 2001.

CHAPTER 66

A SUPPLEMENT to "An Act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 2001 and regulating the disbursement thereof," approved June 30, 2000 (P.L. 2000, c.53).

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

1. In addition to the amounts appropriated under P.L.2000, c.53, there is appropriated out of the General Fund the following sum for the purpose specified:

54 DEPARTMENT OF HUMAN SERVICES
50 Economic Planning, Development and Security
55 Social Services Programs
7570 Division of Youth and Family Services
GRANTS-IN-AID

16-7570 Services to Children and Families	<u>\$350,000</u>
Total Grants-In-Aid Appropriation,	
Division of Youth and Family Services	<u>\$350,000</u>
<i>Grants-In-Aid:</i>	
16 Hudson Cradle	(\$350,000)

2. This act shall take effect immediately.

Approved April 19, 2001.

CHAPTER 67

AN ACT concerning organized delivery systems, supplementing P.L.1999, c.409 (C.17:48H-1 et seq.) and amending P.L.1999, c.155.

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

C.17:48H-33.1 Adoption, implementation of standards by organized delivery system for electronic transactions.

1. a. Within 180 days of the adoption of a timetable for implementation pursuant to section 1 of P.L.1999, c.154 (C.17B:30-23), an organized delivery system which is either certified or licensed pursuant to P.L.1999, c.409 (C.17:48H-1 et seq.), or a subsidiary thereof that processes health care benefits claims as a third party administrator, shall demonstrate to the satisfaction of the Commissioner of Banking and Insurance that it will adopt and implement all of the standards to receive and transmit health care transactions electronically, according to the corresponding timetable, and otherwise comply with the provisions of this section, as a condition of its continued authorization to do business in this State.

The Commissioner of Banking and Insurance may grant extensions or waivers of the implementation requirement when it has been demonstrated to the commissioner's satisfaction that compliance with the timetable for

implementation will result in an undue hardship to an organized delivery system, its subsidiary or its covered persons.

b. Within 12 months of the adoption of regulations establishing standard health care enrollment and claim forms by the Commissioner of Banking and Insurance pursuant to section 1 of P.L. 1999, c.154 (C.17B:30-23), an organized delivery system or a subsidiary that processes health care benefits claims as a third party administrator shall use the standard health care enrollment and claim forms in connection with all health benefits plans for which the organized delivery system has contracted with a carrier to provide health care services.

c. Twelve months after the adoption of regulations establishing standard health care enrollment and claim forms by the Commissioner of Banking and Insurance pursuant to section 1 of P.L. 1999, c.154 (C.17B:30-23), an organized delivery system shall require that health care providers file all claims for payment for health care services. A covered person who receives health care services shall not be required to submit a claim for payment but, notwithstanding the provisions of this subsection to the contrary, a covered person shall be permitted to submit a claim on his own behalf, at the covered person's option. All claims shall be filed using the standard health care claim form applicable to the health benefits plan contract or policy.

d. (1) An organized delivery system or its agent, hereinafter the payer, shall remit payment for every insured claim submitted by a covered person or that covered person's agent or assignee if the health benefits plan contract or policy provides for assignment of benefits, no later than the 30th calendar day following receipt of the claim by the payer or no later than the time limit established for the payment of claims in the Medicare program pursuant to 42 U.S.C. s.1395u(c)(2)(B), whichever is earlier, if the claim is submitted by electronic means, and no later than the 40th calendar day following receipt if the claim is submitted by other than electronic means, if:

(a) the claim is an eligible claim for a health care service provided by an eligible health care provider to a covered person under the health benefits plan contract or policy;

(b) the claim has no material defect or impropriety, including, but not limited to, any lack of required substantiating documentation or incorrect coding;

(c) there is no dispute regarding the amount claimed;

(d) the payer has no reason to believe that the claim has been submitted fraudulently; and

(e) the claim requires no special treatment that prevents timely payment from being made on the claim under the terms of the health benefits plan contract or policy.

(2) If all or a portion of the claim is denied by the payer because:

(a) the claim is an ineligible claim;

(b) the claim submission is incomplete because the required substantiating documentation has not been submitted to the payer;

(c) the diagnosis coding, procedure coding, or any other required information to be submitted with the claim is incorrect;

(d) the payer disputes the amount claimed; or

(e) the claim requires special treatment that prevents timely payments from being made on the claim under the terms of the health benefits plan contract or policy, the payer shall notify the covered person, or that covered person's agent or assignee if the health benefits plan contract or policy provides for assignment of benefits, in writing or by electronic means, as appropriate, within 30 days, of the following: if all or a portion of the claim is denied, all the reasons for the denial; if the claim lacks the required substantiating documentation, including incorrect coding, a statement as to what substantiating documentation or other information is required to complete adjudication of the claim; if the amount of the claim is disputed, a statement that it is disputed; and if the claim requires special treatment that prevents timely payments from being made, a statement of the special treatment to which the claim is subject.

(3) Any portion of a claim that meets the criteria established in paragraph (1) of this subsection shall be paid by the payer in accordance with the time limit established in paragraph (1) of this subsection.

(4) A payer shall acknowledge receipt of a claim submitted by electronic means from a health care provider or covered person, no later than two working days following receipt of the transmission of the claim.

(5) If a payer subject to the provisions of P.L.1983, c.320 (C.17:33A-1 et seq.) has reason to believe that a claim has been submitted fraudulently, it shall investigate the claim in accordance with its fraud prevention plan established pursuant to section 1 of P.L.1993, c.362 (C.17:33A-15), or refer the claim, together with supporting documentation, to the Office of the Insurance Fraud Prosecutor in the Department of Law and Public Safety established pursuant to section 32 of P.L.1998, c.21 (C.17:33A-16).

(6) Payment of an eligible claim pursuant to paragraphs (1) and (3) of this subsection shall be deemed to be overdue if not remitted to the claimant or his agent or assignee by the payer on or before the 30th calendar day or the time limit established by the Medicare program, whichever is earlier, following receipt by the payer of a claim submitted by electronic means and on or before the 40th calendar day following receipt of a claim submitted by other than electronic means.

In the event payment is withheld on all or a portion of a claim by a payer pursuant to subparagraph (b) of paragraph (2) of this subsection, the claims payment shall be overdue if not remitted to the claimant or his agent or a assignee by the payer on or before the 30th calendar day or the time limit

established by the Medicare program, whichever is earlier, for claims submitted by electronic means and the 40th calendar day for claims submitted by other than electronic means, following receipt by the payer of the required documentation or modification of an initial submission.

(7) An overdue payment shall bear simple interest at the rate of 10% per annum.

e. As used in this subsection, "insured claim" or "claim" means a claim by a covered person for payment of benefits under an insured health benefits plan contract or policy for which the financial obligation for the payment of a claim under the health benefits plan contract or policy rests upon the organized delivery system.

C.17:48H-33.2 Organized delivery system subject to regulations under C.17B:30-26 et seq.

2. An organized delivery system which is either certified or licensed pursuant to P.L.1999, c.409 (C.17:48H-1 et seq.) shall be subject to the provisions of P.L.1999, c.155 (C.17B:30-26 et seq.) and the regulations promulgated thereunder.

3. Section 1 of P.L.1999, c.155 (C.17B:30-26) is amended to read as follows:

C.17B:30-26 Definitions relative to payment of health and dental insurance plans.

1. As used in this act:

"Capitation payment" means a periodic payment to a health care provider for his services under the terms of a contract between the provider and a payer, under which the provider agrees to perform the health care services set forth in the contract for a specified period of time for a specified fee, but shall not include any payments made to the provider on a fee-for-service basis.

"Carrier" means an insurance company, health service corporation, hospital service corporation, medical service corporation or health maintenance organization authorized to issue health benefits plans in this State and a dental service corporation or dental plan organization authorized to issue dental plans in this State.

"Commissioner" means the Commissioner of Banking and Insurance.

"Contract holder" means an employer or organization that purchases a contract for services.

"Covered person" means a person on whose behalf a carrier offering the plan is obligated to pay benefits or provide services pursuant to the health benefits or dental plan.

"Covered service" means a health care service provided to a covered person under a health benefits or dental plan for which the carrier is obligated to pay benefits or provide services.

"Dental plan" means a benefits plan which pays or provides dental expense benefits for covered services and is delivered or issued for delivery in this State by or through a dental service corporation or dental plan organization authorized to issue dental plans in this State.

"Eligible claim" or "claim for eligible services" means a claim for a covered service under a health benefits or dental plan, subject to any conditions imposed by the health benefits or dental plan.

"Eligible health care provider" means a health care provider whose services are reimbursable under a health benefits or dental plan.

"Health benefits plan" means a benefits plan which pays or provides hospital and medical expense benefits for covered services, and is delivered or issued for delivery in this State by or through a carrier. Health benefits plan includes, but is not limited to, Medicare supplement coverage and risk contracts to the extent not otherwise prohibited by federal law. For the purposes of this act, health benefits plan shall not include the following plans, policies or contracts: accident only, credit, disability, long-term care, CHAMPUS supplement coverage, coverage arising out of a workers' compensation or similar law, automobile medical payment insurance, personal injury protection insurance issued pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.) or hospital confinement indemnity coverage.

"Health care provider" means an individual or entity which, acting within the scope of its licensure or certification, provides a covered service defined by the health benefits or dental plan. Health care provider includes, but is not limited to, a physician, dentist and other health care professionals licensed pursuant to Title 45 of the Revised Statutes, and a hospital and other health care facilities licensed pursuant to Title 26 of the Revised Statutes.

"Insured claim" or "claim" means a claim by a covered person for payment of benefits under an insured health benefits or dental plan.

"Insured health benefits or dental plan" means a health benefits or dental plan providing benefits for covered services to covered persons for which the contract holder pays a premium, which may include a deductible amount payable to a health care provider, and for which the financial obligation for the payment of claims under the plan rests upon the payer.

"Organized delivery system" means an organized delivery system that is either certified or licensed pursuant to P.L.1999, c.409 (C.17:48H-1 et seq.).

"Payer" means a carrier or any agent thereof or an organized delivery system or any agent thereof who is doing business in the State and is under a contractual obligation to pay insured claims.

4. This act shall take effect immediately.

Approved April 19, 2001.

CHAPTER 68

AN ACT concerning certain real estate promotions and amending R.S.45:15-17.

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

1. R.S.45:15-17 is amended to read as follows:

Investigation of actions of licensees; suspension or revocation of licenses and causes therefor.

45:15-17. The commission may, upon its own motion, and shall, upon the verified complaint in writing of any person, investigate the actions of any real estate broker, broker-salesperson or salesperson, or any person who assumes, advertises or represents himself as being authorized to act as a real estate broker, broker-salesperson or salesperson or engages in any of the activities described in R.S.45:15-3 without being licensed so to do. The lapse or suspension of a license by operation of law or the voluntary surrender of a license by a licensee shall not deprive the commission of jurisdiction to proceed with any investigation as herein provided or prevent the commission from taking any regulatory action against such licensee, provided, however, that the alleged charges arose while said licensee was duly licensed. Each transaction shall be construed as a separate offense.

In conducting investigations, the commission may take testimony by deposition as provided in R.S.45:15-18, require or permit any person to file a statement in writing, under oath or otherwise as the commission determines, as to all the facts and circumstances concerning the matter under investigation, and, upon its own motion or upon the request of any party, subpoena witnesses, compel their attendance, take evidence, and require the production of any material which is relevant to the investigation, including any and all records of a licensee pertaining to his activities as a real estate broker, broker-salesperson or salesperson. The commission may also require the provision of any information concerning the existence, description, nature, custody, condition and location of any books, documents, or other tangible material and the identity and location of persons having knowledge of relevant facts of any other matter reasonably calculated to lead to the discovery of material evidence. Upon failure to obey a subpoena or to answer questions posed by an investigator or legal representative of the commission and upon reasonable notice to all affected persons, the commission may commence an administrative action as provided below or apply to the Superior Court for an order compelling compliance.

The commission may place on probation, suspend for a period less than the unexpired portion of the license period, or may revoke any license issued

under the provisions of this article, or the right of licensure when such person is no longer the holder of a license at the time of hearing, or may impose, in addition or as an alternative to such probation, revocation or suspension, a penalty of not more than \$5,000 for the first violation, and a penalty of not more than \$10,000 for any subsequent violation, which penalty shall be sued for and recovered by and in the name of the commission and shall be collected and enforced by summary proceedings pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), where the licensee or any person, in performing or attempting to perform any of the acts mentioned herein, is deemed to be guilty of:

- a. Making any false promises or any substantial misrepresentation; or
- b. Acting for more than one party in a transaction without the knowledge of all parties thereto; or
- c. Pursuing a flagrant and continued course of misrepresentation or making of false promises through agents, broker-salespersons or salespersons, advertisements or otherwise; or
- d. Failure to account for or to pay over any moneys belonging to others, coming into the possession of the licensee; or
- e. Any conduct which demonstrates unworthiness, incompetency, bad faith or dishonesty. The failure of any person to cooperate with the commission in the performance of its duties or to comply with a subpoena issued by the commission compelling the production of materials in the course of an investigation, or the failure to give a verbal or written statement concerning a matter under investigation may be construed as conduct demonstrating unworthiness; or
- f. Failure to provide his client with a fully executed copy of any sale or exclusive sales or rental listing contract at the time of execution thereof, or failure to specify therein a definite terminal date which terminal date shall not be subject to any qualifying terms or conditions; or
- g. Using any plan, scheme or method for the sale or promotion of the sale of real estate which involves a lottery, a contest, a game, a prize, a drawing, or the offering of a lot or parcel or lots or parcels for advertising purposes, provided, however, that a promotion or offer of free, discounted or other services or products which does not require that the recipient of any free, discounted or other services or products enter into a sale, listing or other real estate contract as a condition of the promotion or offer shall not constitute a violation of this subsection if that promotion or offering does not involve a lottery, a contest, a game, a drawing or the offering of a lot or parcel or lots or parcels for advertising purposes. A broker shall disclose in writing any compensation received for such promotion or offer in the form and substance as required by the federal "Real Estate Settlement Procedures Act of 1974," 12 U.S.C. ss.2601 et seq., except that, notwithstanding the provisions of that

federal act, written disclosure shall be provided no later than when the promotion or offer is extended by the broker to the consumer; or

h. Being convicted of a crime, knowledge of which the commission did not have at the time of last issuing a real estate license to the licensee; or

i. Collecting a commission as a real estate broker in a transaction, when at the same time representing either party in a transaction in a different capacity for a consideration; or

j. Using any trade name or insignia of membership in any real estate organization of which the licensee is not a member; or

k. Paying any rebate, profit, compensation or commission to anyone not possessed of a real estate license, except that free, discounted or other services or products provided for in subsection g. of this section shall not constitute a violation of this subsection; or

l. Any other conduct, whether of the same or a different character than specified in this section, which constitutes fraud or dishonest dealing; or

m. Accepting a commission or valuable consideration as a real estate broker-salesperson or salesperson for the performance of any of the acts specified in this act, from any person, except his employing broker, who must be a licensed broker; or

n. Procuring a real estate license, for himself or anyone else, by fraud, misrepresentation or deceit; or

o. Commingling the money or other property of his principals with his own or failure to maintain and deposit in a special account, separate and apart from personal or other business accounts, all moneys received by a real estate broker, acting in said capacity, or as escrow agent, or the temporary custodian of the funds of others, in a real estate transaction; or

p. Selling property in the ownership of which he is interested in any manner whatsoever, unless he first discloses to the purchaser in the contract of sale his interest therein and his status as a real estate broker, broker-salesperson or salesperson; or

q. Purchasing any property unless he first discloses to the seller in the contract of sale his status as a real estate broker, broker-salesperson or salesperson; or

r. Charging or accepting any fee, commission or compensation in exchange for providing information on purportedly available rental housing, including lists of such units supplied verbally or in written form, before a lease has been executed or, where no lease is drawn, before the tenant has taken possession of the premises without complying with all applicable rules promulgated by the commission regulating these practices; or

s. Failing to notify the commission within 30 days of having been convicted of any crime, misdemeanor or disorderly persons offense, or of having been indicted, or of the filing of any formal criminal charges, or of

the suspension or revocation of any real estate license issued by another state, or of the initiation of formal disciplinary proceedings in another state affecting any real estate license held, or failing to supply any documentation available to the licensee that the commission may request in connection with such matter; or

t. The violation of any of the provisions of this article or of the administrative rules adopted by the commission pursuant to the provisions of this article. The commission is expressly vested with the power and authority to make, prescribe and enforce any and all rules and regulations for the conduct of the real estate brokerage business consistent with the provisions of chapter 15 of Title 45 of the Revised Statutes.

If a licensee is deemed to be guilty of a third violation of any of the provisions of this section, whether of the same provision or of separate provisions, the commission may deem that person a repeat offender, in which event the commission may direct that no license as a real estate broker, broker-salesperson or salesperson shall henceforth be issued to that person.

2. This act shall take effect immediately.

Approved April 19, 2001.

CHAPTER 69

AN ACT concerning driving while intoxicated and supplementing chapter 4 of Title 39 of the Revised Statutes.

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

C.39:4-50.22 Written statement of potential civil, criminal liability for permitting an intoxicated arrestee's operation of motor vehicle.

1. Whenever a person is summoned by or on behalf of a person who has been arrested for a violation of R.S.39:4-50 or section 2 of P.L.1981, c.512 (C.39:4-50.4a) in order to transport or accompany the arrestee from the premises of a law enforcement agency, the law enforcement agency shall provide that person with a written statement advising him of his potential criminal and civil liability for permitting or facilitating the arrestee's operation of a motor vehicle while the arrestee remains intoxicated. The person to whom the statement is issued shall acknowledge, in writing, receipt of the statement, or the law enforcement agency shall record the fact

that the written statement was provided, but the person refused to sign an acknowledgment.

Nothing in this section shall impose any obligation on a physician or other health care provider involved in the treatment or evaluation of the arrestee.

The Attorney General shall establish the content and form of the written statement and acknowledgment to be used by law enforcement agencies throughout the State and may issue directives to ensure the uniform implementation of this act.

C.39:4-50.23 Impoundment of vehicle operated by arrestee; conditions of release; fee for towing, storage.

2. a. Whenever a person has been arrested for a violation of R.S.39:4-50 or section 2 of P.L.1981, c.512 (C.39:4-50.4a), the arresting law enforcement agency shall impound the vehicle that the person was operating at the time of arrest.

b. A vehicle impounded pursuant to this section shall be impounded for a period of 12 hours after the time of arrest or until such later time as the arrestee claiming the vehicle meets the conditions for release in subsection d. of this section.

c. A vehicle impounded pursuant to this section may be released to a person other than the arrestee prior to the end of the impoundment period only if:

(1) The vehicle is not owned or leased by the person under arrest and the person who owns or leases the vehicle claims the vehicle and meets the conditions for release in subsection d. of this section; or

(2) The vehicle is owned or leased by the arrestee, the arrestee gives permission to another person, who has acknowledged in writing receipt of the statement required in section 1 of P.L.2001, c.69 (C.39:4-50.22) to operate the vehicle and the conditions for release in subsection d. of this section are met.

d. A vehicle impounded pursuant to this section shall not be released unless the person claiming the vehicle:

(1) presents a valid operator's license, proof of ownership or lawful authority to operate the motor vehicle, and proof of valid motor vehicle insurance for that vehicle;

(2) is able to operate the vehicle in a safe manner and would not be in violation of Title 39 of the Revised Statutes; and

(3) meets any other conditions for release established by the law enforcement agency.

e. A law enforcement agency impounding a vehicle pursuant to this section is authorized to charge a reasonable fee for towing and storage of the vehicle. The law enforcement agency is further authorized to retain custody of the vehicle until that fee is paid.

3. This act shall take effect on the first day of the fourth month after enactment.

Approved April 19, 2001.

CHAPTER 70

AN ACT concerning grants to remediate hazardous substances, and amending P.L.1993, c.139.

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

1. Section 28 of P.L.1993, c.139 (C.58:10B-6) is amended to read as follows:

C.58:10B-6 Financial assistance and grants from the fund; allocations.

28. a. Except for moneys deposited in the remediation fund for specific purposes, financial assistance and grants from the remediation fund shall be rendered for the following purposes and, on an annual basis, obligated in the percentages as provided in this subsection. Upon a written joint determination by the authority and the department that the demand for financial assistance or grants for moneys allocated in any paragraph exceeds the percentage of funds allocated for that paragraph, financial assistance and grants dedicated for the purposes and in the percentages set forth in any other paragraph of this subsection, may, for any particular year, if the demand for financial assistance or grants for moneys allocated in that paragraph is less than the percentage of funds allocated for that paragraph, be obligated to the purposes set forth in the over allocated paragraph. The written determination shall be sent to the Senate Environment Committee, and the Assembly Agriculture and Waste Management Committee, or their successors. For the purposes of this section, "person" shall not include any governmental entity.

(1) At least 15% of the moneys shall be allocated for financial assistance to persons, and the New Jersey Redevelopment Authority established pursuant to P.L.1996, c.62 (C.55:19-20 et al.), for remediation of real property located in a qualifying municipality as defined in section 1 of P.L.1978, c.14 (C.52:27D-178);

(2) At least 10% of the moneys shall be allocated for financial assistance and grants to municipal governmental entities and the New Jersey Redevelopment Authority for real property: (1) on which they hold a tax sale certificate; (2) that they have acquired through foreclosure or other

similar means; or (3) that they have acquired, or have passed a resolution or ordinance or other appropriate document to acquire, by voluntary conveyance for the purpose of redevelopment. Financial assistance and grants may only be awarded for real property on which there has been or on which there is suspected of being a discharge of a hazardous substance or a hazardous waste. Grants provided pursuant to this paragraph shall be used for performing preliminary assessments, site investigations, and remedial investigations on real property in order to determine the existence or extent of any hazardous substance or hazardous waste contamination on those properties. No grant shall be awarded pursuant to this paragraph for the purposes of a remedial investigation until the municipal government entity or the New Jersey Redevelopment Authority actually owns the real property. A municipal governmental entity or the New Jersey Redevelopment Authority that has performed, or on which there has been performed, a preliminary assessment, site investigation or remedial investigation on property may obtain a loan for the purpose of continuing the remediation on those properties as necessary to comply with the applicable remediation regulations adopted by the department. No grant shall be awarded pursuant to this paragraph to a municipal government entity unless that entity has adopted by ordinance or resolution a comprehensive plan specifically for the development or redevelopment of contaminated or potentially contaminated real property in that municipality or the entity can demonstrate to the authority that a realistic opportunity exists that the subject real property will be developed or redeveloped within a three-year period from the completion of the remediation;

(3) At least 15% of the moneys shall be allocated for financial assistance to persons, the New Jersey Redevelopment Authority, or municipal governmental entities for remediation activities at sites that have been contaminated by a discharge of a hazardous substance or hazardous waste, or at which there is an imminent and significant threat of a discharge of a hazardous substance or hazardous waste, and the discharge or threatened discharge poses or would pose an imminent and significant threat to a drinking water source, to human health, or to a sensitive or significant ecological area;

(4) At least 10% of the moneys shall be allocated for financial assistance to persons who voluntarily perform a remediation of a hazardous substance or hazardous waste discharge;

(5) At least 10% of the moneys shall be allocated for financial assistance to persons who are required to perform remediation activities at an industrial establishment pursuant to P.L.1983, c.330 (C.13:1K-6 et al.), as a condition of the closure, transfer, or termination of operations at that industrial establishment;

(6) At least 15% of the moneys shall be allocated for grants to persons who own real property on which there has been a discharge of a hazardous substance or a hazardous waste and that person qualifies for an innocent party grant. A person qualifies for an innocent party grant if that person acquired the property prior to December 31, 1983, except as provided hereunder, the hazardous substance or hazardous waste that was discharged at the property was not used by the person at that site, and that person certifies that he did not discharge any hazardous substance or hazardous waste at an area where a discharge is discovered; provided, however, that notwithstanding any other provision of this section the New Jersey Redevelopment Authority established pursuant to P.L.1996, c.62 (C.55:19-20 et al.), shall qualify for an innocent party grant pursuant to this paragraph where the immediate predecessor in title to the authority would have qualified for but failed to apply for or receive such grant. A grant authorized pursuant to this paragraph may be for up to 50% of the remediation costs at the area of concern for which the person qualifies for an innocent party grant, except that no grant awarded pursuant to this paragraph to any person or the New Jersey Redevelopment Authority may exceed \$1,000,000;

(7) At least 5% of the moneys shall be allocated for financial assistance to persons who own and plan to remediate an environmental opportunity zone for which an exemption from real property taxes has been granted pursuant to section 5 of P.L.1995, c.413 (C.54:4-3.154);

(8) At least 5% of the moneys shall be allocated for matching grants for up to 25% of the project costs to qualifying persons who propose to perform a remedial action that uses an innovative technology except that no grant awarded pursuant to this paragraph to any qualifying person may exceed \$100,000;

(9) At least 5% of the moneys shall be allocated for matching grants for up to 25% of the project costs to qualifying persons for the implementation of a limited restricted use remedial action or an unrestricted use remedial action except that no grant awarded pursuant to this paragraph to any qualifying person may exceed \$100,000. The authority may use money allocated pursuant to this paragraph to provide loan guarantees to encourage financial institutions to provide loans to any person who may receive financial assistance from the fund who plans to implement a limited restricted use remedial action or an unrestricted use remedial action;

(10) At least 5% of the moneys shall be allocated for grants to persons who own real property on which there has been a discharge of a hazardous substance or a hazardous waste from an underground storage tank and that person qualifies for an underground storage tank grant. A person qualifies for an underground storage tank grant if that person acquired the property prior to December 31, 1986, the person complied with all laws, rules and

regulations regarding the underground storage tank, the underground storage tank was closed or removed prior to December 31, 1990, and there is a discovery of contamination that originated from the underground storage tank and that discovery is made more than five years after closure or removal of the underground storage tank. A grant authorized pursuant to this paragraph may be for up to 50% of the remediation costs at the area of concern for which the person qualifies for an underground storage tank grant, except that no grant awarded pursuant to this paragraph to any person may exceed \$1,000,000; and

(11) Five percent of the moneys in the remediation fund shall be allocated for financial assistance or grants for any of the purposes enumerated in paragraphs (1) through (10) of this subsection, except that where moneys in the fund are insufficient to fund all the applications in any calendar year that would otherwise qualify for financial assistance or a grant pursuant to this paragraph, the authority shall give priority to financial assistance applications that meet the criteria enumerated in paragraph (3) of this subsection.

For the purposes of paragraphs (8) and (9) of this subsection, "qualifying persons" means any person who has a net worth of not more than \$2,000,000 and "project costs" means that portion of the total costs of a remediation that is specifically for the use of an innovative technology or to implement an unrestricted use remedial action or a limited restricted use remedial action, as applicable.

b. Loans issued from the remediation fund shall be for a term not to exceed ten years, except that upon the transfer of ownership of any real property for which the loan was made, the unpaid balance of the loan shall become immediately payable in full. Loans to municipal governmental entities and the New Jersey Redevelopment Authority established pursuant to P.L.1996, c.62 (C.55:19-20 et al.), shall bear an interest rate equal to 2 points below the Federal Discount Rate at the time of approval or at the time of loan closing, whichever is lower, except that the rate shall be no lower than 3 percent. All other loans shall bear an interest rate equal to the Federal Discount Rate at the time of approval or at the time of the loan closing, whichever is lower, except that the rate on such loans shall be no lower than five percent. Financial assistance and grants may be issued for up to 100% of the estimated applicable remediation cost, except that the cumulative maximum amount of financial assistance which may be issued to a person, in any calendar year, for one or more properties, shall be \$1,000,000. Financial assistance and grants to any one municipal governmental entity or the New Jersey Redevelopment Authority may not exceed \$2,000,000 in any calendar year. Repayments of principal and interest on the loans issued from the remediation fund shall be paid to the authority and shall be deposited into the remediation fund.

c. No person, other than a qualified person planning to use an innovative technology for the cost of that technology, a qualified person planning to use a limited restricted use remedial action or an unrestricted use remedial action for the cost of the remedial action, a person performing a remediation in an environmental opportunity zone, or a person voluntarily performing a remediation, shall be eligible for financial assistance from the remediation fund to the extent that person is capable of establishing a remediation funding source for the remediation as required pursuant to section 25 of P.L. 1993, c. 139 (C.58:10B-3).

d. The authority may use a sum that represents up to 2% of the moneys issued as financial assistance or grants from the remediation fund each year for administrative expenses incurred in connection with the operation of the fund and the issuance of financial assistance and grants.

e. Prior to March 1 of each year, the authority shall submit to the Senate Environment Committee and the Assembly Agriculture and Waste Management Committee, or their successors, a report detailing the amount of money that was available for financial assistance and grants from the remediation fund for the previous calendar year, the amount of money estimated to be available for financial assistance and grants for the current calendar year, the amount of financial assistance and grants issued for the previous calendar year and the category for which each financial assistance and grant was rendered, and any suggestions for legislative action the authority deems advisable to further the legislative intent to facilitate remediation and promote the redevelopment and use of existing industrial sites.

2. This act shall take effect immediately and shall expire one year thereafter.

Approved April 20, 2001.

CHAPTER 71

AN ACT concerning seasonal rentals in certain municipalities and amending P.L. 1993, c. 127.

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

1. Section 4 of P.L. 1993, c. 127 (C.40:48-2.12q) is amended to read as follows:

C.40:48-2.12q Provisions of ordinance on seasonal rentals.

4. An ordinance adopted under authority of this section shall provide:

a. If in any twelve-month period a specified number, which shall not be less than two, of complaints, on separate occasions, of disorderly, indecent, tumultuous or riotous conduct upon or in proximity to any seasonal rental premises, and attributable to the acts or incitements of any of the tenants of those premises, have been substantiated by prosecution and conviction in any court of competent jurisdiction, the municipal governing body or any officer or employee of the municipality designated by the governing body for the purpose, may institute proceedings to require the landlord of those premises to post a bond against the consequences of future incidents of the same character.

b. The governing body or person designated pursuant to subsection a. of this section shall cause to be served upon the landlord, in person or by registered mail to the address appearing on the tax records of the municipality, notice advising of the institution of such proceedings, together with particulars of the substantiated complaints upon which those proceedings are based, and of the time and place at which a hearing will be held in the matter, which shall be in the municipal building, municipal court or other public place within the municipality, and which shall be no sooner than 30 days from the date upon which the notice is served or mailed.

c. At the hearing convened pursuant to subsection b. of this section, the hearing officer shall give full hearing to both the complaint of the municipality and to any evidence in contradiction or mitigation that the landlord, if present or represented and offering such evidence, may present. At the conclusion of the hearing the hearing officer shall determine whether the landlord shall be required to post a bond in accordance with the terms of the ordinance.

d. Any bond required to be posted shall be in accordance with the judgment of the hearing officer, in light of the nature and extent of the offenses indicated in the substantiated complaints upon which the proceedings are based, to be adequate in the case of subsequent offenses to make reparation for (1) damages likely to be caused to public or private property and damages consequent upon disruption of affected residents' rights of fair use and quiet possession of their premises, (2) securing the payment of fines and penalties likely to be levied for such offenses, and (3) compensating the municipality for the costs of repressing and prosecuting such incidents of disorderly behavior; but no such bond shall be in an amount less than \$500 or more than \$5,000. The municipality may enforce the bond thus required by action in the Superior Court, and shall be entitled to an injunction prohibiting the landlord from making or renewing any lease of the affected premises for residential purposes until that bond or equivalent security, in satisfactory form and amount, has been deposited with the municipality.

e. A bond or other security deposited in compliance with subsection d. of this section shall remain in force for a period specified pursuant to the ordinance, which shall be not less than two or more than four years. Upon

the lapse of the specified period the landlord shall be entitled to the discharge thereof, unless prior thereto further proceedings leading to a forfeiture or partial forfeiture of the bond or other security shall have been had under section 5 of this act, in which case the security shall be renewed, in an amount and for a period that shall be specified by the hearing officer.

2. This act shall take effect immediately.

Approved April 20, 2001.

CHAPTER 72

AN ACT concerning prerequisites to collecting fees or expenses by holder of tax title and amending R.S.54:5-61 and 54:5-62.

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

1. R.S.54:5-61 is amended to read as follows:

Holder of tax title entitled to expenses; limitation.

54:5-61. The holder of the tax title shall be entitled to fees and expenses in ascertaining the persons interested in the premises sold, but such fees and expenses shall not exceed in all the sum of twelve dollars, and the holder shall also be entitled for his expenses, to such sums as he may have actually paid for recording the certificate. In addition, and upon compliance with the provisions of R.S.54:5-62 the holder shall also be entitled for his expenses, to such sums as he may have actually paid for necessary advertising in a newspaper under this chapter and fees for services of notices necessarily and actually served. Such fees and expenses shall be separate, apart from and in addition to those fees permitted under section 7 of P.L.1965, c.187 (C.54:5-97.1) and R.S.54:5-98. Upon redemption in accordance with R.S.54:5-58, R.S.54:5-59 and R.S.54:5-60 the holder of the tax title shall be entitled to collect from the owner or other persons having a right of redemption pursuant to R.S.54:5-54, additional sums in accordance with the following schedule: When the tax title certificate amount shall exceed the sum of two hundred dollars, the holder, upon redemption of the tax title shall be entitled to collect from the owner or other person having an interest in the lands an additional sum equal to two per cent of the amount so paid for the tax title certificate.

When the tax title certificate amount shall exceed the sum of \$5,000, such additional sum shall be equal to 4% of such amount paid; and when the tax title certificate amount exceeds \$10,000, such additional sum shall be equal to 6% of

such amount paid. This section shall also apply to all existing tax title certificates held by municipalities on the effective date of P.L.1991, c.75.

2. R.S.54:5-62 is amended to read as follows:

Conditions for collection of fees, expenses.

54:5-62. No such fees or expenses incurred pursuant to R.S.54:5-61, shall be collectible, unless such redemption is made by payment to the collecting officer and unless the holder of the tax title shall have made and filed with such collecting officer affidavits showing the amount or amounts of such expenses actually disbursed or incurred, affidavits of service, including copies of the notices served, and certificates of the searches made in the form of an abstract of title covering a period of not less than twenty years.

3. This act shall take effect immediately.

Approved April 20, 2001.

CHAPTER 73

AN ACT concerning the primary election for the general election in the year 2001 and gubernatorial candidates who receive public financing in a primary election, and amending the title and body of P.L.2001, c.50, supplementing P.L.1974, c.26 and making an appropriation.

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

1. The Legislature finds and declares:
 - a. A combination of several circumstances and events, some of them extraordinary, have forced the Legislature to change the date of the primary election for the general election in 2001.
 - b. These circumstances and events include the occurrence of legislative elections in odd-numbered years, the later than usual delivery of the official federal decennial census of the United States for New Jersey, the limited time available between when the Apportionment Commission announced new legislative districts and the filing date for petitions of nomination for the primary election and the legal challenges arising from the legislative district plan adopted by the commission.
 - c. The Legislature recognizes that changing the date of the primary election for the general election risks creating confusion among those

political party members who are accustomed to voting for the candidates of their choice on the first Tuesday after the first Monday in June and increases the likelihood that overall voter turnout for the election may be affected.

d. Nevertheless, the Legislature believes it is compelled by extraordinary circumstances and events, largely beyond its control, to change the day of the primary from June 5 to June 26 for the year 2001.

e. To help make this change known to as many candidates and members of the voting public as possible, the Legislature believes it is necessary to provide more notice to the public than usual.

f. The Legislature recognizes that these extraordinary circumstances cannot be met by an ordinary response and instead necessitate an extraordinary increase, above a simple per diem amount, in the amount of public funds that gubernatorial candidates who participate in the public financing program can receive in public funding for the primary election and can spend in total for that election because the campaign for nomination for that public office will be three weeks longer than it is regularly.

g. Such an increase will allow gubernatorial candidates, who are the most visible of all the candidates seeking public office this year, to get the attention of many voters who may be concerned with families, friends and occupations, not governmental activities, and to spread the word to the citizens of the State about the change in the date of the primary election.

2. The Title of P.L.2001, c.50 is amended to read as follows:

AN ACT concerning the primary election in the year 2001 and the expenditure and public financing limits for gubernatorial candidates for that primary election, and making an appropriation.

3. Section 1 of P.L.2001, c.50 is amended to read as follows:

1. a. Notwithstanding the provisions of R.S.19:2-1, R.S.19:23-40 or any other law to the contrary, the primary election for the general election in the year 2001 shall be held on the fourth Tuesday after the first Monday in June.

b. (1) Notwithstanding the provisions of R.S.19:23-14 or any other law, rule or regulation to the contrary, the petitions of nomination for candidates for the office of member of the Legislature for the primary election for the general election in the year 2001 shall be filed with the Attorney General no later than 4:00 p.m. of the 47th day next preceding the day of the holding of the primary election for the general election. The day by which petitions of nomination for all candidates other than candidates for the office of member of the Legislature shall be filed for the primary election in the year 2001 shall not be altered by any provision of this section and the filing day for all non-legislative candidates shall remain the day provided for in R.S.19:23-14 based on the day of the primary election set forth in R.S.19:2-1 and

R.S.19:23-40 regardless of the day of the primary election in the year 2001 set forth in subsection a. of this section. A candidate for the office of member of the Legislature who filed a petition on or before April 19, 2001 shall not be required by this section to re-file a petition to be considered a candidate for nomination to that office; however, any such candidate who has filed a petition of nomination before the filing deadline established by this subsection based on the primary date designated in subsection a. of this section shall be permitted to withdraw that petition and file a petition of nomination by the deadline established by this subsection.

(2) For candidates with the committee provided for by R.S.19:23-12, the certificate provided for in that section shall be filed at least 48 days before the day of the primary election as set forth in subsection a. of this section and that filing day shall not be altered by any provision of this section regardless of the date set for filing petitions of nomination.

(3) Nothing in this section shall bar a candidate for the office of member of the Legislature from providing notice to the county clerk of the candidate's wish to be placed on the line with other candidates who have filed a joint petition as provided for by R.S.19:49-2; however, nothing in this section shall permit a non-legislative candidate who has already provided notice to the county clerk by the effective date of P.L.2001, c.73 that the candidate wishes to be placed on the line with other candidates who have filed a joint petition to withdraw that notice. In the event that either a candidate for the office of member of the Legislature or a non-legislative candidate is nominated pursuant to the provisions of R.S.19:23-12 and the candidate for whom the substitution was made has provided notice to the county clerk of the candidate's wish to be placed on the line with other candidates who have filed a joint petition as provided for by R.S.19:49-2, the candidate nominated pursuant to the provisions of R.S.19:23-12 shall take the place on the line of the candidate for whom the substitution was made.

c. Notwithstanding the provisions of section 23 of P.L.1953, c.211 (C.19:57-23) or any other law, rule or regulation to the contrary concerning the deadline for receiving absentee ballots, an absentee ballot for the primary election for the general election in the year 2001 that is transmitted from outside of the fifty States of the United States, regardless of the date of the postmark or the absence of a postmark, must be received by the county board of elections or its designee before 8:00 p.m. of the seventh day following the day of the primary election for the general election and if so received shall be counted and canvassed by the county board of elections unless the absentee ballot is otherwise rejected or declared invalid.

d. The Attorney General shall make such appropriate adjustments for the dates of the pre-primary election and post-primary election activities specified by law or otherwise as may be necessary to accommodate the

petition filing deadline set forth in subsection b. of this section, permit the holding of the primary election on the day set forth in subsection a. of this section, and accommodate the receipt of absentee ballots by the deadline set forth in subsection c. of this section.

e. (1) The Attorney General shall provide notice to the public of the day for the primary election set forth in subsection a. of this section, of the change in the deadline for filing petitions of nomination set forth in subsection b. of this section, of the change in the deadline for receipt of absentee ballots set forth in subsection c. of this section and of the dates adjusted pursuant to subsection d. of this section and official written notice thereof to the clerk of each county and to the superintendent of elections or the commissioner of registration, as the case may be, of each county. The public notice shall be published in one or more newspapers published or in general circulation in each county of the State, and shall be posted on Internet sites of the State and, as may be appropriate and practical, its instrumentalities. The Attorney General may provide additional public notice through television and radio announcements.

(2) The county clerk shall notify each municipal clerk in the county of the provisions of this section. The county clerk shall provide notice with each absentee ballot application form, and each absentee ballot, transmitted to an absentee ballot voter outside of the United States of the deadline set forth in subsection c. of this section for the receipt of the absentee ballot by the county board of elections or its designee.

f. Each county or municipality may apply to the State Treasurer for such funds as may be necessary to reimburse the county or municipality for the reasonable and necessary expenses incurred as a result of the change in the day of the primary and the implementation of this section. An application shall be accompanied by such documentation as the State Treasurer may require. The State Treasurer shall review the applications and reimburse the applicants in a timely manner from funds appropriated for that purpose.

g. Notwithstanding the provisions of P.L.1973, c.83 (C.19:44A-1 et seq.) or P.L.1974, c.26 (C.19:44A-27 et al.) or any rule or regulation to the contrary, the maximum amount which any qualified candidate for nomination for election to the office of Governor in the primary election in the year 2001 may receive from the fund for election campaign expenses shall be \$3,700,000, and the amount which may be spent in aid of the candidacy of any qualified candidate for Governor in the primary election in the year 2001 shall not exceed \$5,900,000.

4. Section 2 of P.L.2001, c.50 is amended to read as follows:

2. a. There is appropriated from the General Fund to the Department of the Treasury such amounts as may be necessary to effectuate the purposes

of subsections e. and f. of section 1 of P.L.2001, c.50, as certified by the Director of the Division of Budget and Accounting

b. There is appropriated from the General Fund to the Department of Law and Public Safety for election law enforcement and the Gubernatorial Elections Fund such amounts as may be necessary to effectuate the purpose of subsection g. of section 1 of P.L.2001, c.50, as amended by this act, P.L.2001, c.73, as certified by the Director of the Division of Budget and Accounting.

C.19:44A-33.1 Substituted candidates for nomination for Governor, eligibility as qualified candidate.

5. In the event that a certificate provided for in R.S.19:23-12 is filed for a candidate for nomination for election to the office of Governor, the candidate nominated in the certificate shall: (a) be given, on an accelerated basis determined by the Election Law Enforcement Commission, the opportunity to become a qualified candidate as defined in subsection m. of section 3 of P.L.1973, c. 83 (C.19:44A-3) for the primary election; (b) if the candidate so nominated becomes a qualified candidate, be eligible to receive the maximum amount from the fund for election campaign expenses, as provided by law, which any other qualified candidate may be eligible to receive for the primary election pursuant to section 8 of P.L.1974, c.26 (C.19:44A-33), regardless of the amount from that fund received and expended by the candidate for whom the substitution has been made; (c) participate in the gubernatorial primary election debates held pursuant to sections 9 through 11 of P.L.1989, c.4 (C.19:44A-45 et seq.); and (d) fulfill any of the other responsibilities required of a qualified candidate, as provided for in P.L.1973, c.83 (C.19:44A-1 et seq.), P.L.1974, c.26 (C.19:44A-27 et al.) or any other applicable rule or regulation derived therefrom. The candidate for whom the substitution was made by the certificate of nomination to fill the vacancy shall pay into the fund for election campaign expenses moneys received from the fund and not otherwise used to pay expenses which were incurred for the purposes permitted during the election campaign.

6. This act shall take effect immediately and sections 1 through 4, inclusive, shall expire on December 31, 2001.

Approved April 23, 2001.

CHAPTER 74

AN ACT concerning additional death benefit coverage for members of the Judicial Retirement System and amending P.L.1997, c.205.

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

1. Section 1 of P.L.1997, c.205 (C.43:6A-17.1) is amended to read as follows:

C.43:6A-17.1 Additional death benefit for members of Judicial Retirement System.

1. a. Each member of the retirement system on the effective date of any insurance contract or program approved by the State House Commission will be eligible to purchase the additional death benefit coverage hereinafter described, provided the member selects such coverage within 90 days after that effective date.

b. A person becoming a member of the retirement system after the effective date of any insurance contract or program approved by the State House Commission who on the date of becoming a member is less than 60 years of age shall automatically be covered for such additional death benefit coverage from the first day of membership on which the person is actively at work and performing all regular duties at the customary place of employment. Such automatic coverage shall continue during the member's first year of membership, and during that year the member shall make contributions as fixed by the retirement system. Additional death benefit coverage for the member shall continue in effect after the first year of membership on the continuance of payment of the required contributions therefor.

c. A person becoming a member of the retirement system after the effective date of any insurance contract or program approved by the State House Commission who on the date of becoming a member is 60 or more years of age may, within one year from the date of membership, elect to purchase such additional death benefit coverage, provided that the member furnishes satisfactory evidence of insurability and on the date of such election is actively at work and performing all regular duties at the customary place of employment.

d. Notwithstanding other provisions of this section relating to the amount of death benefit applicable to a member who has acquired or shall acquire additional death benefit coverage, the death benefit payable in the event of death occurring on or after the effective date of any insurance contract or program approved by the State House Commission and during the first year of membership shall be based upon the member's annual base salary. The effective date of coverage of any person electing to purchase additional death benefit coverage pursuant to the provisions of subsection a. or c. of this section shall be the first day of the month immediately following the date of such election unless evidence of insurability is required as a condition of such election in which event the effective date of coverage shall be the first day of the month which immediately follows the later of (1) the date of such election, or (2) the date such evidence is determined to be satisfactory.

e. The State House Commission shall establish schedules of contributions to be made by the members who elect to purchase the additional death benefit coverage. Such contributions shall be so computed that the contributions made by or on behalf of all covered members in the aggregate shall be sufficient to provide for the cost of the benefits provided under this section. Such schedules of contributions shall be subject to adjustment from time to time by the commission, as the need may appear.

f. Upon the receipt of proper proofs of the death in service of any such member while covered for the additional death benefit coverage there shall be paid to such person, if living, as the member shall have nominated by written designation duly executed and filed with the retirement system, otherwise to the executor or administrator of the member's estate, an amount equal to one and one-half times the compensation received by the member in the last year of creditable service or some lesser or greater amount as may be provided by the insurance contract or program.

g. The contributions of a member for the additional death benefit coverage shall be deducted from the member's compensation, but if there is no compensation from which such contributions may be deducted it shall be the obligation of the member to make such contributions directly to the retirement system or as directed by the State House Commission.

h. Any other provision of P.L.1973, c.140 (C.43:6A-1 et seq.) notwithstanding, the contributions of a member for the additional death benefit coverage under this section shall not be returnable to the member or the member's beneficiary in any manner, or for any reason whatsoever, nor shall any contributions made for the additional death benefit coverage be included in any annuity payable to any such member or beneficiary.

i. A member who has elected to purchase the additional death benefit coverage provided by this section may file with the retirement system, and alter from time to time during the member's lifetime as desired, a duly attested nomination of the payee of the death benefit provided under this section. Such member may also file with the retirement system, and alter from time to time during the member's lifetime as desired, a request directing payment of said benefit in one sum or in equal annual installments over a period of years or as a life annuity. Any such nomination or request shall be made in writing on a form satisfactory to the retirement system and shall be effective upon receipt by the retirement system. Upon the death of such member, a beneficiary to whom a benefit is payable in one sum may elect to receive the amount payable in equal annual installments over a period of years or as a life annuity. If more than one beneficiary is nominated and the member has not specified their respective interests, the beneficiaries shall share equally. If any beneficiary predeceases the member, the interest of that beneficiary shall terminate and shall be shared equally by such of the beneficiaries as survive the member unless the member has made

written request to the contrary in the beneficiary nomination. Any amounts due for which there is no beneficiary at the death of the member or beneficiary shall be payable to the estate of the member or beneficiary.

j. All other provisions of this section notwithstanding, this section and the benefits provided under this section shall not come into effect until a required percentage of the members shall have applied for the additional death benefit coverage under this section. This required percentage shall be fixed by the State House Commission. Applications for such additional death benefit coverage shall be submitted to the secretary of the commission, or such other person as the commission may designate, in such manner and upon such forms as the commission shall provide. The benefits, rights and options of members and their beneficiaries shall be limited to and governed by the provisions of any insurance contract or program approved by the commission, subject to the provisions of this section.

2. This act shall take effect immediately.

Approved April 30, 2001.

CHAPTER 75

AN ACT concerning restrictions on employment with the holders of, or applicants for, casino licenses, and amending P.L.1981, c.142.

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

1. Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended to read as follows:

C.52:13D-17.2 "Person" defined; conflict of interest; violations; penalty.

4. a. As used in this section "person" means any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters affecting casino activity; any special State officer or employee with responsibility for matters affecting casino activity; the Governor; any member of the Legislature or any full-time member of the Judiciary; any full-time professional employee of the Office of the Governor, or the Legislature; members of the Casino Reinvestment Development Authority; the head of a principal department; the assistant or deputy heads of a principal department, including all assistant and deputy commissioners; the head of any division of a principal department; any member of the governing body, or the municipal judge or the municipal attorney of a municipality wherein a casino is located; any member of or attorney for the planning board or

zoning board of adjustment of a municipality wherein a casino is located, or any professional planner, or consultant regularly employed or retained by such planning board or zoning board of adjustment.

b. No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter, except that (1) a State officer or employee other than a State officer or employee included in the definition of person, and (2) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a casino license if, in the judgment of the Executive Commission on Ethical Standards, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person. No special State officer or employee without responsibility for matters affecting casino activity, excluding those serving in the Departments of Education, Health and Senior Services, and Human Services and the Commission on Higher Education, shall hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter. However, a special State officer or employee without responsibility for matters affecting casino activity may hold employment directly with any holder of or applicant for a casino license or any holding or intermediary company thereof and if so employed may hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, his employer, except as otherwise prohibited by law.

c. No person or any member of his immediate family, nor any partnership, firm or corporation with which such person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm or corporation, shall, within two years next subsequent to the termination of the office or employment of such person, hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for or negotiate on behalf of, any holder of, or

applicant for, a casino license in connection with any cause, application or matter, or any holding or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure or any other matter whatsoever related to casino activity, except that:

(1) a member of the immediate family of a person may hold employment with the holder of, or applicant for, a casino license if, in the judgment of the Executive Commission on Ethical Standards, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the person and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the person;

(2) an employee who is terminated as a result of a reduction in the workforce at the agency where employed, other than an employee who held a policy-making management position at any time during the five years prior to termination of employment, may, at any time prior to the end of the two-year period, accept employment with the holder of, or applicant for, a casino license if, in the judgment of the Executive Commission on Ethical Standards, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the employee. In no case shall the restrictions of this subsection apply to a secretarial or clerical employee. Nothing herein contained shall alter or amend the post-employment restrictions applicable to members and employees of the Casino Control Commission and employees and agents of the Division of Gaming Enforcement pursuant to subsection b. (2) of section 59 and to section 60 of P.L.1977, c.110 (C.5:12-59 and C.5:12-60); and

(3) any partnership, firm or corporation engaged in the practice of law with which a former member of the Judiciary is associated, and any partner, officer, director or employee thereof, other than the former member, may represent, appear for or negotiate on behalf of any holder of, or applicant for, a casino license in connection with any cause, application or matter or any holding company or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure or any other matter whatsoever related to casino activity, and the former member shall not be barred from association with such partnership, firm or corporation, if the former member: (1) is screened, for a period of two years next subsequent to the termination of the former member's employment, from personal participation in any such representation, appearance or negotiation; and (2) the former member is associated with the partnership, firm or corporation in a

position considered "of counsel," which does not entail any equity interest in the partnership, firm or corporation.

d. This section shall not apply to the spouse of a State officer or employee, which State officer or employee is without responsibility for matters affecting casino activity, who becomes the spouse subsequent to the State officer's or employee's appointment or employment as a State officer or employee and who is not individually or directly employed by a holder of, or applicant for, a casino license, or any holding or intermediary company.

e. The Joint Legislative Committee on Ethical Standards and the Executive Commission on Ethical Standards, as appropriate, shall forthwith determine and publish, and periodically update, a list of those positions in State government with responsibility for matters affecting casino activity.

f. No person shall solicit or accept, directly or indirectly, any complimentary service or discount from any casino applicant or licensee which he knows or has reason to know is other than a service or discount that is offered to members of the general public in like circumstance.

g. No person shall influence, or attempt to influence, by use of his official authority, the decision of the commission or the investigation of the division in any application for licensure or in any proceeding to enforce the provisions of this act or the regulations of the commission. Any such attempt shall be promptly reported to the Attorney General; provided, however, that nothing in this section shall be deemed to proscribe a request for information by any person concerning the status of any application for licensure or any proceeding to enforce the provisions of this act or the regulations of the commission.

h. Any person who willfully violates the provisions of this section is a disorderly person and shall be subject to a fine not to exceed \$500.00 or imprisonment not to exceed six months, or both.

2. This act shall take effect immediately.

Approved May 4, 2001.

CHAPTER 76

AN ACT concerning limitation of liability for surveys under certain circumstances, amending P.L. 1967, c.59 and supplementing chapter 14 of Title 2A of the New Jersey Statutes.

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

1. Section 1 of P.L.1967, c.59 (C.2A:14-1.1) is amended to read as follows:

C.2A:14-1.1 Damages for injury from unsafe condition of improvement to real property; statute of limitations; exceptions; terms defined.

1. a. No action, whether in contract, in tort, or otherwise, to recover damages for any deficiency in the design, planning, surveying, supervision or construction of an improvement to real property, or for any injury to property, real or personal, or for an injury to the person, or for bodily injury or wrongful death, arising out of the defective and unsafe condition of an improvement to real property, nor any action for contribution or indemnity for damages sustained on account of such injury, shall be brought against any person performing or furnishing the design, planning, surveying, supervision of construction or construction of such improvement to real property, more than 10 years after the performance or furnishing of such services and construction. This limitation shall serve as a bar to all such actions, both governmental and private, but shall not apply to actions against any person in actual possession and control as owner, tenant, or otherwise, of the improvement at the time the defective and unsafe condition of such improvement constitutes the proximate cause of the injury or damage for which the action is brought.

b. This section shall not bar an action by a governmental unit:

(1) on a written warranty, guaranty or other contract that expressly provides for a longer effective period;

(2) based on willful misconduct, gross negligence or fraudulent concealment in connection with performing or furnishing the design, planning, supervision or construction of an improvement to real property;

(3) under any environmental remediation law or pursuant to any contract entered into by a governmental unit in carrying out its responsibilities under any environmental remediation law; or

(4) Pursuant to any contract for application, enclosure, removal or encapsulation of asbestos.

c. As used in this section:

"Asbestos" shall have the meaning as defined in subsection a. of section 3 of P.L.1984, c.173 (C.34:5A-34) and any regulations adopted pursuant thereto.

"Environmental remediation law" means chapter 10B of Title 58 of the Revised Statutes (C.58:10B-1 et seq.) and any regulations adopted pursuant thereto.

"Governmental" means the State, its political subdivisions, any office, department, division, bureau, board, commission or public authority or public agency of the State or one of its political subdivisions, including but not limited to, a county or a municipality and any board, commission, committee, authority or agency which is not a State board, commission, committee, authority or agency.

C.2A:14-1.3 Prohibition of certain actions after 10 years.

2. No action whether in contract, in tort or otherwise to recover damages for any deficiency in a survey of real property performed under contract for any purpose other than for any improvement to real property shall be taken against any person performing or furnishing such survey more than 10 years after the performance or furnishing of such survey.

C.2A:14-1.4 Inapplicability of time limitation for adverse possession cases.

3. The 10-year time period limitation on actions for the statute of repose set forth in section 1 of P.L.1967, c.59 (C.2A:14-1.1) for surveying shall not be applicable to cases of adverse possession. In adverse possession cases the statute of repose for surveying shall be coterminous with the time period required for the adverse possession.

4. This act shall take effect immediately.

Approved May 4, 2001.

CHAPTER 77

AN ACT concerning litter pickup and removal on highways maintained by the Department of Transportation.

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

1. The Department of Transportation shall prepare a plan for the pickup and removal of litter along highways that are maintained by the department. The plan shall describe the various levels of litter pickup and removal services which the department could achieve. Each description of service shall include, but need not be limited to, frequency of pickup, equipment needs, personnel levels and trash disposal requirements. The department shall also estimate the annual cost attributable to each level of litter pickup and removal service described in the plan.

2. The department shall submit the plan for levels of litter pickup and removal services required by section 1 of this act to the Governor and presiding officers of each House of the Legislature within 90 days of the effective date of this act.

3. This act shall take effect immediately.

Approved May 4, 2001.

CHAPTER 78

AN ACT concerning penalties for littering and amending P.L.1985, c.533.

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

1. Section 8 of P.L.1985, c.533 (C.13:1E-99.3) is amended to read as follows:

C.13:1E-99.3 Penalties for littering.

8. a. A person who throws, drops, discards or otherwise places any litter of any nature upon public or private property other than in a litter receptacle commits a petty disorderly persons offense, and notwithstanding the provisions of N.J.S.2C:43-3 to the contrary, for every such offense shall be fined not less than \$100 or more than \$500. The Superior Court and every municipal court shall have jurisdiction to enforce this section. The State or any municipality may institute proceedings under this section. If a money judgment is rendered against a defendant, the payment made to the court shall be remitted to the chief financial officer of the municipality wherein the violation occurred, to be used by the municipality to help finance litter control activities in addition to or supplementing existing litter pickup and removal activities in the municipality.

b. If a person violates subsection a. of this section the court, in addition to any penalty imposed under that subsection, may direct the person to perform community service, including litter pickup and removal from any public property, or any private property with permission of the owner, upon which the person deposited litter, for a term of not less than 20 hours nor more than 40 hours.

c. A person who is convicted of an offense under subsection a. of this section within six months after the date of a previous conviction thereunder shall be sentenced to pay a fine not less than \$250 or more than \$1,000, may be sentenced to imprisonment for a definite term not to exceed 60 days, and may be directed to perform community service, including litter pickup and removal from any public property or from any private property if permission of the owner has been granted, for a term of not less than 40 nor more than 80 hours.

2. This act shall take effect on the first day of the third month following enactment.

Approved May 4, 2001.

CHAPTER 79

AN ACT concerning parole and revising various parts of the statutory law.

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

C.30:4-123.47c Division of Parole in State Parole Board, constituted.

1. a. The Bureau of Parole in the Department of Corrections is hereby constituted as the Division of Parole in the State Parole Board, and all functions, powers and duties of the existing Bureau of Parole are hereby transferred to the State Parole Board.

b. All files, books, papers, records, equipment and other property of the Bureau of Parole in the Department of Corrections shall be transferred to the State Parole Board.

c. All appropriations and other moneys available and to become available to the Bureau of Parole in the Department of Corrections, the functions, powers and duties of which have been assigned or transferred herein, or to the Department of Corrections on behalf of the Bureau of Parole, including such funds as are appropriated for the administration of the Bureau of Parole, are hereby transferred to the State Parole Board and shall be available for the objects and purposes for which appropriated, subject to any terms, restrictions, limitations or other requirements imposed by State or federal law.

d. The employees of the Bureau of Parole in the Department of Corrections are hereby transferred to the State Parole Board.

e. Nothing in P.L.2001, c.79 (C.30:4-123.47c et al.) shall be construed to deprive any person of any tenure rights or of any right or protection provided him by Title 11A of the New Jersey Statutes, Civil Service, or under any pension law or retirement system.

f. P.L.2001, c.79 (C.30:4-123.47c et al.) shall not affect actions or proceedings, civil or criminal, brought by or against the Bureau of Parole in the Department of Corrections, the functions, powers and duties of which have been herein assigned or transferred to the State Parole Board.

2. Section 1 of P.L.1979, c. 441 (C.30:4-123.45) is amended to read as follows:

C.30:4-123.45 Short title, definitions relative to parole.

1. a. This act shall be known and may be cited as the "Parole Act of 1979."

b. In this act, unless a different meaning is plainly required:

(1) "Adult inmate" means any person sentenced as an adult to a term of incarceration.

(2) "Juvenile inmate" means any person under commitment as a juvenile delinquent pursuant to section 25 of P.L. 1982, c.77 (C.2A:4A-44).

(3) "Parole release date" means that date certified by a member of the board for release of an inmate after a review of the inmate's case pursuant to section 11, 13 or 14 of this act.

(4) "Primary parole eligibility date" means that date established for parole eligibility for adult inmates pursuant to section 7 or 20 of this act.

(5) "Public notice" shall consist of lists including names of all inmates being considered for parole, the county from which he was committed and the crime for which he was incarcerated. At least 30 days prior to parole consideration such lists shall be forwarded to the prosecutor's office of each county, the sentencing court, the office of the Attorney General, any other criminal justice agencies whose information and comment may be relevant, and news organizations.

(6) Removal for "cause" means such substantial cause as is plainly sufficient under the law and sound public policy touching upon qualifications appropriate to a member of the parole board or the administration of said board such that the public interest precludes the member's continuance in office. Such cause includes, but is not limited to, misconduct in office, incapacity, inefficiency and nonfeasance.

(7) "Commission" means the Juvenile Justice Commission established pursuant to section 2 of P.L. 1995, c.284 (C.52:17B-170).

(8) "Parole officer" means, with respect to an adult inmate, an officer assigned by the Chairman of the State Parole Board or his designee and, with respect to a juvenile inmate, a person assigned by the commission.

3. Section 1 of P.L. 1997, c.215 (C.30:4-123.47a) is amended to read as follows:

C.30:4-123.47a Parole Advisory Board established.

1. There is hereby established a Parole Advisory Board in, but not of, the State Parole Board. Notwithstanding the allocation of the board within the State Parole Board, the State Parole Board or any employee thereof shall not exercise any control over the Parole Advisory Board. The advisory board shall consist of 23 members. It shall include in its membership the Chairman of the State Parole Board or his designee, who shall serve ex officio; one member representing each of the following organizations and groups, who shall be appointed by the Governor: the Department of Corrections, the Department of Health and Senior Services, the Department of Law and Public Safety, Office of the Governor, the Administrative Office of the Courts, the Victims of Crime Compensation Board, the New Jersey Chapter of the American Correctional Association, the County Prosecutors Association of New Jersey, the Sheriffs' Association of New Jersey, the New Jersey Wardens

Association, the New Jersey State Association of Chiefs of Police, the American Parole and Probation Association, Governor's Council on Alcoholism and Drug Abuse, the community at large, treatment providers, victims' rights groups and former inmates who have successfully completed parole. Two members of the Senate, who shall not be of the same political party and who shall serve during their terms of office, shall be appointed by the President of the Senate. Two members of the General Assembly, who shall not be of the same political party and who shall serve during their terms of office, shall be appointed by the Speaker of the General Assembly.

Members of the advisory board shall be appointed with the advice and consent of the Senate, and serve a term of three years, except for the initial gubernatorial appointees, six of whom shall serve for two years and six of whom shall serve for four years. Each member shall serve for the term of appointment and until a successor is appointed. A member may be reappointed to the advisory board. A member appointed to fill a vacancy occurring in the membership of the advisory board for any reason other than the expiration of the term shall serve a term of appointment for the unexpired term only. All vacancies shall be filled in the same manner as the original appointments. Any appointed member of the advisory board, except the legislative members, may be removed from the advisory board by the Governor, for cause, after a hearing, and may be suspended by the Governor pending the completion of the hearing. Legislative members may be removed for cause by the leader of their respective houses. Motions and resolutions may be adopted by the advisory board at a board meeting by an affirmative vote of not less than 12 members.

Members of the advisory board shall serve without compensation but shall be entitled to reimbursement for actual expenses of serving on the board, to the extent that funds are available for this purpose.

The advisory board shall organize as soon as possible after the appointment of its members. The members shall select a chair from among their number.

4. Section 2 of P.L.1997, c.215 (C.30:4-123.47b) is amended to read as follows:

C.30:4-123.47b Duties of advisory board.

2. It shall be the duty of the advisory board to review and comment on supervision issues, the development and implementation of drug and alcohol treatment programs for parolees, and any other issues as requested by the State Parole Board, taking into consideration all relevant research. The advisory board shall sponsor conferences with criminal justice administrators and community members, including treatment providers, in order to educate all interested parties in the importance of relapse prevention

and treatment for specialized cases, and to address issues such as lowering costs, developing protocols for confidentiality, identifying the type and amount of treatment that should be available, and promoting community involvement in the reintegration process. The advisory board may make recommendations to the Commissioner of Corrections, the Chairman of the State Parole Board, the Legislature and the Governor in these matters.

The advisory board shall meet at least semiannually and may hold hearings at any place or places it shall designate during the sessions or recesses of the Legislature. The State Parole Board shall have primary responsibility for providing staff services and other necessary support to the board. The advisory board may also request the assistance and services of the employees of any State, county or municipal department, board, bureau, commission, task force or agency as it may require and as may be available to it for its purposes. The advisory board may, within the limits of funds appropriated or otherwise made available to it for its purposes, employ stenographic and clerical assistants and incur travel and miscellaneous expenses necessary for the performance of its duties.

5. Section 4 of P.L.1979, c.441 (C.30:4-123.48) is amended to read as follows:

C.30:4-123.48 Policies, determinations of parole board.

4. a. All policies and determinations of the Parole Board shall be made by the majority vote of the members.

b. Except where otherwise noted, parole determinations on individual cases pursuant to this act shall be made by the majority vote of a quorum of the appropriate board panel established pursuant to this section.

c. The chairman of the board shall be the chief executive officer of the board and, after consulting with the board, shall be responsible for designating the time and place of all board meetings, for appointing the board's employees, for organizing, controlling and directing the work of the board and its employees, and for preparation and justification of the board's budget. The nonsecretarial professional and supervisory employees of the board such as, but not limited to, hearing officers, shall serve at the pleasure of the chairman and shall not be subject to the provisions of Title 11A of the New Jersey Statutes. Parole officers assigned to supervise adult parolees and all supervisory titles associated with the supervision of adult parolees in the parole officer series shall be classified employees subject to the provisions of Title 11A of the New Jersey Statutes. Parole officers assigned to supervise adult parolees and all supervisory titles associated with the supervision of adult parolees in the parole officer job classification series shall be organizationally assigned to the State Parole Board with a sworn member of the

Division of Parole appointed to act as director of parole supervision. The director of parole supervision shall report directly to the Chairman of the State Parole Board or to such person as the chairman may designate.

d. The board shall promulgate such reasonable rules and regulations, consistent with this act, as may be necessary for the proper discharge of its responsibilities. The chairman shall file such rules and regulations with the Secretary of State. The provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) shall apply to the promulgation of rules and regulations concerning policy and administration, but not to other actions taken under this act, such as parole hearings, parole revocation hearings and review of parole cases. In determination of its rules and regulations concerning policy and administration, the board shall consult the Governor, the Commissioner of Corrections and the Juvenile Justice Commission established pursuant to section 2 of P.L.1995, c.284 (C.52:17B-170).

e. The board, in conjunction with the Department of Corrections and the Juvenile Justice Commission, shall develop a uniform information system in order to closely monitor the parole process. Such system shall include participation in the Uniform Parole Reports of the National Council on Crime and Delinquency.

f. The board shall transmit a report of its work for the preceding fiscal year, including information on the causes and extent of parole recidivism, to the Governor, the Legislature and the Juvenile Justice Commission annually.

g. The board shall give public notice prior to considering any adult inmate for release.

h. The board shall give notice to the appropriate prosecutor's office and to the committing court prior to the initial consideration of any juvenile inmate for release.

6. Section 3 of P.L.1997, c.117 (C.30:4-123.51b) is amended to read as follows:

C.30:4-123.51b Released status under term of parole supervision; rules, regulations.

3. a. A person who has been sentenced to a term of parole supervision and is on release status in the community pursuant to section 2 of P.L.1997, c.117 (C.2C:43-7.2) shall, during the term of parole supervision, remain on release status in the community, in the legal custody of the Commissioner of the Department of Corrections, and shall be supervised by the parole officers in the State Parole Board as if on parole, and shall be subject to the provisions and conditions set by the appropriate board panel. The appropriate board panel shall have the authority, in accordance with the procedures and standards set forth in sections 15 through 21 of P.L.1979, c.441 (C.30:4-123.59 through 30:4-123.65), to revoke the person's release status and return the person to custody for the remainder of the term or until it is determined, in accordance with regulations

adopted by the board, that the person is again eligible for release consideration pursuant to section 9 of P.L.1979, c.441 (C.30:4-123.53).

b. The Parole Board shall promulgate rules and regulations necessary to carry out the purposes of this act pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

7. Section 1 of P.L.1997, c.214 (C.30:4-123.51c) is amended to read as follows:

C.30:4-123.51c "Terminal condition, disease or syndrome," defined; medical parole conditions.

1. a. (1) For the purpose of this section, "terminal condition, disease or syndrome" means a prognosis by the licensed physicians designated by the Commissioner of Corrections pursuant to subsection b. of this section that an inmate has six months or less to live.

(2) Except as otherwise provided in paragraph (3) of this subsection, the appropriate board panel may release on medical parole any inmate serving any sentence of imprisonment who has been diagnosed pursuant to subsection b. of this section as suffering from a terminal condition, disease or syndrome and is found by the appropriate board panel to be so debilitated or incapacitated by the terminal condition, disease or syndrome as to be permanently physically incapable of committing a crime if released on parole. Notwithstanding any provision of P.L.1979, c.441 (C.30:4-123.45 et seq.) to the contrary, the appropriate board panel may release any such inmate at any time during the term of the sentence. An inmate placed on parole pursuant to this section shall be subject to custody, supervision and conditions as provided in section 15 of P.L.1979, c.441 (C.30:4-123.59) and shall be subject to sanctions for a violation of a condition of parole as provided in sections 16 through 21 of P.L.1979, c.441 (C.30:4-123.60 through 30:4-123.65).

(3) No inmate serving any sentence for a violation of N.J.S.2C:11-3; N.J.S.2C:11-4; N.J.S.2C:13-1; subsection a. of N.J.S.2C:14-2; N.J.S.2C:15-1 in which the inmate, while in the course of committing the theft, attempted to kill another, or purposely inflicted or attempted to inflict serious bodily injury, or was armed with or used or threatened the immediate use of a deadly weapon; subsection a. of N.J.S.2C:17-1; or N.J.S.2C:24-4 or an attempt to commit any of these offenses shall be eligible for the medical parole authorized under paragraph (2) of this section.

b. A medical diagnosis that an inmate is suffering from a terminal condition, disease or syndrome shall be made by two licensed physicians designated by the Commissioner of Corrections. The diagnosis shall include, but not be limited to:

- (1) a description of the terminal condition, disease or syndrome;
- (2) a prognosis concerning the likelihood of recovery from the terminal condition, disease or syndrome;

(3) a description of the inmate's physical incapacity; and

(4) a description of the type of ongoing treatment that would be required if the inmate were released on medical parole.

c. A request for a medical diagnosis to determine whether an inmate is eligible for a medical parole under this section may be submitted to the appropriate board panel by the Commissioner of Corrections, the administrator or superintendent of a correctional facility; the inmate; a member of the inmate's family or the inmate's attorney. The request shall be submitted in a manner and form prescribed by the board.

d. At least five working days prior to commencing its review of a request for a medical parole, the appropriate board panel shall notify the appropriate sentencing court; county prosecutor or, if the matter was prosecuted by the Attorney General, the Attorney General; and any victim or member of the family of a victim entitled to notice relating to a parole or the consideration of a parole under the provisions of P.L.1979, c.441 (C.30:4-123.45 et seq.). The notice shall be given in the manner prescribed by the board and shall contain all such information and documentation relating to the medical diagnosis prepared pursuant to subsection b. of this section as the board shall deem appropriate and necessary.

Upon receipt of the notice, the sentencing court; county prosecutor or Attorney General, as the case may be; the victim or member of the family of the victim, as the case may be, shall have 10 working days to review the notice and submit comments to the appropriate board panel. If a recipient of the notice does not submit comments within that 10-day period following the receipt of the notice, the panel may presume that the recipient does not wish to submit comments and proceed with its consideration of the request for medical parole. Any comments provided by a recipient shall be delivered to the appropriate board panel in the same manner or by the same method as notice was given by the panel to that recipient.

The information contained in any notice given by a panel pursuant to this subsection and the contents of any comments submitted by a recipient in response thereto shall be confidential and shall not be disclosed to any person who is not authorized to receive or review that information or those comments.

Notice given under the provisions of this subsection shall be in lieu of any other notice of parole consideration required under P.L.1979, c.441 (C.30:4-123.45 et seq.).

Nothing in this subsection shall be construed to impair any party's right to be heard pursuant to P.L.1979, c.441 (C.30:4-123.45 et seq.).

e. The appropriate board panel shall conduct its review of a request for medical parole as expeditiously as possible.

The appropriate board panel shall provide written notice of its decision to the sentencing court; the county prosecutor or Attorney General, as the

case may be; and any victim or member of a victim's family given notice pursuant to subsection d. of this section.

f. Whenever an inmate is granted medical parole pursuant to this section, the appropriate board shall require, as a condition precedent to release, that the inmate's release plan include:

(1) identification of a community sponsor;

(2) verification of the availability of appropriate medical services sufficient to meet the treatment requirements identified pursuant to paragraph (4) of subsection b. of this section; and

(3) verification of appropriate housing which may include, but need not be limited to, a hospital, hospice, nursing home facility or other housing accommodation suitable to the inmate's medical condition, disease or syndrome.

g. In addition to any conditions imposed pursuant to section 15 of P.L.1979, c.441 (C.30:4-123.59), as a condition of release on medical parole, the appropriate board panel may require an inmate to submit to periodic medical diagnoses by a licensed physician.

h. If, after review of a medical diagnosis required under the provisions of subsection g. of this section, the appropriate board panel determines that a parolee released on medical parole is no longer so debilitated or incapacitated by a terminal condition, disease or syndrome as to be physically incapable of committing a crime, the parolee shall be returned to confinement in an appropriate facility designated by the Commissioner of Corrections.

A decision to return the parolee to confinement pursuant to this subsection shall be rendered only after a hearing by the appropriate board panel or by a hearing officer designated by the chairman of the board. Nothing in this subsection shall be construed to limit the authority of the board, an appropriate board panel or parole officer of the State Parole Board to address a violation of a condition of parole pursuant to sections 16 through 21 of P.L.1979, c.441 (C.30:4-123.60 through 30:4-123.65).

i. The denial of a request for medical parole or the return of a parolee to confinement under the provisions of subsection h. of this section shall not preclude that inmate from being considered for parole pursuant to subsection a. of section 7 of P.L.1979, c.441 (C.30:4-123.51).

8. Section 1 of P.L.1994, c.135 (C.30:4-123.53a) is amended to read as follows:

C.30:4-123.53a Definitions; notice of release of certain offenders; procedures.

1. a. As used in this act: "Prosecutor" means the county prosecutor of the county in which the defendant was convicted unless the matter was prosecuted by the Attorney General, in which case "prosecutor" means the Attorney General.

"Office of Victim Witness Advocacy" means the Office of Victim Witness Advocacy of the county in which the defendant was convicted.

b. Notwithstanding any other provision of law to the contrary, the State shall provide written notice to the prosecutor of the anticipated release from incarceration in a county or State penal institution or the Adult Diagnostic and Treatment Center of a person convicted of murder; manslaughter; aggravated sexual assault; sexual assault; aggravated assault; aggravated criminal sexual contact; kidnaping pursuant to paragraph (2) of subsection c. of N.J.S.2C:13-1; endangering the welfare of a child by engaging in sexual conduct which would impair or debauch the morals of the child pursuant to subsection a. of N.J.S.2C:24-4; endangering the welfare of a child pursuant to paragraph (4) of subsection b. of N.J.S.2C:24-4; luring or enticing pursuant to section 1 of P.L.1993, c.291 (C.2C:13-6); any other offense involving serious bodily injury or an attempt to commit any of the aforementioned offenses. In cases involving a release on parole, the State Parole Board shall provide the notice required by this subsection. In all other cases, including but not limited to release upon expiration of sentence or release from incarceration due to a change in sentence, the Department of Corrections shall provide the notice required by this subsection.

c. Notwithstanding any other provision of law to the contrary, the Juvenile Justice Commission established pursuant to section 2 of P.L.1995, c.284 (C.52:17B-170) shall provide written notice to the prosecutor of the anticipated release from incarceration of a juvenile adjudicated delinquent on the basis of an offense which, if committed by an adult, would constitute murder; manslaughter; aggravated sexual assault; sexual assault; aggravated assault; aggravated criminal sexual contact; kidnaping pursuant to paragraph (2) of subsection c. of N.J.S.2C:13-1; endangering the welfare of a child by engaging in sexual conduct which would impair or debauch the morals of the child pursuant to subsection a. of N.J.S.2C:24-4; endangering the welfare of a child pursuant to paragraph (4) of subsection b. of N.J.S.2C:24-4; luring or enticing pursuant to section 1 of P.L.1993, c.291 (C.2C:13-6); any other offense involving serious bodily injury or an attempt to commit any of the aforementioned offenses.

d. If available, the notice shall be provided to the prosecutor 90 days before the inmate's anticipated release; provided however, the notice shall be provided at least 30 days before release. The notice shall include the person's name, identifying factors, offense history, and anticipated future residence. The prosecutor shall notify the Office of Victim and Witness Advocacy and that office shall use any reasonable means available to them to notify the victim of the anticipated release unless the victim has requested not to be notified.

e. Upon receipt of notice, the prosecutor shall provide notice to the law enforcement agency responsible for the municipality where the inmate will

reside, the municipality in which any victim resides, and such other State and local law enforcement agencies as appropriate for public safety.

9. Section 3 of P.L.1994, c.131 (C.30:4-6.1) is amended to read as follows:

C.30:4-6.1 Prosecutor notified by institution or parole board of inmate release; process.

3. a. The chief executive officer of the institution in which an inmate is confined shall notify the prosecutor of the release of an inmate, unless the inmate is released on parole, in which case the State Parole Board shall notify the prosecutor of the release. The notification shall occur as follows:

(1) Written notification shall be provided 90 days before the inmate's anticipated release whenever possible, but in no event fewer than 30 days before release if such release is due to the expiration of the inmate's maximum term or is authorized by the State Parole Board or order of the Governor upon commutation of a sentence of incarceration;

(2) Immediate telephone notification shall be provided whenever possible, followed by written notification within 48 hours, of pre-trial release, escape from custody or return to custody following an escape of a defendant detained or incarcerated in a county or State penal institution, including the Adult Diagnostic and Treatment Center; and

(3) Advance written notification shall be provided whenever possible of any other release of an inmate from custody, including placement in an Intensive Supervision Program or other alternative disposition. If advance notification is not provided, notification shall be provided within 48 hours following release. All notice provided pursuant to this section shall include the inmate's name, identifying information, and anticipated residence.

10. Section 15 of P.L.1979, c.441 (C.30:4-123.59) is amended to read as follows:

C.30:4-123.59 Legal custody and supervision; conditions.

15. a. Each adult parolee shall at all times remain in the legal custody of the Commissioner of Corrections and under the supervision of the State Parole Board and each juvenile parolee shall at all times remain in the legal custody of the Juvenile Justice Commission established pursuant to section 2 of P.L.1995, c.284 (C.52:17B-170), except that the Commissioner of Corrections or the Executive Director of the Juvenile Justice Commission, after providing notice to the Attorney General, may consent to the supervision of a parolee by the federal government pursuant to the Witness Security Reform Act, Pub.L.98-473 (18 U.S.C. s.3251 et seq.). An adult parolee, except those under the Witness Security Reform Act, shall remain under the supervision of the State Parole Board and in the legal custody of the

Department of Corrections, and a juvenile parolee, except those under the Witness Security Reform Act, shall remain under the supervision of the Juvenile Justice Commission, as appropriate, in accordance with the policies and rules of the board.

b. Each parolee shall agree, as evidenced by his signature to abide by specific conditions of parole established by the appropriate board panel which shall be enumerated in writing in a certificate of parole and shall be given to the parolee upon release. Such conditions shall include, among other things, a requirement that the parolee conduct himself in society in compliance with all laws and refrain from committing any crime, a requirement that the parolee will not own or possess any firearm as defined in subsection f. of N.J.S.2C:39-1 or any other weapon enumerated in subsection r. of N.J.S.2C:39-1, a requirement that the parolee refrain from the use, possession or distribution of a controlled dangerous substance, controlled substance analog or imitation controlled dangerous substance as defined in N.J.S.2C:35-2 and N.J.S.2C:35-11, a requirement that the parolee obtain permission from his parole officer for any change in his residence, and a requirement that the parolee report at reasonable intervals to an assigned parole officer. In addition, based on prior history of the parolee or information provided by a victim or a member of the family of a murder victim, the member or board panel certifying parole release pursuant to section 11 of P.L.1979, c.441 (C.30:4-123.55) may impose any other specific conditions of parole deemed reasonable in order to reduce the likelihood of recurrence of criminal or delinquent behavior. Such special conditions may include, among other things, a requirement that the parolee make full or partial restitution, the amount of which restitution shall be set by the sentencing court upon request of the board. In addition, the member or board panel certifying parole release may, giving due regard to a victim's request, impose a special condition that the parolee have no contact with the victim, which special condition may include, but need not be limited to, restraining the parolee from entering the victim's residence, place of employment, business or school, and from harassing or stalking the victim or victim's relatives in any way.

c. The appropriate board panel may in writing relieve a parolee of any parole conditions, and may permit a parolee to reside outside the State pursuant to the provisions of the Uniform Act for Out-of-State Parolee Supervision (N.J.S.2A:168-14 et seq.), the Interstate Compact on Juveniles, P.L.1955, c.55 (C.9:23-1 to 9:23-4), and, with the consent of the Commissioner of the Department of Corrections or the Executive Director of the Juvenile Justice Commission after providing notice to the Attorney General, the federal Witness Security Reform Act, if satisfied that such change will not result in a substantial likelihood that the parolee will commit an offense

which would be a crime under the laws of this State. The appropriate board panel may revoke such permission, except in the case of a parolee under the Witness Security Reform Act, or reinstate relieved parole conditions for any period of time during which a parolee is under its jurisdiction.

d. The appropriate board panel may parole an inmate to any residential facility funded in whole or in part by the State if the inmate would not otherwise be released pursuant to section 9 of P.L.1979, c.441 (C.30:4-123.53) without such placement. But if the residential facility provides treatment for mental illness or mental retardation, the board panel only may parole the inmate to the facility pursuant to the laws and admissions policies that otherwise govern the admission of persons to that facility, and the facility shall have the authority to discharge the inmate according to the laws and policies that otherwise govern the discharge of persons from the facility, on 10 days' prior notice to the board panel. The board panel shall acknowledge receipt of this notice in writing prior to the discharge. Upon receipt of the notice the board panel shall resume jurisdiction over the inmate.

e. Parole officers shall provide assistance to the parolee in obtaining employment, education or vocational training or in meeting other obligations to assure the parolee's compliance with meeting legal requirements related to sex offender notification, address changes and participation in rehabilitation programs as directed by the assigned parole officer.

f. The board panel on juvenile commitments and the assigned parole officer shall insure that the least restrictive available alternative is used for any juvenile parolee.

g. If the board has granted parole to any inmate from a State correctional facility or juvenile facility and the court has imposed a fine on such inmate, the appropriate board panel shall release such inmate on condition that the parolee make specified fine payments to the State Parole Board or the Juvenile Justice Commission. For violation of such conditions, or for violation of a special condition requiring restitution, parole may be revoked only for refusal or failure to make a good faith effort to make such payment.

h. Upon collection of the fine the same shall be paid over by the Department of Corrections or by the Juvenile Justice Commission to the State Treasury.

11. Section 16 of P.L.1979, c.441 (C.30:4-123.60) is amended to read as follows:

C.30:4-123.60 Violation of parole conditions.

16. a. Any parolee who violates a condition of parole may be subject to an order pursuant to section 17 of P.L.1979, c.441 (C.30:4-123.61) providing for one or more of the following: (1) That he be required to

conform to one or more additional conditions of parole; (2) That he forfeit all or a part of commutation time credits granted pursuant to R.S.30:4-140.

b. Any parolee who has seriously or persistently violated the conditions of his parole, may have his parole revoked and may be returned to custody pursuant to sections 18 and 19 of P.L.1979, c.441 (C.30:4-123.62 and 30:4-123.63). The board shall be notified immediately upon the arrest or indictment of a parolee or upon the filing of charges that the parolee committed an act which, if committed by an adult, would constitute a crime. The board shall not revoke parole on the basis of new charges which have not resulted in a disposition at the trial level except that upon application by the prosecuting authority, the Juvenile Justice Commission established pursuant to section 2 of P.L.1995, c.284 (C.52:17B-170) or the Director of the State Parole Board's Division of Parole, the chairman of the board or his designee may at any time detain the parolee and commence revocation proceedings pursuant to sections 18 and 19 of P.L.1979, c.441 (C.30:4-123.62 and 30:4-123.63) when the chairman determines that the new charges against the parolee are of a serious nature and it appears that the parolee otherwise poses a danger to the public safety. In such cases, a parolee shall be informed that, if he testifies at the revocation proceedings, his testimony and the evidence derived therefrom shall not be used against him in a subsequent criminal prosecution or delinquency adjudication.

c. Any parolee who is convicted of a crime or adjudicated delinquent for an act which, if committed by an adult, would constitute a crime, committed while on parole shall have his parole revoked and shall be returned to custody unless the parolee demonstrates, by clear and convincing evidence at a hearing pursuant to section 19 of P.L.1979, c.441 (C.30:4-123.63), that good cause exists why he should not be returned to confinement.

12. Section 18 of P.L.1979, c.441 (C.30:4-123.62) is amended to read as follows:

C.30:4-123.62 Parole violation; apprehension; hearing.

18. a. (1) If a parole officer assigned to supervise a parolee has probable cause to believe that the parolee has violated a condition of his parole, such violation being a basis for return to custody pursuant to subsection b. of section 16 of P.L.1979, c.441 (C.30:4-123.60), a designated representative of the chairman of the board may issue a warrant for the arrest of the parolee if evidence indicates that the parolee may not appear at the preliminary hearing or if the parolee poses a danger to the public safety. With the parole warrant, a law enforcement officer may apprehend the delinquent parolee.

(2) If a parole officer assigned to supervise a parolee has probable cause to believe that the parolee has committed a crime, has committed an act or

is about to commit an act which, if committed by an adult, would constitute a crime, is about to commit a crime or is about to flee the jurisdiction, which violation is a basis for return to custody pursuant to subsection b. of section 16 of P.L.1979, c.441 (C.30:4-123.60), and the situation is one of immediate emergency that cannot await the issuance of a warrant by a designated representative, the parole officer, by the parole officer's own warrant, may apprehend the parolee and cause his detention in a suitable facility designated by the Department of Corrections or the Juvenile Justice Commission established pursuant to section 2 of P.L.1995, c.284 (C.52:17B-170), as appropriate, or cause the parolee's confinement in an appropriate institution pending return to a facility designated by the Department of Corrections or the Juvenile Justice Commission, as appropriate, to await the conduction of a preliminary hearing. The warrant shall be in the form prescribed, as appropriate, by the Juvenile Justice Commission or by the State Parole Board and, when signed by the officer in charge of the case, shall be a sufficient instrument and authority to all peace officers to assist in the apprehension of the parolee. It shall also be sufficient authority for detention of the parolee in a suitable facility, to await the conduction of the preliminary hearing. Upon enforcement of the warrant, the appropriate board panel shall be promptly notified. No parolee held in custody on a parole warrant shall be entitled to release on bail.

b. A parolee retaken under this section shall within 14 days be granted a preliminary hearing to be conducted by a hearing officer not previously involved in the case, unless the parolee, the hearing officer, or the parole officer requests postponement of the preliminary hearing, which may be granted by the appropriate board panel for good cause, but in no event shall such postponement, if requested by the hearing officer or the parole officer, exceed 14 days.

c. The preliminary hearing shall be for the purpose of determining:

(1) Whether there is probable cause to believe that the parolee violated a condition of his parole being the basis for return to custody pursuant to subsection b. of section 16 of P.L.1979, c.441 (C.30:4-123.60), and

(2) Whether revocation and return to custody is desirable in the instant matter.

d. Prior to the preliminary hearing the parolee shall be provided with written notice of:

(1) The conditions of parole alleged to have been violated;

(2) The time, date, place and circumstances of the alleged violation;

(3) The possible action which may be taken by the board after a parole revocation hearing;

(4) The time, date and place of the preliminary hearing;

(5) The right pursuant to P.L.1974, c.33 (C.2A:158A-5.1 et seq.), to representation by an attorney or such other qualified person as the parolee may retain; and

(6) The right to confront and cross-examine witnesses.

e. The hearing officer who conducts the hearing shall make a summary or other record of said hearing.

f. If the evidence presented at the preliminary hearing does not support a finding of probable cause to believe that the parolee has violated a condition of his parole, such violation being a basis for return to custody pursuant to subsection b. of section 16 of P.L.1979, c.441 (C.30:4-123.60), or if it is otherwise determined that revocation is not desirable, the hearing officer may, in accordance with the provisions of subsection a. of section 16 of P.L.1979, c.441 (C.30:4-123.60) and section 17 of P.L.1979, c.441 (C.30:4-123.61), issue an order modifying parole and releasing the offender, or continuing parole and releasing the offender.

g. If the evidence presented at the preliminary hearing supports a finding of probable cause to believe that the parolee has violated a condition of his parole, the hearing officer shall determine whether the parolee shall be retained in custody or released on specific conditions pending action by the appropriate board panel.

h. Conviction of a crime committed while on parole or adjudication of delinquency for an act which, if committed by an adult, would constitute a crime shall be deemed to constitute probable cause to believe that the parolee has violated a condition of parole.

13. Section 3 of P.L.1993, c.246 (C.43:16A-1.4) is amended to read as follows:

C.43:16A-1.4 Enrollment of parole officers.

3. If the Board of Trustees of the Police and Fireman's Retirement System of New Jersey makes a determination, pursuant to section 9 of P.L.1989, c.204 (C.43:16A-1.2), that the parole officers employed by the State Parole Board are eligible for membership in the Police and Firemen's Retirement System pursuant to section 1 of P.L.1944, c.255 (C.43:16A-1), the enrollment of those parole officers shall occur no earlier than one year after the effective date of this section pursuant to P.L.1993, c.246 (C.43:16A-1.4 et al.).

14. Section 1 of P.L.1968, c.427 (C.2A:154-4) is amended to read as follows:

C.2A:154-4 Corrections, parole officers, corrections investigators authorized to exercise police powers.

1. All correction officers of the State of New Jersey, parole officers employed by the State Parole Board and investigators in the Department of Corrections, who have been or who may hereafter be appointed or employed, shall, by virtue of such appointment or employment and in addition to any

other power or authority, be empowered to act as officers for the detection, apprehension, arrest and conviction of offenders against the law.

15. N.J.S.2C:39-6 is amended to read as follows:

Exemptions.

2C:39-6. a. Provided a person complies with the requirements of subsection j. of this section, N.J.S.2C:39-5 does not apply to:

(1) Members of the Armed Forces of the United States or of the National Guard while actually on duty, or while traveling between places of duty and carrying authorized weapons in the manner prescribed by the appropriate military authorities;

(2) Federal law enforcement officers, and any other federal officers and employees required to carry firearms in the performance of their official duties;

(3) Members of the State Police and, under conditions prescribed by the superintendent, members of the Marine Law Enforcement Bureau of the Division of State Police;

(4) A sheriff, undersheriff, sheriff's officer, county prosecutor, assistant prosecutor, prosecutor's detective or investigator, deputy attorney general or State investigator employed by the Division of Criminal Justice of the Department of Law and Public Safety, investigator employed by the State Commission of Investigation, inspector of the Alcoholic Beverage Control Enforcement Bureau of the Division of State Police in the Department of Law and Public Safety authorized to carry such weapons by the Superintendent of State Police, State park ranger, or State conservation officer;

(5) A prison or jail warden of any penal institution in this State or his deputies, or an employee of the Department of Corrections engaged in the interstate transportation of convicted offenders, while in the performance of his duties, and when required to possess the weapon by his superior officer, or a correction officer or keeper of a penal institution in this State at all times while in the State of New Jersey, provided he annually passes an examination approved by the superintendent testing his proficiency in the handling of firearms;

(6) A civilian employee of the United States Government under the supervision of the commanding officer of any post, camp, station, base or other military or naval installation located in this State who is required, in the performance of his official duties, to carry firearms, and who is authorized to carry such firearms by said commanding officer, while in the actual performance of his official duties;

(7) (a) A regularly employed member, including a detective, of the police department of any county or municipality, or of any State, interstate, municipal or county park police force or boulevard police force, at all times while in the State of New Jersey;

(b) A special law enforcement officer authorized to carry a weapon as provided in subsection b. of section 7 of P.L.1985, c.439 (C.40A:14-146.14);

(c) An airport security officer or a special law enforcement officer appointed by the governing body of any county or municipality, except as provided in subsection b. of this section, or by the commission, board or other body having control of a county park or airport or boulevard police force, while engaged in the actual performance of his official duties and when specifically authorized by the governing body to carry weapons;

(8) A full-time, paid member of a paid or part-paid fire department or force of any municipality who is assigned full-time or part-time to an arson investigation unit created pursuant to section 1 of P.L.1981, c.409 (C.40A:14-7.1) or to the county arson investigation unit in the county prosecutor's office, while either engaged in the actual performance of arson investigation duties or while actually on call to perform arson investigation duties and when specifically authorized by the governing body or the county prosecutor, as the case may be, to carry weapons. Prior to being permitted to carry a firearm, such a member shall take and successfully complete a firearms training course administered by the Police Training Commission pursuant to P.L.1961, c.56 (C.52:17B-66 et seq.), and shall annually qualify in the use of a revolver or similar weapon prior to being permitted to carry a firearm;

(9) A juvenile corrections officer in the employment of the Juvenile Justice Commission established pursuant to section 2 of P.L.1995, c.284 (C.52:17B-170) subject to the regulations promulgated by the commission.

b. Subsections a., b. and c. of N.J.S.2C:39-5 do not apply to:

(1) A law enforcement officer employed by a governmental agency outside of the State of New Jersey while actually engaged in his official duties, provided, however, that he has first notified the superintendent or the chief law enforcement officer of the municipality or the prosecutor of the county in which he is engaged; or

(2) A licensed dealer in firearms and his registered employees during the course of their normal business while traveling to and from their place of business and other places for the purpose of demonstration, exhibition or delivery in connection with a sale, provided, however, that the weapon is carried in the manner specified in subsection g. of this section.

c. Provided a person complies with the requirements of subsection j. of this section, subsections b. and c. of N.J.S.2C:39-5 do not apply to:

(1) A special agent of the Division of Taxation who has passed an examination in an approved police training program testing proficiency in the handling of any firearm which he may be required to carry, while in the actual performance of his official duties and while going to or from his place of duty, or any other police officer, while in the actual performance of his official duties;

(2) A State deputy conservation officer or a full-time employee of the Division of Parks and Forestry having the power of arrest and authorized to carry weapons, while in the actual performance of his official duties;

(3) (Deleted by amendment, P.L.1986, c.150.)

(4) A court attendant serving as such under appointment by the sheriff of the county or by the judge of any municipal court or other court of this State, while in the actual performance of his official duties;

(5) A guard in the employ of any railway express company, banking or building and loan or savings and loan institution of this State, while in the actual performance of his official duties;

(6) A member of a legally recognized military organization while actually under orders or while going to or from the prescribed place of meeting and carrying the weapons prescribed for drill, exercise or parade;

(7) An officer of the Society for the Prevention of Cruelty to Animals, while in the actual performance of his duties;

(8) An employee of a public utilities corporation actually engaged in the transportation of explosives;

(9) A railway policeman, except a transit police officer of the New Jersey Transit Police Department, at all times while in the State of New Jersey, provided that he has passed an approved police academy training program consisting of at least 280 hours. The training program shall include, but need not be limited to, the handling of firearms, community relations, and juvenile relations;

(10) A campus police officer appointed under P.L.1970, c.211 (C.18A:6-4.2 et seq.) at all times. Prior to being permitted to carry a firearm, a campus police officer shall take and successfully complete a firearms training course administered by the Police Training Commission, pursuant to P.L.1961, c.56 (C.52:17B-66 et seq.), and shall annually qualify in the use of a revolver or similar weapon prior to being permitted to carry a firearm;

(11) A person who has not been convicted of a crime under the laws of this State or under the laws of another state or the United States, and who is employed as a full-time security guard for a nuclear power plant under the license of the Nuclear Regulatory Commission, while in the actual performance of his official duties;

(12) A transit police officer of the New Jersey Transit Police Department, at all times while in the State of New Jersey, provided the officer has satisfied the training requirements of the Police Training Commission, pursuant to subsection c. of section 2 of P.L.1989, c.291 (C.27:25-15.1);

(13) A parole officer employed by the State Parole Board at all times. Prior to being permitted to carry a firearm, a parole officer shall take and successfully complete a basic course for regular police officer training administered by the Police Training Commission, pursuant to P.L.1961,

c.56 (C.52:17B-66 et seq.), and shall annually qualify in the use of a revolver or similar weapon prior to being permitted to carry a firearm;

(14) A Human Services police officer at all times while in the State of New Jersey, as authorized by the Commissioner of Human Services;

(15) A person or employee of any person who, pursuant to and as required by a contract with a governmental entity, supervises or transports persons charged with or convicted of an offense; or

(16) A housing authority police officer appointed under P.L. 1997, c.210 (C.40A:14-146.19 et al.) at all times while in the State of New Jersey.

d. (1) Subsections c. and d. of N.J.S.2C:39-5 do not apply to antique firearms, provided that such antique firearms are unloaded or are being fired for the purposes of exhibition or demonstration at an authorized target range or in such other manner as has been approved in writing by the chief law enforcement officer of the municipality in which the exhibition or demonstration is held, or if not held on property under the control of a particular municipality, the superintendent.

(2) Subsection a. of N.J.S.2C:39-3 and subsection d. of N.J.S.2C:39-5 do not apply to an antique cannon that is capable of being fired but that is unloaded and immobile, provided that the antique cannon is possessed by (a) a scholastic institution, a museum, a municipality, a county or the State, or (b) a person who obtained a firearms purchaser identification card as specified in N.J.S.2C:58-3.

(3) Subsection a. of N.J.S.2C:39-3 and subsection d. of N.J.S.2C:39-5 do not apply to an unloaded antique cannon that is being transported by one eligible to possess it, in compliance with regulations the superintendent may promulgate, between its permanent location and place of purchase or repair.

(4) Subsection a. of N.J.S.2C:39-3 and subsection d. of N.J.S.2C:39-5 do not apply to antique cannons that are being loaded or fired by one eligible to possess an antique cannon, for purposes of exhibition or demonstration at an authorized target range or in the manner as has been approved in writing by the chief law enforcement officer of the municipality in which the exhibition or demonstration is held, or if not held on property under the control of a particular municipality, the superintendent, provided that performer has given at least 30 days' notice to the superintendent.

(5) Subsection a. of N.J.S.2C:39-3 and subsection d. of N.J.S.2C:39-5 do not apply to the transportation of unloaded antique cannons directly to or from exhibitions or demonstrations authorized under paragraph (4) of subsection d. of this section, provided that the transportation is in compliance with safety regulations the superintendent may promulgate. Nor do those subsections apply to transportation directly to or from exhibitions or demonstrations authorized under the law of another jurisdiction, provided that

the superintendent has been given 30 days' notice and that the transportation is in compliance with safety regulations the superintendent may promulgate.

e. Nothing in subsections b., c. and d. of N.J.S.2C:39-5 shall be construed to prevent a person keeping or carrying about his place of business, residence, premises or other land owned or possessed by him, any firearm, or from carrying the same, in the manner specified in subsection g. of this section, from any place of purchase to his residence or place of business, between his dwelling and his place of business, between one place of business or residence and another when moving, or between his dwelling or place of business and place where such firearms are repaired, for the purpose of repair. For the purposes of this section, a place of business shall be deemed to be a fixed location.

f. Nothing in subsections b., c. and d. of N.J.S.2C:39-5 shall be construed to prevent:

(1) A member of any rifle or pistol club organized in accordance with the rules prescribed by the National Board for the Promotion of Rifle Practice, in going to or from a place of target practice, carrying such firearms as are necessary for said target practice, provided that the club has filed a copy of its charter with the superintendent and annually submits a list of its members to the superintendent and provided further that the firearms are carried in the manner specified in subsection g. of this section;

(2) A person carrying a firearm or knife in the woods or fields or upon the waters of this State for the purpose of hunting, target practice or fishing, provided that the firearm or knife is legal and appropriate for hunting or fishing purposes in this State and he has in his possession a valid hunting license, or, with respect to fresh water fishing, a valid fishing license;

(3) A person transporting any firearm or knife while traveling:

(a) Directly to or from any place for the purpose of hunting or fishing, provided the person has in his possession a valid hunting or fishing license; or

(b) Directly to or from any target range, or other authorized place for the purpose of practice, match, target, trap or skeet shooting exhibitions, provided in all cases that during the course of the travel all firearms are carried in the manner specified in subsection g. of this section and the person has complied with all the provisions and requirements of Title 23 of the Revised Statutes and any amendments thereto and all rules and regulations promulgated thereunder; or

(c) In the case of a firearm, directly to or from any exhibition or display of firearms which is sponsored by any law enforcement agency, any rifle or pistol club, or any firearms collectors club, for the purpose of displaying the firearms to the public or to the members of the organization or club, provided, however, that not less than 30 days prior to the exhibition or display, notice of the exhibition or display shall be given to the Superintendent of the State

Police by the sponsoring organization or club, and the sponsor has complied with such reasonable safety regulations as the superintendent may promulgate. Any firearms transported pursuant to this section shall be transported in the manner specified in subsection g. of this section;

(4) A person from keeping or carrying about a private or commercial aircraft or any boat, or from transporting to or from such vessel for the purpose of installation or repair a visual distress signalling device approved by the United States Coast Guard.

g. All weapons being transported under paragraph (2) of subsection b., subsection e., or paragraph (1) or (3) of subsection f. of this section shall be carried unloaded and contained in a closed and fastened case, gunbox, securely tied package, or locked in the trunk of the automobile in which it is being transported, and in the course of travel shall include only such deviations as are reasonably necessary under the circumstances.

h. Nothing in subsection d. of N.J.S.2C:39-5 shall be construed to prevent any employee of a public utility, as defined in R.S.48:2-13, doing business in this State or any United States Postal Service employee, while in the actual performance of duties which specifically require regular and frequent visits to private premises, from possessing, carrying or using any device which projects, releases or emits any substance specified as being noninjurious to canines or other animals by the Commissioner of Health and Senior Services and which immobilizes only on a temporary basis and produces only temporary physical discomfort through being vaporized or otherwise dispensed in the air for the sole purpose of repelling canine or other animal attacks.

The device shall be used solely to repel only those canine or other animal attacks when the canines or other animals are not restrained in a fashion sufficient to allow the employee to properly perform his duties.

Any device used pursuant to this act shall be selected from a list of products, which consist of active and inert ingredients, permitted by the Commissioner of Health and Senior Services.

i. Nothing in N.J.S.2C:39-5 shall be construed to prevent any person who is 18 years of age or older and who has not been convicted of a felony, from possession for the purpose of personal self-defense of one pocket-sized device which contains and releases not more than three-quarters of an ounce of chemical substance not ordinarily capable of lethal use or of inflicting serious bodily injury, but rather, is intended to produce temporary physical discomfort or disability through being vaporized or otherwise dispensed in the air. Any person in possession of any device in violation of this subsection shall be deemed and adjudged to be a disorderly person, and upon conviction thereof, shall be punished by a fine of not less than \$100.00.

j. A person shall qualify for an exemption from the provisions of N.J.S.2C:39-5, as specified under subsections a. and c. of this section, if the person has satisfactorily completed a firearms training course approved by the Police Training Commission.

Such exempt person shall not possess or carry a firearm until the person has satisfactorily completed a firearms training course and shall annually qualify in the use of a revolver or similar weapon. For purposes of this subsection, a "firearms training course" means a course of instruction in the safe use, maintenance and storage of firearms which is approved by the Police Training Commission. The commission shall approve a firearms training course if the requirements of the course are substantially equivalent to the requirements for firearms training provided by police training courses which are certified under section 6 of P.L.1961, c.56 (C.52:17B-71). A person who is specified in paragraph (1), (2), (3) or (6) of subsection a. of this section shall be exempt from the requirements of this subsection.

k. Nothing in subsection d. of N.J.S.2C:39-5 shall be construed to prevent any financial institution, or any duly authorized personnel of the institution, from possessing, carrying or using for the protection of money or property, any device which projects, releases or emits tear gas or other substances intended to produce temporary physical discomfort or temporary identification.

l. Nothing in subsection b. of N.J.S.2C:39-5 shall be construed to prevent a law enforcement officer who retired in good standing, including a retirement because of a disability pursuant to section 6 of P.L.1944, c.255 (C.43:16A-6), section 7 of P.L.1944, c.255 (C.43:16A-7), section 1 of P.L.1989, c.103 (C.43:16A-6.1) or any substantially similar statute governing the disability retirement of federal law enforcement officers, provided the officer was a regularly employed, full-time law enforcement officer for an aggregate of five or more years prior to his disability retirement and further provided that the disability which constituted the basis for the officer's retirement did not involve a certification that the officer was mentally incapacitated for the performance of his usual law enforcement duties and any other available duty in the department which his employer was willing to assign to him or does not subject that retired officer to any of the disabilities set forth in subsection c. of N.J.S.2C:58-3 which would disqualify the retired officer from possessing or carrying a firearm, who semi-annually qualifies in the use of the handgun he is permitted to carry in accordance with the requirements and procedures established by the Attorney General pursuant to subsection j. of this section and pays the actual costs associated with those semi-annual qualifications, who is less than 70 years of age, and who was regularly employed as a full-time member of the State Police; a full-time member of an interstate police force; a full-time member of a county or municipal police department in this State; a full-time

member of a State law enforcement agency; a full-time sheriff, undersheriff or sheriff's officer of a county of this State; a full-time State or county corrections officer; a full-time county park police officer; a full-time county prosecutor's detective or investigator; or a full-time federal law enforcement officer from carrying a handgun in the same manner as law enforcement officers exempted under paragraph (7) of subsection a. of this section under the conditions provided herein:

(1) The retired law enforcement officer, within six months after retirement, shall make application in writing to the Superintendent of State Police for approval to carry a handgun for one year. An application for annual renewal shall be submitted in the same manner.

(2) Upon receipt of the written application of the retired law enforcement officer, the superintendent shall request a verification of service from the chief law enforcement officer of the organization in which the retired officer was last regularly employed as a full-time law enforcement officer prior to retiring. The verification of service shall include:

(a) The name and address of the retired officer;

(b) The date that the retired officer was hired and the date that the officer retired;

(c) A list of all handguns known to be registered to that officer;

(d) A statement that, to the reasonable knowledge of the chief law enforcement officer, the retired officer is not subject to any of the restrictions set forth in subsection c. of N.J.S.2C:58-3; and

(e) A statement that the officer retired in good standing.

(3) If the superintendent approves a retired officer's application or reapplication to carry a handgun pursuant to the provisions of this subsection, the superintendent shall notify in writing the chief law enforcement officer of the municipality wherein that retired officer resides. In the event the retired officer resides in a municipality which has no chief law enforcement officer or law enforcement agency, the superintendent shall maintain a record of the approval.

(4) The superintendent shall issue to an approved retired officer an identification card permitting the retired officer to carry a handgun pursuant to this subsection. This identification card shall be valid for one year from the date of issuance and shall be valid throughout the State. The identification card shall not be transferable to any other person. The identification card shall be carried at all times on the person of the retired officer while the retired officer is carrying a handgun. The retired officer shall produce the identification card for review on the demand of any law enforcement officer or authority.

(5) Any person aggrieved by the denial of the superintendent of approval for a permit to carry a handgun pursuant to this subsection may request a hearing in the Superior Court of New Jersey in the county in which he resides by filing a written request for such a hearing within 30 days of the

denial. Copies of the request shall be served upon the superintendent and the county prosecutor. The hearing shall be held within 30 days of the filing of the request, and no formal pleading or filing fee shall be required. Appeals from the determination of such a hearing shall be in accordance with law and the rules governing the courts of this State.

(6) A judge of the Superior Court may revoke a retired officer's privilege to carry a handgun pursuant to this subsection for good cause shown on the application of any interested person. A person who becomes subject to any of the disabilities set forth in subsection c. of N.J.S.2C:58-3 shall surrender, as prescribed by the superintendent, his identification card issued under paragraph (4) of this subsection to the chief law enforcement officer of the municipality wherein he resides or the superintendent, and shall be permanently disqualified to carry a handgun under this subsection.

(7) The superintendent may charge a reasonable application fee to retired officers to offset any costs associated with administering the application process set forth in this subsection.

m. Nothing in subsection d. of N.J.S.2C:39-5 shall be construed to prevent duly authorized personnel of the New Jersey Division of Fish, Game and Wildlife, while in the actual performance of duties, from possessing, transporting or using any device that projects, releases or emits any substance specified as being non-injurious to wildlife by the Director of the Division of Animal Health in the Department of Agriculture, and which may immobilize wildlife and produces only temporary physical discomfort through being vaporized or otherwise dispensed in the air for the purpose of repelling bear or other animal attacks or for the aversive conditioning of wildlife.

n. Nothing in subsection b., c., d. or e. of N.J.S.2C:39-5 shall be construed to prevent duly authorized personnel of the New Jersey Division of Fish, Game and Wildlife, while in the actual performance of duties, from possessing, transporting or using hand held pistol-like devices, rifles or shotguns that launch pyrotechnic missiles for the sole purpose of frightening, hazing or aversive conditioning of nuisance or depredating wildlife; from possessing, transporting or using rifles, pistols or similar devices for the sole purpose of chemically immobilizing wild or non-domestic animals; or, provided the duly authorized person complies with the requirements of subsection j. of this section, from possessing, transporting or using rifles or shotguns, upon completion of a Police Training Commission approved training course, in order to dispatch injured or dangerous animals or for non-lethal use for the purpose of frightening, hazing or aversive conditioning of nuisance or depredating wildlife.

16. Section 2 of P.L.1997, c.117 (C.2C:43-7.2) is amended to read as follows:

C.2C:43-7.2 Mandatory service of 85% of sentence for certain offenders.

2. a. A court imposing a sentence of incarceration for a crime of the first or second degree shall fix a minimum term of 85% of the sentence during which the defendant shall not be eligible for parole if the crime is a violent crime as defined in subsection d. of this section.

b. The provisions of subsection a. of this section shall not be construed or applied to reduce the time that must be served before eligibility for parole by an inmate sentenced to a mandatory minimum period of incarceration.

c. Notwithstanding any other provision of law to the contrary and in addition to any other sentence imposed, a court imposing a minimum period of parole ineligibility of 85 percent of the sentence pursuant to this section shall also impose a five-year term of parole supervision if the defendant is being sentenced for a crime of the first degree, or a three-year term of parole supervision if the defendant is being sentenced for a crime of the second degree. The term of parole supervision shall commence upon the completion of the sentence of incarceration imposed by the court pursuant to subsection a. of this section unless the defendant is serving a sentence of incarceration for another crime at the time he completes the sentence of incarceration imposed pursuant to subsection a., in which case the term of parole supervision shall commence immediately upon the defendant's release from incarceration. During the term of parole supervision the defendant shall remain in release status in the community in the legal custody of the Commissioner of the Department of Corrections and shall be supervised by the State Parole Board as if on parole and shall be subject to the provisions and conditions of section 3 of P.L.1997, c.117 (C.30:4-123.51b).

d. For the purposes of this section, "violent crime" means any crime in which the actor causes death, causes serious bodily injury as defined in subsection b. of N.J.S.2C:11-1, or uses or threatens the immediate use of a deadly weapon. "Violent crime" also includes any aggravated sexual assault or sexual assault in which the actor uses, or threatens the immediate use of, physical force.

For the purposes of this section, "deadly weapon" means any firearm or other weapon, device, instrument, material or substance, whether animate or inanimate, which in the manner it is used or is intended to be used, is known to be capable of producing death or serious bodily injury.

e. A court shall not impose sentence pursuant to this section unless the ground therefor has been established at a hearing after the conviction of the defendant and on written notice to him of the ground proposed. The defendant shall have the right to hear and controvert the evidence against him and to offer evidence upon the issue.

17. Section 5 of P.L.1979, c.441 (C.30:4-123.49) is amended to read as follows:

C.30:4-123.49 Assignment of cases; member as hearing officer; limitation to either adult or juvenile cases; representatives of board.

5. a. The chairman of the board, after consulting with the board, shall assign any case not otherwise assigned, such as county jail, workhouse, or penitentiary cases, to a special panel composed of any two members or any one member and one hearing officer as necessary for the efficient functioning of the board.

b. Nothing contained in this act shall be deemed to preclude a member of any board panel from exercising all the functions, powers, and duties of a hearing officer upon designation by the chairman; provided, however, that no member so designated shall participate in the disposition of a panel or board review of his initial decision.

c. No hearing officer assigned to review adult cases shall be assigned to review juvenile cases pursuant to sections 13 and 19 of P.L.1979, c.441 (C.30:4-123.57 and 30:4-123.63), nor shall any hearing officer assigned to review juvenile cases be assigned to review adult cases.

d. Representatives of the board or the chairman designated pursuant to this act may include employees of the board and employees of other agencies such as the Department of Corrections or the Juvenile Justice Commission established pursuant to section 2 of P.L.1995, c.284 (C.52:17B-170), provided that no employee of the Department of Corrections or the Juvenile Justice Commission shall be so designated without the approval of the Commissioner of Corrections or the Executive Director of the Commission. Such representatives shall not participate in the disposition of parole cases.

18. Section 8 of P.L.1979, c.441 (C.30:4-123.52) is amended to read as follows:

C.30:4-123.52 Increase or decrease of parole eligibility date, written statement to inmate, psychological evaluation.

8. a. If the appropriate board panel determines that an adult inmate has seriously or persistently violated specifically defined institutional rules or has engaged in conduct indictable in nature while incarcerated, the inmate's parole eligibility date may be increased pursuant to a schedule developed by the board. In developing such schedule, particular emphasis shall be placed on the severity of the inmate's conduct. The board shall deduct from the scheduled penalty any loss of commutation time imposed by the Department of Corrections pursuant to R.S.30:4-140.

b. If the appropriate board panel determines that an adult inmate has made exceptional progress, as evidenced by documented participation and progress in institutional or community educational, training or other

programs, the inmate's parole eligibility date may be decreased, except that no parole eligibility date shall be set below the primary parole eligibility date without the consent of the sentencing court, which need not conduct a hearing and in no case shall a parole eligibility date be set below any judicial or statutory mandatory minimum term, including any parole eligibility date set pursuant to section 23 of this act.

c. The appropriate board panel shall annually monitor the progress of each adult inmate and provide the inmate with a written statement of any changes in his parole eligibility.

d. At any time while an inmate is committed to the custody of the Commissioner of Corrections, the appropriate board panel or the Parole Board may require, as often as it deems necessary, that inmate to undergo an in-depth preparole psychological evaluation conducted by a psychologist.

e. Prior to the parole eligibility date of each adult inmate, an objective risk assessment shall be performed by board staff or by some other appropriate agent of the State. The risk assessment, which shall be in a form prescribed by the board pursuant to rule and regulation, shall consist of both static and dynamic factors which may assist the board panel in determining whether the inmate shall be certified for parole and, if paroled, the level of supervision the parolee may require. In addition to the information otherwise gathered for and incorporated in the pre-parole report, the assessment shall include evaluations of the inmate's ability to function independently, the inmate's educational and employment background, the inmate's family and marital history, and such other information and factors as the board may deem appropriate and necessary.

19. This act shall take effect on the 120th day following enactment

Approved May 4, 2001.

CHAPTER 80

AN ACT concerning certain multiple dwellings and supplementing P.L.1986, c.142 (C.52:27D-222 et seq.).

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

C.52:27D-224.1 Ordinances requiring evacuation plans for certain multiple dwellings.

1. A municipal governing body, by ordinance, may require an owner of a multiple dwelling, as defined under section 3 of P.L.1967, c.76

(C.55:13A-3), which is comprised of more than 20 dwelling units and reserves occupancy for residents who have attained the minimum age of 55 to prepare and maintain an emergency building evacuation plan for the multiple dwelling, in coordination with the appropriate local fire and emergency response agencies.

2. This act shall take effect immediately.

Approved May 4, 2001.

CHAPTER 81

AN ACT establishing a Statewide Sexual Assault Nurse Examiner Program, revising various parts of the statutory law and repealing P.L.1997, c.328.

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

1. Section 3 of P.L.1987, c.169 (C.2A:84A-22.14) is amended to read as follows:

C.2A:84A-22.14 Definitions.

3. As used in this act:

a. "Act of violence" means the commission or attempt to commit any of the offenses set forth in subsection b. of section 11 of P.L.1971, c.317 (C.52:4B-11).

b. "Confidential communication" means any information exchanged between a victim and a victim counselor in private or in the presence of a third party who is necessary to facilitate communication or further the counseling process and which is disclosed in the course of the counselor's treatment of the victim for any emotional or psychological condition resulting from an act of violence. It includes any advice, report or working paper given or made in the course of the consultation and all information received by the victim counselor in the course of that relationship.

c. "Victim" means a person who consults a counselor for the purpose of securing advice, counseling or assistance concerning a mental, physical or emotional condition caused by an act of violence.

d. "Victim counseling center" means any office, institution, or center offering assistance to victims and their families through crisis intervention, medical and legal accompaniment and follow-up counseling.

e. "Victim counselor" means a person engaged in any office, institution or center defined as a victim counseling center by this act, who has undergone 40 hours of training and is under the control of a direct services supervisor of

the center and who has a primary function of rendering advice, counseling or assisting victims of acts of violence. "Victim counselor" includes a rape care advocate as defined in section 4 of P.L.2001, c.81 (C.52:4B-52).

C.52:4B-50 Findings, declarations relative to Sexual Assault Nurse Examiner program.

2. The Legislature finds and declares that the Sexual Assault Nurse Examiner program, established pursuant to P.L.1997, c.328, has been successful in ensuring more timely and accurate collection of forensic evidence for use in prosecuting suspected rapists and in creating a compassionate way to treat sexual assault victims, and it is important to establish the program throughout the State of New Jersey.

C.52:4B-51 Statewide Sexual Assault Nurse Examiner program.

3. The Attorney General shall establish a Statewide Sexual Assault Nurse Examiner program in the Department of Law and Public Safety.

Upon implementation of the certification process for a forensic sexual assault nurse examiner pursuant to section 5 of this act, the county prosecutor in each county shall appoint or designate a certified forensic sexual assault nurse examiner to serve as program coordinator for the program in the county in accordance with the provisions of this section.

a. The county prosecutor may appoint an employee of the prosecutor's office who is a certified forensic sexual assault nurse examiner to serve as program coordinator to administer the program in that county.

b. In a county where the county prosecutor does not appoint an employee of his office to serve as program coordinator, the county prosecutor shall designate a certified forensic sexual assault nurse examiner who is an employee of a licensed health care facility or a county rape care program that is designated by the Division on Women in the Department of Community Affairs to serve as the program coordinator. A person designated as a program coordinator pursuant to this subsection shall not be deemed an employee of the county prosecutor's office.

C.52:4B-52 Duties of program coordinator; "rape care advocate" defined.

4. The program coordinator shall:

a. Coordinate the county Sexual Assault Nurse Examiner program in accordance with standard protocols for the provision of information and services to victims of sexual assault developed by the Attorney General pursuant to subsection d. of section 6 of P.L.1985, c.404 (C.52:4B-44);

b. Perform forensic sexual assault examinations on victims of sexual assault in accordance with the standards developed by the Attorney General and appropriate medical and nursing standards of care;

c. Designate one or more licensed physicians or certified forensic sexual assault nurse examiners to perform forensic sexual assault examinations on victims

of sexual assault in accordance with the standards developed by the Attorney General and appropriate medical and nursing standards of care;

d. Develop and implement standardized guidelines for forensic sexual assault examinations performed by designated physicians or certified forensic sexual assault nurse examiners in the county;

e. Develop and implement a standardized education and training program to provide instruction to members of the county Sexual Assault Response Team established pursuant to section 6 of this act which shall include, but not be limited to, instruction in the following areas:

(1) the importance of a coordinated, multi-disciplinary response to a report of sexual assault;

(2) the policies and procedures which govern the responsibilities of each team member;

(3) the psychological effects of sexual assault and rape trauma syndrome on the victim and the victim's family and friends;

(4) the collection, handling and documentation of forensic evidence; and

(5) confidentiality issues associated with the treatment of a victim of sexual assault and the investigation of a report of sexual assault;

f. Establish, in cooperation with licensed health care facilities, private waiting rooms and areas designated for forensic sexual assault examinations and the provision of rape care services in the licensed health care facilities participating in the program;

g. Develop, in cooperation with licensed health care facilities, protocols for the storage of forensic evidence;

h. Provide appropriate services to victims of sexual assault, including the opportunity to tend to personal hygiene needs, obtain fresh clothing and speak with a rape care advocate prior to and during any medical procedure or law enforcement investigation, unless the victim requires immediate medical attention, as appropriate;

i. Collaborate with law enforcement officials and the county rape care program to ensure that the needs of victims of sexual assault are met in a compassionate manner; and

j. Participate in regular meetings of the Sexual Assault Nurse Examiner Program Coordinating Council established pursuant to section 7 of this act.

As used in this section and section 6 of this act, "rape care advocate" means a victim counselor, as defined pursuant to section 3 of P.L.1987, c.169 (C.2A:84A-22.14), who specializes in the provision of rape care services.

C.52:4B-53 Certification process for forensic sexual assault nurse examiners; qualifications.

5. The Attorney General and the New Jersey Board of Nursing shall jointly establish a certification process for a forensic sexual assault nurse examiner.

a. An applicant for certification as a forensic sexual assault nurse examiner shall be a registered professional nurse licensed in the State and in good standing with the New Jersey Board of Nursing, and shall have the following qualifications:

(1) A minimum of two years of current nursing experience as defined by regulation of the Attorney General pursuant to section 17 of this act;

(2) Certification verifying the completion of a forensic sexual assault nurse examiner training program that meets requirements established by the Attorney General and the New Jersey Board of Nursing; and

(3) Demonstrates clinical competence in performing a forensic sexual assault examination.

b. The Attorney General and the New Jersey Board of Nursing shall certify an applicant who meets the requirements of subsection a. of this section as a certified forensic sexual assault nurse examiner.

C.52:4B-54 Sexual Assault Response Team in each county.

6. a. The county prosecutor's office in each county shall establish a Sexual Assault Response Team or shall enter into a collaborative agreement with another county to share the services of that county's response team. The response team shall be comprised of: a certified forensic sexual assault nurse examiner, a rape care advocate from the county program established, or designated by the Division on Women in the Department of Community Affairs, as provided under section 3 of P.L.2001, c.81 (C.52:4B-51), and a law enforcement official. The response team shall:

(1) respond to a report of sexual assault at the request of a victim of sexual assault pursuant to guidelines established by the Attorney General pursuant to section 17 of this act; and

(2) provide treatment, counseling, legal and forensic medical services to a victim of sexual assault in accordance with the standard protocols developed by the Attorney General pursuant to subsection d. of section 6 of P.L.1985, c.404 (C.52:4B-44).

b. Each member of the response team shall complete the standardized education and training program developed by the program coordinator pursuant to subsection e. of section 4 of this act.

C.52:4B-55 Sexual Assault Nurse Examiner Program Coordinating Council.

7. a. The Attorney General shall establish a Sexual Assault Nurse Examiner Program Coordinating Council comprised of: the Attorney General, the Director of the Division on Women, the Chief of the Office of Victim-Witness Advocacy, the Executive Director of the New Jersey Coalition Against Sexual Assault, and the Executive Director of the New Jersey Board of Nursing, or their respective designees; a representative from

the New Jersey County Prosecutor's Association; and the program coordinators appointed or designated pursuant to section 3 of this act.

The Attorney General, through the sexual assault unit established pursuant to section 8 of P.L.2001, c.81 (C.52:4B-56), and in consultation with the coordinating council, shall oversee the Statewide Sexual Assault Nurse Examiner program and identify and obtain any State and federal funding available to supplement the funds appropriated to operate the program.

b. The coordinating council shall review the effectiveness of the services provided by the State to victims of sexual assault and make recommendations to the Attorney General for any needed changes in the standards, regulations or State policy concerning the provision of victim services.

C.52:4B-56 Sexual assault unit within Department of Law and Public Safety.

8. The Attorney General shall establish a sexual assault unit within the Department of Law and Public Safety which shall include a sexual assault investigator and a certified forensic sexual assault nurse examiner.

The unit shall oversee the operation of the county sexual assault nurse examiner programs, and provide assistance to counties in the investigation and prosecution of sexual assaults. The unit shall review all complaints received regarding a county's investigation and prosecution of a sexual assault and shall provide recommendations to the Attorney General regarding the county's investigation and prosecution of the case. The unit also shall provide training to law enforcement officials and county prosecutors, on an ongoing basis, in the investigation and prosecution of sexual assault.

C.52:4B-57 Immunity from liability for authorized forensic sexual assault examinations.

9. a. A designated certified forensic sexual assault nurse examiner and a designated licensed physician shall be immune from civil and criminal liability in the performance of the nurse examiner's or physician's duties when acting in response to a request from a law enforcement agency or a program coordinator to perform a forensic sexual assault examination pursuant to the provisions of this act, if the skills and care exercised by the forensic sexual assault nurse examiner or the licensed physician during the examination are those ordinarily exercised by others in the nursing and medical profession, respectively.

b. A licensed health care facility in which a forensic sexual assault examination is performed pursuant to this act shall be immune from civil and criminal liability in the performance of the examination when acting in response to a request from a law enforcement agency or a program coordinator if the care exercised by the licensed health care facility during the examination is that ordinarily exercised by a licensed health care facility.

C.52:4B-58 Continuation of existing program.

10. Notwithstanding the provisions of this act to the contrary, a county forensic sexual assault nurse examiner program in existence on the effective date of this act may continue to operate in accordance with the standard protocols for the provision of information and services to victims of sexual assault developed by the Attorney General pursuant to subsection d. of section 6 of P.L.1985, c.404 (C.52:4B-44), until the implementation of the certification process for a forensic sexual assault nurse examiner pursuant to section 5 of this act.

C.2C:43-3.6 Additional penalty for sex offense for deposit in Sexual Assault Nurse Examiner Program Fund.

11. a. In addition to any fine, fee, assessment or penalty authorized under the provisions of Title 2C of the New Jersey Statutes, a person convicted of a sex offense, as defined in section 2 of P.L.1994, c.133 (C.2C:7-2), shall be assessed a penalty of \$800 for each such offense.

b. All penalties provided for in this section, collected as provided for the collection of fines and restitutions in section 3 of P.L.1979, c.396 (C.2C:46-4), shall be forwarded to the Department of the Treasury to be deposited in the "Statewide Sexual Assault Nurse Examiner Program Fund" established pursuant to section 12 of P.L.2001, c.81 (C.52:4B-59).

C.52:4B-59 "Statewide Sexual Assault Nurse Examiner Program Fund."

12. There is hereby established the "Statewide Sexual Assault Nurse Examiner Program Fund" as a nonlapsing, revolving fund. This fund shall be administered by the Attorney General, and all moneys deposited therein pursuant to section 11 of P.L.2001, c.81 (C.2C:43-3.6) shall be used in accordance with guidelines established by the Attorney General for the operational expenses of the sexual assault nurse examiner program in each county. This fund shall be used in coordination with and in supplementation of any available federal funding under the "Victims of Crime Act of 1984," 42 U.S.C. s.10601 et seq., or any other grant funding for this purpose.

13. N.J.S. 2C:46-1 is amended to read as follows:

Time and method of payment; disposition of funds.

2C:46-1. Time and Method of Payment; Disposition of Funds.

a. When a defendant is sentenced to pay an assessment pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), a fine, a penalty imposed pursuant to N.J.S.2C:35-15, a forensic laboratory fee imposed pursuant to N.J.S.2C:35-20, a penalty imposed pursuant to section 1 of P.L.1999, c.295 (C.2C:43-3.5), a penalty imposed pursuant to section 11 of P.L.2001, c.81 (C.2C:43-3.6), or to make restitution, the court may grant permission for the payment to be made within a specified period of time or in specified installments. If no such permission is

embodied in the sentence, the assessment, fine, penalty, fee or restitution shall be payable forthwith, and the court shall file a copy of the judgment of conviction with the Clerk of the Superior Court who shall enter the following information upon the record of docketed judgments:

- (1) the name of the convicted person as judgment debtor;
- (2) the amount of the assessment imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1) and the Violent Crimes Compensation Board as a judgment creditor in that amount;
- (3) the amount of any restitution ordered and the name of any persons entitled to receive payment as judgment creditors in the amount and according to the priority set by the court;
- (4) the amount of any fine and the governmental entity entitled to receive payment pursuant to N.J.S.2C:46-4;
- (5) the amount of the mandatory Drug Enforcement and Demand Reduction penalty imposed;
- (6) the amount of the forensic laboratory fee imposed;
- (7) the amount of the penalty imposed pursuant to section 1 of P.L.1999, c.295 (C.2C:43-3.5);
- (8) the date of the order; and
- (9) the amount of the penalty imposed pursuant to section 11 of P.L.2001, c.81 (C.2C:43-3.6).

b. (1) When a defendant sentenced to pay an assessment imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), a fine, a penalty imposed pursuant to N.J.S.2C:35-15, a forensic laboratory fee imposed pursuant to N.J.S.2C:35-20, a penalty imposed pursuant to section 1 of P.L.1999, c.295 (C.2C:43-3.5), a penalty imposed pursuant to section 11 of P.L.2001, c.81 (C.2C:43-3.6), or to make restitution is also sentenced to probation, the court shall make continuing payment of installments on the assessment and restitution a condition of probation, and may make continuing payment of installments on the fine, the mandatory Drug Enforcement and Demand Reduction penalty, the mandatory penalty pursuant to section 1 of P.L.1999, c.295 (C.2C:43-3.5), the penalty pursuant to section 11 of P.L.2001, c.81 (C.2C:43-3.6), or the forensic laboratory fee a condition of probation.

(2) When a defendant sentenced to pay an assessment imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), a fine, a penalty imposed pursuant to N.J.S.2C:35-15, a forensic laboratory fee imposed pursuant to N.J.S.2C:35-20, a penalty imposed pursuant to section 1 of P.L.1999, c.295 (C.2C:43-3.5), a penalty imposed pursuant to section 11 of P.L.2001, c.81 (C.2C:43-3.6), or to make restitution is also sentenced to a custodial term in a State correctional facility, the court may require the defendant to pay installments on the assessment, penalty, fee, fine and restitution.

c. The defendant shall pay an assessment imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), restitution, penalty, fee or fine or any installment thereof to the officer entitled by law to collect the payment. In the event of default in payment, such agency shall take appropriate action for its collection.

d. (1) When, in connection with a sentence of probation, a defendant is sentenced to pay an assessment imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), a fine, a penalty imposed pursuant to N.J.S.2C:35-15, a forensic laboratory fee imposed pursuant to N.J.S.2C:35-20, a penalty imposed pursuant to section 1 of P.L.1999, c.295 (C.2C:43-3.5), a penalty imposed pursuant to section 11 of P.L.2001, c.81 (C.2C:43-3.6), or to make restitution, the defendant, in addition, shall be sentenced to pay a transaction fee on each occasion that the defendant makes a payment or an installment payment, until the defendant has paid the full amount he is sentenced to pay. All other individuals making payments on court ordered financial obligations through the probation division shall also pay a transaction fee on each payment or installment payment. The Administrative Office of the Courts shall promulgate a transaction fee schedule for use in connection with installment payments made pursuant to this paragraph; provided, however, the transaction fee on an installment payment shall not exceed \$2.00.

(2) When, in connection with a custodial sentence in a State correctional institution, a defendant is sentenced to pay an assessment imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), a fine, a penalty imposed pursuant to N.J.S.2C:35-15, a forensic laboratory fee imposed pursuant to N.J.S.2C:35-20, a penalty imposed pursuant to section 1 of P.L.1999, c.295 (C.2C:43-3.5), a penalty imposed pursuant to section 11 of P.L.2001, c.81 (C.2C:43-3.6), or to make restitution, the defendant, in addition, shall be sentenced to pay a transaction fee on each occasion that the defendant makes a payment or an installment payment until the defendant has paid the full amount he is sentenced to pay. The Department of Corrections shall promulgate a transaction fee schedule for use in connection with installment payments made pursuant to this paragraph; provided, however, the transaction fee on an installment payment shall not exceed \$1.00.

14. N.J.S. 2C:46-2 is amended to read as follows:

Consequences of nonpayment; summary collection.

2C:46-2. Consequences of Nonpayment; Summary Collection. a. When a defendant sentenced to pay an assessment imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), a penalty imposed pursuant to section 11 of P.L.2001, c.81 (C.2C:43-3.6), monthly probation fee, fine, a penalty imposed pursuant to section 1 of P.L.1999, c.295 (C.2C:43-3.5), other court imposed

financial penalties or to make restitution defaults in the payment thereof or of any installment, upon the motion of the person authorized by law to collect the payment, the motion of the prosecutor, the motion of the victim entitled to payment of restitution, the motion of the Violent Crimes Compensation Board, the motion of the State or county Office of Victim and Witness Advocacy or upon its own motion, the court shall recall him, or issue a summons or a warrant of arrest for his appearance. The court shall afford the person notice and an opportunity to be heard on the issue of default. Failure to make any payment when due shall be considered a default. The standard of proof shall be by a preponderance of the evidence, and the burden of establishing good cause for a default shall be on the person who has defaulted.

(1) If the court finds that the person has defaulted without good cause, the court shall:

(a) Order the suspension of the driver's license or the nonresident reciprocity driving privilege of the person; and

(b) Prohibit the person from obtaining a driver's license or exercising reciprocity driving privileges until the person has made all past due payments; and

(c) Notify the Director of the Division of Motor Vehicles of the action taken; and

(d) Take such other actions as may be authorized by law.

(2) If the court finds that the person defaulted on payment of a court imposed financial obligation without good cause and finds that the default was willful, the court may, in addition to the action required by paragraph (1) of this subsection a., impose a term of imprisonment or participation in a labor assistance program or enforced community service to achieve the objective of the court imposed financial obligation. These options shall not reduce the amount owed by the person in default. The term of imprisonment or enforced community service or participation in a labor assistance program in such case shall be specified in the order of commitment. It need not be equated with any particular dollar amount but, in the case of a fine it shall not exceed one day for each \$20.00 of the fine nor 40 days if the fine was imposed upon conviction of a disorderly persons offense nor 25 days for a petty disorderly persons offense nor one year in any other case, whichever is the shorter period. In no case shall the total period of imprisonment in the case of a disorderly persons offense for both the sentence of imprisonment and for failure to pay a fine exceed six months.

(3) Except where incarceration is ordered pursuant to paragraph (2) of this subsection a., if the court finds that the person has defaulted the court shall take appropriate action to modify or establish a reasonable schedule for payment, and, in the case of a fine, if the court finds that the circumstances that warranted the

fine have changed or that it would be unjust to require payment, the court may revoke or suspend the fine or the unpaid portion of the fine.

(4) When failure to pay an assessment imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), monthly probation fee, restitution, a penalty imposed pursuant to section 1 of P.L.1999, c.295 (C.2C:43-3.5), a penalty imposed pursuant to section 11 of P.L.2001, c.81 (C.2C:43-3.6), or other financial penalties or to perform enforced community service or to participate in a labor assistance program is determined to be willful, the failure to do so shall be considered to be contumacious.

(5) When a fine, assessment imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), other financial penalty or restitution is imposed on a corporation, it is the duty of the person or persons authorized to make disbursements from the assets of the corporation or association to pay it from such assets and their failure so to do may be held to be contumacious.

b. Upon any default in the payment of a fine, assessment imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), monthly probation fee, a penalty imposed pursuant to section 1 of P.L.1999, c.295 (C.2C:43-3.5), a penalty imposed pursuant to section 11 of P.L.2001, c.81 (C.2C:43-3.6), other financial penalties, restitution, or any installment thereof, execution may be levied and such other measures may be taken for collection of it or the unpaid balance thereof as are authorized for the collection of an unpaid civil judgment entered against the defendant in an action on a debt.

c. Upon any default in the payment of restitution or any installment thereof, the victim entitled to the payment may institute summary collection proceedings authorized by subsection b. of this section.

d. Upon any default in the payment of an assessment imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1) or any installment thereof, the Violent Crimes Compensation Board or the party responsible for collection may institute summary collection proceedings authorized by subsection b. of this section.

e. When a defendant sentenced to make restitution to a public entity other than the Violent Crimes Compensation Board, defaults in the payment thereof or any installment, the court may, in lieu of other modification of the sentence, order the defendant to perform work in a labor assistance program or enforced community service program.

f. If a defendant ordered to participate in a labor assistance program or enforced community service program fails to report for work or to perform the assigned work, the comprehensive enforcement hearing officer may revoke the work order and impose any sentence permitted as a consequence of the original conviction.

g. If a defendant ordered to participate in a labor assistance program or an enforced community service program pays all outstanding assess-

ments, the comprehensive enforcement hearing officer may review the work order, and modify the same to reflect the objective of the sentence.

h. As used in this section:

(1) "Comprehensive enforcement program" means the program established pursuant to the "Comprehensive Enforcement Program Fund Act," P.L.1995, c.9 (C.2B:19-1 et seq.).

(2) The terms "labor assistance program" and "enforced community service" have the same meaning as those terms are defined in section 5 of the "Comprehensive Enforcement Program Fund Act," P.L.1995, c.9 (C.2B:19-5).

(3) "Public entity" means the State, any county, municipality, district, public authority, public agency and any other political subdivision or public body in the State.

15. Section 3 of P.L.1979, c.329 (C.2C:46-4) is amended to read as follows:

C.2C:46-4 Fines, assessments, penalties, restitution; collection; disposition.

3. a. All fines, assessments imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), all penalties imposed pursuant to section 1 of P.L.1999, c.295 (C.2C:43-3.5), all penalties imposed pursuant to section 11 of P.L.2001, c.81 (C.2C:43-3.6), and restitution shall be collected as follows:

(1) All fines, assessments imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), all penalties imposed pursuant to section 1 of P.L.1999, c.295 (C.2C:43-3.5), all penalties imposed pursuant to section 11 of P.L.2001, c.81 (C.2C:43-3.6), and restitution imposed by the Superior Court or otherwise imposed at the county level, shall be collected by the county probation division except when such fine, assessment or restitution is imposed in conjunction with a custodial sentence to a State correctional facility or in conjunction with a term of incarceration imposed pursuant to section 25 of P.L.1982, c.77 (C.2A:4A-44) in which event such fine, assessment or restitution shall be collected by the Department of Corrections or the Juvenile Justice Commission established pursuant to section 2 of P.L.1995, c.284 (C.52:17B-170). An adult prisoner of a State correctional institution or a juvenile serving a term of incarceration imposed pursuant to section 25 of P.L.1982, c.77 (C.2A:4A-44) who has not paid an assessment imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), a penalty imposed pursuant to section 1 of P.L.1999, c.295 (C.2C:43-3.5) or restitution shall have the assessment, fine or restitution deducted from any income the inmate receives as a result of labor performed at the institution or on any type of work release program or, pursuant to regulations promulgated by the Commissioner of the Department of Corrections

or the Juvenile Justice Commission, from any personal account established in the institution for the benefit of the inmate.

(2) All fines, assessments imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), any penalty imposed pursuant to section 1 of P.L.1999, c.295 (C.2C:43-3.5) and restitution imposed by a municipal court shall be collected by the municipal court administrator except if such fine, assessments imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), or restitution is ordered as a condition of probation in which event it shall be collected by the county probation division.

b. Except as provided in subsection c. with respect to fines imposed on appeals following convictions in municipal courts and except as provided in subsection i. with respect to restitution imposed under the provisions of P.L.1997, c.253 (C.2C:43-3.4 et al.), all fines imposed by the Superior Court or otherwise imposed at the county level, shall be paid over by the officer entitled to collect same to:

(1) The county treasurer with respect to fines imposed on defendants who are sentenced to and serve a custodial term, including a term as a condition of probation, in the county jail, workhouse or penitentiary except where such county sentence is served concurrently with a sentence to a State institution; or

(2) The State Treasurer with respect to all other fines.

c. All fines imposed by municipal courts, except a central municipal court established pursuant to N.J.S.2B:12-1 on defendants convicted of crimes, disorderly persons offenses and petty disorderly persons offenses, and all fines imposed following conviction on appeal therefrom, and all forfeitures of bail shall be paid over by the officer entitled to collect same to the treasury of the municipality wherein the municipal court is located.

In the case of an intermunicipal court, fines shall be paid into the municipal treasury of the municipality in which the offense was committed, and costs, fees, and forfeitures of bail shall be apportioned among the several municipalities to which the court's jurisdiction extends according to the ratios of the municipalities' contributions to the total expense of maintaining the court.

In the case of a central municipal court, established by a county pursuant to N.J.S.2B:12-1, all costs, fines, fees and forfeitures of bail shall be paid into the county treasury of the county where the central municipal court is located.

d. All assessments imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1) shall be forwarded and deposited as provided in that section.

e. All mandatory Drug Enforcement and Demand Reduction penalties imposed pursuant to N.J.S.2C:35-15 shall be forwarded and deposited as provided for in that section.

f. All forensic laboratory fees assessed pursuant to N.J.S.2C:35-20 shall be forwarded and deposited as provided for in that section.

g. All restitution ordered to be paid to the Victims of Crime Compensation Board pursuant to N.J.S.2C:44-2 shall be forwarded to the board for deposit in the Victims of Crime Compensation Board Account.

h. All assessments imposed pursuant to section 11 of P.L.1993, c.220 (C.2C:43-3.2) shall be forwarded and deposited as provided in that section.

i. All restitution imposed on defendants under the provisions of P.L.1997, c.253 (C.2C:43-3.4 et al.) for costs incurred by a law enforcement entity in extraditing the defendant from another jurisdiction shall be paid over by the officer entitled to collect same to the law enforcement entities which participated in the extradition of the defendant.

j. All penalties imposed pursuant to section 1 of P.L.1999, c.295 (C.2C:43-3.5) shall be forwarded and deposited as provided in that section.

k. All penalties imposed pursuant to section 11 of P.L.2001, c.81 (C.2C:43-3.6) shall be forwarded and deposited as provided in that section.

16. Section 13 of P.L.1991, c.329 (C.2C:46-4.1) is amended to read as follows:

C.2C:46-4.1 Application of moneys collected; priority.

13. Moneys that are collected in satisfaction of any assessment imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), or in satisfaction of restitution or fines imposed in accordance with the provisions of Title 2C of the New Jersey Statutes or with the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43), shall be applied in the following order:

a. first, in satisfaction of all assessments imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1);

b. second, except as provided in subsection f. of this section, in satisfaction of any restitution ordered;

c. third, in satisfaction of all assessments imposed pursuant to section 11 of P.L.1993, c.220 (C.2C:43-3.2);

d. fourth, in satisfaction of any forensic laboratory fee assessed pursuant to N.J.S.2C:35-20;

e. fifth, in satisfaction of any mandatory Drug Enforcement and Demand Reduction penalty assessed pursuant to N.J.S.2C:35-15;

f. sixth, in satisfaction of any anti-drug profiteering penalty imposed pursuant to section 2 of P.L.1997, c.187 (N.J.S.2C:35A-1 et seq.);

g. seventh, in satisfaction of any anti-money laundering profiteering penalty imposed pursuant to section 9 of P.L.1999, c.25;

h. eighth, in satisfaction of restitution for any extradition costs imposed pursuant to section 4 of P.L.1997, c.253 (C.2C:43-3.4);

i. ninth, in satisfaction of any penalty imposed pursuant to section 1 of P.L.1999, c.295 (C.2C:43-3.5);

j. tenth, in satisfaction of any penalty imposed pursuant to section 11 of P.L.2001, c.81 (C.2C:43-3.6); and

k. eleventh, in satisfaction of any fine.

C.52:4B-60 Rules, regulations, guidelines.

17. The Attorney General, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and regulations to effectuate the purposes of this act. The Attorney General shall also establish guidelines governing a county Sexual Assault Response Team's response to a report of sexual assault pursuant to the provisions of section 6 of this act.

Repealer.

18. P.L.1997, c.328 is repealed.

19. This act shall take effect immediately.

Approved May 4, 2001.

CHAPTER 82

AN ACT concerning the Spruce Run and Round Valley reservoirs, revising parts of the statutory law, and making an appropriation.

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

1. R.S.58:4-1 is amended to read as follows:

Reservoir, dam restrictions.

58:4-1. a. No municipality, corporation or person shall, without the consent of the Commissioner of Environmental Protection, hereafter in this chapter designated as the commissioner, build any reservoir or construct any dam, or repair, alter or improve existing dams on any river or stream in this State or between this State and any other state which will raise the waters of the river or stream more than five feet above its usual mean low-water height.

No municipality, corporation or person shall, without the consent of the commissioner, build any reservoir or construct any dam, or repair, alter or improve existing dams in the pinelands area, as designated by subsection a. of section 10 of P.L.1979, c.111 (C.13:18A-11), which will raise the waters of any river or stream more than eight feet above the surface of the ground where the drainage area above the dam or reservoir is more than one square mile in extent and where the water surface created by the dam or reservoir is more than 100 acres in extent.

The commissioner may investigate and take appropriate action regarding any dam or reservoir about which the commissioner has a security or safety concern.

With respect to dams and reservoirs located on lands utilized for agricultural or horticultural purposes within the pinelands area, the commissioner's actions shall be undertaken after consultation with the Secretary of Agriculture.

b. The commissioner shall not require a permit for the repair of any dam used for agricultural purposes within a special agricultural production area designated pursuant to N.J.A.C.7:50-5.14 in the pinelands area.

2. Section 7 of P.L.1958, c.34 (C.58:22-7) is amended to read as follows:

C.58:22-7 Restrictions on pumping water from south branch of Raritan river, release into Prescott brook, Round Valley reservoir.

7. No water shall be pumped from the south branch of the Raritan river into the Round Valley reservoir whenever the flow in the Raritan river is less than 40 million gallons daily at the United States Geological Survey stream gauging station at Stanton, or less than 70 million gallons daily at the United States Geological Survey stream gauging station at Manville, or less than 90 million gallons daily at the United States Geological Survey stream gauging station at Bound Brook.

Not less than 830,000 gallons of water daily shall be released at all times into Prescott brook from the Round Valley reservoir and at all times not less than 170,000 gallons of water daily shall be released into the south branch of the Rockaway creek from the Round Valley reservoir.

3. Section 8 of P.L.1958, c.34 (C.58:22-8) is amended to read as follows:

C.58:22-8 Release of water into south branch of Raritan river from Spruce Run, Round Valley reservoirs.

8. a. Whenever the flow of water in the south branch of the Raritan river is less than 40 million gallons daily at the United States Geological Survey stream gauging station at Stanton, or less than 70 million gallons daily at the United States Geological Survey stream gauging station at Manville, or less than 90 million gallons daily at the United States Geological Survey stream gauging station at Bound Brook, a sufficient amount of water shall be released from the Spruce Run reservoir, or from the Round Valley reservoir or any other reservoir or reservoirs as may be constructed on the Raritan river or its tributaries, and from the Round Valley reservoir in the amounts as will maintain not less than the aforementioned flows of 40 million gallons daily at Stanton and 70 million gallons daily at Manville and 90

million gallons daily at Bound Brook, and the released water shall be returned to the south branch of the Raritan river at the point of diversion or pumping into the reservoir or at some point upstream thereof, except that the amount of water to be released from the Spruce Run reservoir shall not exceed an amount which lowers the water level in the reservoir between June 1 and August 31 more than 8 feet below its usual mean high-water height of each year to ensure the continued availability of the Spruce Run reservoir for water recreational activities.

b. The commissioner is authorized to alter the passing flow requirements set forth in subsection a. of this section as necessary to ensure the protection of the public health, safety or welfare, or the protection of the environment.

c. The commissioner shall alter the releases of water from the Spruce Run reservoir or the Round Valley reservoir as provided in subsection a. of this section whenever there are inadequate moneys in the New Jersey Water Supply Authority Round Valley Fund created pursuant to section 7 of P.L.2001, c.82 (C.58:1B-9.2) for the New Jersey Water Supply Authority to replenish the water released from the Round Valley reservoir for the purpose of sustaining water recreational activities at the Spruce Run reservoir.

4. Section 5 of P.L.1981, c.293 (C.58:1B-5) is amended to read as follows:

C.58:1B-5 Water supply facilities operated by authority, disposition of revenue.

5. a. All water supply facilities, owned or operated by the State, either now or hereafter, are transferred to the authority. The authority shall operate these facilities pursuant to the statutory authorizations enabling the State to operate and manage the facilities. The Delaware and Raritan Canal Transmission Complex, the Spruce Run-Round Valley Reservoir Complex and all other State-operated facilities now or hereafter authorized to be designed, constructed and operated pursuant to any past or future bond issues, including the "Water Supply Bond Act of 1981," P.L.1981, c.261, as amended by P.L.1983, c.355 and P.L.1997, c.223, are specifically included as State water supply facilities.

b. The revenue from all State water supply facilities, the disposition of which is not otherwise expressly provided for by law, is pledged to the authority for the purposes provided in the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.).

5. Section 9 of P.L.1981, c.293 (C.58:1B-9) is amended to read as follows:

C.58:1B-9 Issuance of bonds.

9. a. The authority is hereby empowered from time to time to issue its bonds in the principal amounts as in the opinion of the authority shall be

necessary to provide sufficient funds for any of its corporate purposes, including the payment, funding or refunding of the principal of, or interest or redemption premiums on, any bonds issued by it, whether the bonds or interest to be funded or refunded have or have not become due, the establishment or increase of the reserves to secure or to pay the bonds or interest thereon and all other costs or expenses of the agency incident to and necessary to carry out its corporate purposes and powers.

b. Except as may be otherwise expressly provided in the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.) or by the authority, every issue of bonds shall be general obligations payable out of and secured by any revenues or funds of the authority, subject only to any agreements with holders of particular bonds pledging any particular revenues or funds. The authority may issue the types of bonds as it may determine, including, without limiting the generality of the foregoing, bonds as to which the principal and interest are payable (1) exclusively from the revenues and funds derived from or relating to the project or part thereof financed with the proceeds of the bonds; (2) exclusively from the revenues and funds derived from or relating to certain designated projects or parts thereof, whether or not the same are financed in whole or in part from the proceeds of bonds; (3) exclusively from certain designated funds of the authority; or (4) from the revenues and funds of the authority generally. The bonds may be additionally secured by a pledge of any grant, subsidy or contribution from the United States of America or any agency or instrumentality thereof or the State of New Jersey or any agency, instrumentality or political subdivision thereof, or any person, or a pledge of any income or revenues, funds or moneys of the authority from any source whatsoever.

c. Whether or not the bonds are of such form and character as to be negotiable instruments under the terms of Title 12A of the New Jersey Statutes, the bonds are hereby made negotiable instruments within the meaning of and for all the purposes of Title 12A of the New Jersey Statutes, subject only to the provisions of the bonds for registration.

d. Bonds of the authority shall be authorized by a resolution or resolutions of the authority and may be issued in one or more series and shall bear the date or dates, mature at the time or times, bear interest at the rate or rates of interest per annum, be in the denomination or denominations, be in the form, either coupon or registered, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, be payable from the sources, in the medium of payment at the place or places within or without the State, and be subject to the terms of redemption, with or without premium, as the resolution or resolutions may provide.

e. Bonds of the authority may be sold at public or private sale at the price or prices and in the manner as the authority shall determine. Every bond shall mature and be paid not later than 40 years from the date thereof.

f. Bonds may be issued under the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.) without obtaining the consent of any department, division, commission, board, bureau or agency of the State, and without any other proceeding or the happening of any other conditions or other things than those proceedings, conditions or things which are specifically required by the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.).

g. Bonds of the authority issued under the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.) shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the authority and shall not create or constitute any indebtedness, liability or obligation of the State or of the political subdivision or be or constitute a pledge of the faith and credit of the State or of the political subdivision but all the bonds, unless funded or refunded by bonds of the authority, shall be payable solely from revenues or funds pledged or available for their payment as authorized pursuant to the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.). Each bond shall contain on its face a statement to the effect that the authority is obligated to pay the principal thereof or the interest thereon only from revenues or funds of the authority and that neither the State nor any political subdivision thereof is obligated to pay the principal or interest and that neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or the interest on the bonds.

h. Except as may be otherwise expressly provided in the provisions of subsection i. of this section, all expenses incurred in carrying out the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.) shall be payable solely from revenues or funds provided or to be provided under the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.) and nothing in the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.) shall be construed to authorize the authority to incur any indebtedness or liability on behalf of or payable by the State or any political subdivision thereof.

i. The authority may receive moneys from the New Jersey Water Supply Authority Round Valley Fund created pursuant to section 7 of P.L.2001, c.82 (C.58:1B-9.2) to defray the additional, reasonable energy or water expenses incurred in replenishing the water released from the Round Valley reservoir for the purpose of sustaining water recreational activities at the Spruce Run reservoir as provided in subsection a. of section 8 of P.L.1958, c.34 (C.58:22-8).

C.58:1B-9.1 Annual appropriation to authority for certain energy or water expenses.

6. a. In order to defray the additional, reasonable energy or water expenses incurred by the New Jersey Water Supply Authority in replenish-

ing the water released from the Round Valley reservoir for the purpose of sustaining water recreational activities at the Spruce Run reservoir as provided in subsection a. of section 8 of P.L.1958, c.34 (C.58:22-8), the Legislature shall annually appropriate from the General Fund to the authority such sums as may be necessary for this purpose.

b. The Commissioner of Environmental Protection shall certify to the Legislature the actual energy or water expenses incurred by the authority in replenishing the water released from the Round Valley reservoir for the purpose of sustaining water recreational activities at the Spruce Run reservoir. The commissioner may require the authority to provide additional information verifying that the additional energy or water expenses incurred by the authority are reasonable and based upon the lowest possible electric utility rates available.

C.58:1B-9.2 New Jersey Water Supply Authority Round Valley Fund.

7. a. The New Jersey Water Supply Authority Round Valley Fund is established as a nonlapsing, special fund in the Department of the Treasury. The moneys in the fund are specifically dedicated and allocated to, and shall be used to defray the additional, reasonable energy or water expenses incurred by the New Jersey Water Supply Authority in replenishing the water released from the Round Valley reservoir for the purpose of sustaining water recreational activities at the Spruce Run reservoir as provided in subsection a. of section 8 of P.L.1958, c.34 (C.58:22-8). Interest received on moneys in the fund shall be credited to the fund. Moneys in the fund may not be used for the routine operation and maintenance expenses of the authority. Moneys in the fund may be used by the Department of Environmental Protection for the additional, reasonable expenses incurred for additional monitoring which may be necessary, from time to time, to augment the continuous monitoring required of the department pursuant to section 8 of P.L.2001, c.82 (C.58:22-8.1).

(1) The fund shall be fully funded at a first year level of \$350,000, and shall be fully funded annually thereafter at a level of not less than \$225,000 but not more than \$350,000 on July 1 of each fiscal year.

(2) The Legislature shall annually appropriate from the General Fund to the fund such sums as may be necessary to maintain the levels prescribed in this subsection, except that no annual appropriation shall be less than \$40,000.

b. The sum of \$350,000 shall be deposited in the fund from the moneys made available pursuant to section 9 of P.L.2001, c.82, and from all interest received from the investment of moneys in the fund, and from any moneys which, from time to time, may otherwise become available for the purposes of the fund.

c. Pending the use thereof as provided in subsection a. of this section, the moneys in the fund shall be held in interest-bearing accounts in public

depositories as defined in section 1 of P.L.1970, c.236 (C.17:9-41), and may be invested and reinvested in such securities as are approved by the State Treasurer, in the manner provided by law.

C.58:22-8.1 Continuous monitoring for compliance with C.58:12A-1 et seq.; altering of releases.

8. a. In order to ensure that safe yield is maintained and the drinking water quality standards adopted pursuant to the "Safe Drinking Water Act," P.L.1977, c.224 (C.58:12A-1 et seq.) are met, the Commissioner of Environmental Protection shall provide for the continuous monitoring of the impacts associated with releasing water from the Round Valley reservoir for the purpose of sustaining water recreational activities at the Spruce Run reservoir as provided in subsection a. of section 8 of P.L.1958, c.34 (C.58:22-8).

b. The commissioner is authorized to alter the releases of water from the Spruce Run reservoir or the Round Valley reservoir as provided in subsection a. of section 8 of P.L.1958, c.34 (C.58:22-8) as necessary to ensure the protection of the public health, safety or welfare, or the protection of the environment.

c. The commissioner shall alter the releases of water from the Spruce Run reservoir or the Round Valley reservoir as provided in subsection a. of section 8 of P.L.1958, c.34 (C.58:22-8) whenever there are inadequate moneys in the New Jersey Water Supply Authority Round Valley Fund created pursuant to section 7 of P.L.2001, c.82 (C.58:1B-9.2) for the New Jersey Water Supply Authority to replenish the water released from the Round Valley reservoir for the purpose of sustaining water recreational activities at the Spruce Run reservoir.

9. There is appropriated from the General Fund to the New Jersey Water Supply Authority Round Valley Fund created pursuant to section 7 of P.L.2001, c.82 (C.58:1B-9.2) the sum of \$350,000

10. This act shall take effect immediately.

Approved May 4, 2001.

CHAPTER 83

AN ACT concerning the licensure of certain persons to practice mortuary science and amending P.L.1999, c.404.

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

1. Section 1 of P.L.1999, c.404 (C.45:7-49.1) is amended to read as follows:

C.45:7-49.1 Issuance of license to out-of-State practitioners of mortuary science; conditions.

1. After successful completion of the law portion of the examination conducted by the board pursuant to section 18 of P.L.1952, c.340 (C.45:7-49), and upon payment to the board of a fee and the submission of a written application on forms provided by it, the board may issue, at its discretion, a practitioner of mortuary science license to a person who holds a valid license or certification issued by another state or possession of the United States or the District of Columbia and who has met education and experience requirements substantially equivalent to the requirements of P.L.1952, c.340 (C.45:7-32 et seq.), and who has been engaged in the practice of mortuary science in that state, possession or district with a valid license or certification for two years immediately prior to application; except that the board may issue, at its discretion, a practitioner of mortuary science license to an applicant who does not meet the practical training and experience requirements of paragraph (2) of subsection a. of section 18 of P.L.1952, c.340 (C.45:7-49) but otherwise meets the requirements specified in this section if the applicant has been engaged in the practice of mortuary science for not less than five years immediately prior to application.

2. This act shall take effect immediately.

Approved May 4, 2001.

CHAPTER 84

AN ACT concerning the exclusion of certain persons' military pension payments and survivor's benefits from gross income subject to the gross income tax, amending P.L.1997, c.409.

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

1. Section 1 of P.L.1997, c.409 (C.54A:6-26) is amended to read as follows:

C.54A:6-26 Military pension, survivor's benefit payments excluded from gross income.

1. Gross income shall not include military pension payments or military survivor's benefit payments paid to individuals by the United States with respect to service in the Armed Forces of the United States.

2. This act shall take effect immediately and apply retroactively to taxable years beginning on or after January 1, 2001.

Approved May 7, 2001.

CHAPTER 85

AN ACT concerning the exemption from taxation of certain firefighters' organizations and amending R.S.54:4-3.10.

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

1. R.S.54:4-3.10 is amended to read as follows:

Property of firefighters' associations, exemption from taxation.

54:4-3.10. The real and personal property of any exempt firefighter's association, firefighter's relief association and volunteer fire company incorporated under the laws of this state and which is actually used for the purpose of the corporation shall be exempt from taxation under this chapter.

No property shall lose its tax exemption or be denied an exemption under this section because of the use of the property for an income-producing activity that is not the organization's primary purpose provided such income-producing activity does not exceed 120 days annually so long as all net proceeds from that activity are utilized in furtherance of the primary purpose of the organization or for other charitable purposes. Commencing with the effective date of P.L.2001, c.85, exempt firefighter's associations, firefighter's relief associations and volunteer fire companies shall be required to record the dates the property has been utilized for income-producing activities and to maintain such records during the calendar year in which the income-producing activity takes place and for the two calendar years thereafter.

2. This act shall take effect immediately and shall be retroactive to January 1, 1998.

Approved May 8, 2001.

CHAPTER 86

AN ACT concerning certain benefits provided to survivors of members of the Police and Firemen's Retirement System of New Jersey.

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

1. The benefits payable upon receipt of proper proof of death of a member of the Police and Firemen's Retirement System in active service under section 9 of P.L.1944, c.255 (C.43:16A-9), as increased by P.L.1999, c.428, shall be paid to a widow or widower or child or parent, as appropriate, of a member who died in active service on or after January 1, 1998 and before January 18, 2000 if an eligible beneficiary applies to the Division of Pensions and Benefits within 90 days following the effective date of P.L.2001, c.86 and subject to the return to the system of the member's aggregate contributions received by the beneficiary. The State shall be liable for all costs to the retirement system attributable to this section. The benefits provided in this section shall be paid prospectively only, in the manner provided by the division for the payment of such benefits generally.

2. This act shall take effect immediately.

Approved May 8, 2001.

CHAPTER 87

AN ACT concerning organ donations and revising parts of the statutory law.

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

1. Section 1 of P.L.1987, c.244 (C.26:6-58.1) is amended to read as follows:

C.26:6-58.1 Consent for organ donations.

1. a. At or around the time of death of a patient in a hospital licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.), the hospital shall notify its designated organ procurement organization of the patient's death. If the patient has a validly executed donor card, donor designation on a driver's license, advance directive pursuant to P.L.1991, c.201 (C.26:2H-53 et seq.), will, other document of gift, or registration with a Statewide organ and tissue donor registry, the organ procurement organization representative or the hospital's designated requestor shall attempt to notify a person listed in this subsection of the gift. If no document of gift is known to the organ procurement organization representative or the designated requestor, one of

those two individuals shall ask the persons listed in this subsection whether the decedent had a validly executed document of gift. If there is no evidence of an anatomical gift or actual notice of contrary indications by the decedent, the organ procurement organization representative or the designated requestor shall attempt to notify a person listed in this subsection of the option to donate organs or tissues. Consent need only be obtained from an available person in the highest priority class applicable, but an anatomical gift shall be barred by actual notice of opposition by a member of the same or a prior class. If no available member of a class will make a decision, the organ procurement organization representative or the designated requestor shall approach a member of the next class.

The classes in order of priority are:

- (1) the spouse,
- (2) an adult son or daughter,
- (3) either parent,
- (4) an adult brother or sister,
- (5) a guardian of the person of the decedent at the time of the decedent's death, or
- (6) any other person authorized or under the obligation to dispose of the body.

For the purposes of this section, a person is available if that person can be approached within a time period compatible with effecting an anatomical gift.

b. The person in charge of the hospital or that person's designated representative shall indicate in the medical record of the decedent whether or not consent was granted, the name of the person granting or refusing the consent, and that person's relationship to the decedent.

c. A gift made pursuant to the request required by this act shall be executed pursuant to the applicable provisions of P.L.1969, c.161 (C.26:6-57 et seq.).

d. A person who acts in good faith in accordance with the provisions of this act is not liable for any damages in any civil action or subject to prosecution in any criminal proceeding for any act or omission of the person.

e. If the decedent is deemed an unsuitable candidate for donation, an explanatory notation shall be made part of the medical record of the decedent.

2. Section 2 of P.L.1985, c.284 (C.26:6-60.2) is amended to read as follows:

C.26:6-60.2 Maintenance of records by hospital relative to anatomical gifts.

2. A hospital shall maintain, as part of a patient's permanent record, the information required under this act and any other pertinent information concerning the anatomical gift which will facilitate the discharge of the patient's wishes in the event of the patient's death.

Repealer.

3. The following are repealed:
Section 8 of P.L.1995, c.257 (C.26:6-58.7); and
Section 1 of P.L.1985, c.284 (C.26:6-60.1).

4. This act shall take effect immediately.

Approved May 8, 2001.

CHAPTER 88

AN ACT concerning certain application forms for managed care plans and supplementing P.L.1997, c.192 (C.26:2S-1 et seq.).

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

C.26:2S-7.1 Universal application for credentialing physicians for a carrier's provider network.

1. The Commissioner of Health and Senior Services, in consultation with the New Jersey Association of Health Plans, the Health Insurance Association of America, the Medical Society of New Jersey, the New Jersey Hospital Association and such other representatives of managed care plans as the commissioner deems appropriate, shall adopt by regulation, a universal physician application for participation form for use by carriers which offer managed care plans for the purpose of credentialing physicians who seek to participate in a carrier's provider network and for the purpose of credentialing physicians who are employed by hospitals or other health care facilities which seek to participate in a carrier's provider network.

The commissioner, in consultation with the New Jersey Association of Health Plans, the Health Insurance Association of America, the Medical Society of New Jersey, the New Jersey Hospital Association and such other representatives of managed care plans as the commissioner deems appropriate, shall also adopt by regulation a form for renewal of credentialing, which shall be an abbreviated version of the universal application form. The renewal form shall be designed to enable a physician to indicate changes in the information provided in the application form.

The commissioner shall revise the universal application and renewal forms, as necessary, to conform with industry-wide, national standards for credentialing.

In developing the forms, the commissioner shall consult with the Commissioner of Human Services to ensure that the credentialing requirements for participation in the Medicaid program, established pursuant to P.L.1968, c.413

(C.30:4D-1 et seq.), the health care coverage program for children, established pursuant to P.L.1997, c.272 (C.30:4I-1 et seq.) and the FamilyCare Health Coverage Program established pursuant to P.L.2000, c.71 (C.30:4J-1 et seq.) are adequately reflected on the application and renewal forms.

C.26:2S-7.2 Acceptance of application by carriers.

2. Within 180 days of the adoption of the forms by regulation pursuant to this act, a carrier which offers a managed care plan shall accept the universal physician application for participation form and renewal form adopted pursuant to this act for the purpose of credentialing physicians who seek to participate in the carrier's provider network and for the purpose of credentialing physicians who are employed by hospitals or other health care facilities which seek to participate in the carrier's provider network.

Nothing in this section shall be construed to prevent a carrier from requesting additional information from an applicant that is not provided for in the universal application or renewal form, as applicable, if the requested information does not duplicate any information included in the applicable form.

C.26:2S-7.3. Rules, regulations.

3. The Commissioner of Health and Senior Services shall adopt regulations within 180 days of the date of enactment of this act, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to carry out the purposes of this act.

4. This act shall take effect immediately.

Approved May 10, 2001.

CHAPTER 89

AN ACT establishing the Homeowners Insurance Availability Advisory Committee in the Department of Banking and Insurance.

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

1. The Legislature finds and declares that:

- a. Beginning in 1993, storms causing millions of dollars in insured losses underscored the need for reliable homeowners insurance, at the same time that some insurers began to restrict writing or to nonrenew policies in those areas of the State hit hardest by the storms, namely those communities located between the Garden State Parkway and the Atlantic Ocean. These

practices constricted the coastal homeowners insurance market and forced many property owners into the State's property insurance pool of last resort, the New Jersey Insurance Underwriting Association, more commonly referred to as the "FAIR Plan," established by P.L. 1968, c.129 (C.17:37A-1 et seq.). In December of 1993, citing these conditions, the Legislature enacted a 90-day moratorium on the cancellation or nonrenewal of insurance policies, including homeowners or secondary residence insurance policies, on the basis of proximity to water or the risk of windstorm related claims, in an effort to stabilize the market while the then Department of Insurance completed its study of that situation.

b. During 1996, the Windstorm Market Assistance Program (Windstorm MAP) was established in an effort to stabilize and decrease the number of coastal area risks insured through the FAIR Plan and ensure that eligible property owners in the coastal areas were able to obtain homeowners insurance through voluntary market outlets. All insurers engaged in the business of writing homeowners insurance in New Jersey were designated members of the Windstorm MAP. Analyses by the Department of Banking and Insurance indicate that the Windstorm MAP, which has been operational since January of 1997, suggest mixed results. Recent data from the Windstorm MAP, collected and reviewed by the department, indicates that while new coastal business in the FAIR Plan has declined, there has not been a corresponding growth in the number of homeowners policies written in the voluntary insurance market.

c. In January of 1997, based upon the continued difficulty of homeowners and home buyers in obtaining homeowners insurance in the coastal areas of the State, and in particular, the barrier islands, the Legislature established the Task Force on the Availability of Homeowners Insurance in the Coastal Region to study, among other things, the availability of homeowners insurance in this State.

d. The task force has recommended the establishment of an advisory committee to provide that homeowners and homebuyers, insurers, realtors, insurance producers and legislators, along with the commissioners and staffs of the Departments of Banking and Insurance and Community Affairs, shall continue to develop methods designed to expand the capacity of insurers currently doing homeowners insurance business in New Jersey and to encourage other insurers to enter into the New Jersey homeowners insurance market.

In addition, the advisory committee shall study various issues surrounding the availability of homeowners insurance in the coastal, urban and other areas of this State.

2. a. There is established in the Department of Banking and Insurance the Homeowners Insurance Availability Advisory Committee. The committee shall consist of 15 members as follows:

(1) Two members of the Senate and two members of the General Assembly, or their designees, who shall represent coastal constituencies, one member of the Senate to be appointed by the President of the Senate, one member of the Senate to be appointed by the Minority Leader of the Senate, one member of the General Assembly to be appointed by the Speaker of the General Assembly and one member of the General Assembly to be appointed by the Minority Leader of the General Assembly;

(2) The Commissioner of Banking and Insurance or her designee, who shall serve ex-officio; and the Commissioner of Community Affairs or his designee, who shall serve ex-officio;

(3) Four members, two of whom shall be actuaries and two of whom shall be underwriters or risk managers, or one of each, who shall represent insurers writing homeowners insurance in this State;

(4) Three members, one of whom shall represent insurers writing homeowners insurance in this State; one member who shall represent real estate brokers doing business in the coastal region of the State; and one member who shall be a licensed insurance producer authorized to transact property/casualty insurance and doing business in the coastal region; and

(5) Two public members who shall be homeowners with primary or secondary homes located in the coastal region.

b. The Governor shall appoint the members provided for in paragraphs (3), (4) and (5) of subsection a. of this section.

c. Any vacancy in the membership of the committee shall be filled for the unexpired term in the same manner as provided for the original appointment.

d. The committee shall annually elect from among its members a chair and vice-chair. The committee shall meet at least two times a year and may hold additional meetings as necessary to discharge its duties.

e. Members of the committee shall be compensated and reimbursed for actual expenses reasonably incurred in the performance of their official duties and provided with office and meeting facilities and personnel required for the proper conduct of the committee's business.

3. Among its duties and responsibilities, the committee shall:

a. Assist the department in its study and review of the availability of homeowners insurance in the coastal areas of this State, which shall include the continued monitoring of the Windstorm MAP in order to evaluate its effectiveness in making homeowners insurance more readily available in the coastal region, including recommendations to improve its operations;

b. Undertake a review and develop a long range plan for the operations of the FAIR Plan which shall include, but not be limited to, a review of the FAIR Plan rates to determine whether its rates for dwelling policies are at an adequate level; a review of the adequacy of FAIR Plan coverages; a review of the insureds with dwelling policies in the FAIR Plan along with the identification of potential insureds for the voluntary market; development of an appropriate plan for insurers to depopulate the FAIR Plan; and the establishment of a reinsurance purchase plan for the FAIR Plan;

c. Formulate incentives to encourage insurers to increase their voluntary writing of homeowners insurance in the coastal, urban and other areas;

d. Monitor the extent to which there has been growth in the coastal areas, the degree to which local building codes are enforced effectively and how such growth and building code enforcement may affect insurance losses in the coastal areas and develop incentives that may be offered to communities and homeowners to mitigate against potential losses that may occur in the event of a windstorm; and

e. Engage in such other review and development activities necessary to effectuate the purposes of this act.

4. This act shall take effect immediately and expire on the first day of the 61st month after the effective date of this act.

Approved May 10, 2001.

CHAPTER 90

AN ACT providing an exemption from the sales and use tax for the sale or repair of limousines, supplementing P.L.1966, c.30 (C.54:32B-1 et seq.).

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

C.54:32B-8.52 Certain receipts for purchase, repair of limousine, tax exempt.

1. Receipts from the sale of a limousine to a person licensed under R.S.48:16-17 to operate a limousine service, and receipts from the repair, including replacement parts, of a limousine operated by a person so licensed or by a person licensed under the laws of another state or the United States to operate a limousine service, are exempt from the tax imposed under the "Sales and Use Tax Act." For the purposes of this section, "limousine" means a motor vehicle registered under the provisions of section 12 of P.L.1979, c.224 (C.39:3-19.5) or registered as a limousine under the laws

of another state or the United States and used exclusively in the business of carrying passengers for hire to provide prearranged passenger transportation at a premium fare on a dedicated, nonscheduled, charter basis that is not conducted on a regular route and with a seating capacity in no event of more than 14 passengers, not including the driver, providing, that such a motor vehicle shall not have a seating capacity in excess of four passengers, not including the driver, beyond the maximum passenger seating capacity of the vehicle, not including the driver, at the time of manufacture. "Limousine" shall not include any taxicab, hotel or airport shuttle or bus, or bus employed solely in transporting schoolchildren or teachers to and from school, or any vehicle owned and operated without charge or remuneration by a business entity for its own purposes.

2. This act shall take effect immediately, but section 1 shall remain inoperative until the first day of the second month following enactment.

Approved May 10, 2001.

CHAPTER 91

AN ACT concerning payment of proceeds under certain life insurance policies, amending N.J.S.17B:25-11 and N.J.S.17B:27-10 and supplementing Title 17B of the New Jersey Statutes.

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

1. N.J.S.17B:25-11 is amended to read as follows:

Payment of claims.

17B:25-11. a. There shall be a provision that when benefits under the policy shall become payable by reason of the death of the insured, settlement shall be made within 60 days after receipt of due proof of death and, at the insurer's option, surrender of the policy or proof of the interest of the claimant or both.

b. If a claim or a portion of a claim for benefits under a policy requires additional investigation or is denied by the insurer, the claimant shall be notified in writing no later than the 45th calendar day following receipt by the insurer of due proof of death, proof of the interest of the claimant, or any other document or information requested by the insurer under the terms of the policy, that the claim, or a portion thereof, is subject to additional investiga-

tion or denied, and the reason the claim is being investigated or denied. Notwithstanding the provisions of this subsection b. to the contrary, the notice to the claimant for any claim which the insurer concludes, based upon its investigation and which conclusion is reasonably based upon the contents of the insurer's claim file, constitutes probable cause for fraud shall not be required to contain the specific reasons for the investigation. A conclusion of fraud that is not reasonably based upon the contents of the insurer's claim file, notwithstanding that the violation did not occur with such frequency as to indicate a general business practice, shall be a violation of section 1 of P.L.1975, c. 101 (C. 17B:30-13.1). Any uncontested portion of a claim shall be paid no later than the 60th calendar day following receipt of due proof of death, proof of the interest of the claimant, or any other document or information requested by the insurer under the terms of the policy.

c. The insurer, upon receipt of any document or information requested relating to a claim or portion of a claim under investigation, shall pay the benefits for which the claim is made or deny the claim no later than the 90th calendar day following the receipt of the document or information.

d. Payment of a claim or a portion thereof that is not under investigation by the insurer shall be overdue if not remitted to the claimant by the insurer on or before the 60th calendar day following receipt of due proof of death, proof of the interest of the claimant, or any other document or information requested by the insurer pursuant to the policy. Payment of a claim or a portion of a claim under investigation or denied that becomes eligible for payment shall be overdue if not remitted to the claimant by the insurer on or before the 90th calendar day following receipt of due proof of death, proof of the interest of the claimant, or any other document or information requested by the insurer. Overdue payments shall bear an annual rate of interest equal to the average rate of return of the State of New Jersey Cash Management Fund, established pursuant to section 1 of P.L.1977, c.281 (C.52:18A-90.4), for the preceding fiscal year, rounded to the nearest one-half percent.

2. N.J.S.17B:27-10 is amended to read as follows:

Standard provisions.

17B:27-10. No policy of group life insurance shall be delivered or issued for delivery in this State unless it contains in substance the provisions in N.J.S.17B:27-11 to N.J.S.17B:27-21, inclusive, and section 3 of P.L.2001, c.91 (C.17B:27-10.1), provided, however, a. that N.J.S.17B:27-17 to N.J.S.17B:27-21, inclusive, shall not apply to policies issued in accordance with N.J.S.17B:27-3, but N.J.S.17B:27-22 and N.J.S.17B:27-23 shall be applicable to such policies, and that N.J.S.17B:27-19 to N.J.S.17B:27-21, inclusive, shall not apply to policies issued in accordance with N.J.S.17B:27-7; b. that the provisions required for

individual life insurance policies shall not apply to group life insurance policies; and c. that if the group life insurance policy is on a plan of insurance other than the term plan, it shall contain a nonforfeiture provision or provisions which in the opinion of the commissioner is or are equitable to the insured persons and to the policyholder, but nothing herein shall be construed to require that group life insurance policies contain the same form of nonforfeiture provisions as are required for individual life insurance policies. Any policy of group life insurance may be delivered in this State which in the opinion of the commissioner contains provisions as favorable to the persons insured and to the policyholder as the following provisions and may be issued by any insurer of this State for delivery outside of this State when containing provisions in addition to or differing from the following provisions; provided, such policy conforms to the laws of the state or country in which it is delivered.

C.17B:27-10.1 Payment or denial of claim, time limits.

3. a. Notwithstanding any policy provision to the contrary, benefits under the policy shall become payable by reason of the death of the insured within 60 days after receipt of due proof of death and, at the insurer's option, proof of the interest of the claimant.

b. If a claim or a portion of a claim for benefits under a policy requires additional investigation or is denied by the insurer, the claimant shall be notified in writing no later than the 45th calendar day following receipt by the insurer of due proof of death, proof of the interest of the claimant, or any other document or information requested by the insurer under the terms of the policy, that the claim, or a portion thereof, is subject to additional investigation or denied, and the reason the claim is being investigated or denied. Notwithstanding the provisions of this subsection b. to the contrary, the notice to the claimant for any claim which the insurer concludes, based upon its investigation and which conclusion is reasonably based upon the contents of the insurer's claim file, constitutes probable cause for fraud shall not be required to contain the specific reasons for the investigation. A conclusion of fraud that is not reasonably based upon the contents of the insurer's claim file, notwithstanding that the violation did not occur with such frequency as to indicate a general business practice, shall be a violation of section 1 of P.L.1975, c.101 (C.17B:30-13.1). Any uncontested portion of a claim shall be paid no later than the 60th calendar day following receipt of due proof of death, proof of the interest of the claimant, or any other document or information requested by the insurer under the terms of the policy.

c. The insurer, upon receipt of any document or information requested relating to a claim or portion of a claim under investigation, shall pay the benefits for which the claim is made or deny the claim no later than the 90th calendar day following the receipt of the document or information.

d. Payment of a claim or a portion thereof that is not under investigation by the insurer shall be overdue if not remitted to the claimant by the insurer on or before the 60th calendar day following receipt of due proof of death, proof of the interest of the claimant, or any other document or information requested by the insurer pursuant to the policy. Payment of a claim or a portion of a claim under investigation or denied that becomes eligible for payment shall be overdue if not remitted to the claimant by the insurer on or before the 90th calendar day following receipt of due proof of death, proof of the interest of the claimant, or any other document or information requested by the insurer. Overdue payments shall bear an annual rate of interest equal to the average rate of return of the State of New Jersey Cash Management Fund, established pursuant to section 1 of P.L.1977, c. 281 (C. 52:18A-90.4), for the preceding fiscal year, rounded to the nearest one-half percent.

4. This act shall take effect on the 90th day after enactment.

Approved May 10, 2001.

CHAPTER 92

AN ACT concerning municipal solid waste collection and the collection of recyclable materials, and amending parts of the statutory law.

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

1. R.S.40:66-1 is amended to read as follows:

Street cleaning; solid waste disposal; ordinances, rules, and regulations.

40:66-1. a. The governing body may provide for the cleaning of the streets of the municipality, and for the collection or disposal of solid waste, and may establish and operate a system therefor; purchase and operate the necessary equipment for the cleaning of streets, and for the collection or disposal of solid waste; make, amend, repeal and enforce all such ordinances, resolutions, rules and regulations as may be deemed necessary and proper for the introduction, operation and management of such system, and for the maintenance and operation of a solid waste facility, subject to the provisions of the "Solid Waste Management Act," P.L.1970, c.39 (C.13:1E-1 et seq.) and the "Solid Waste Utility Control Act," P.L.1970,

c.40 (C.48:13A-1 et seq.), for the disposal of solid waste, and for the government of employees connected therewith.

b. A municipal governing body that establishes a system for the collection or disposal of solid waste pursuant to subsection a. of this section, in its discretion, may limit service furnished by it to curbside collection along public streets or roads that have been dedicated to and accepted by the municipality. The municipal governing body may also refuse to enter upon private property to remove solid waste from dumpsters or other solid waste containers. The municipal governing body, in its sole discretion, may choose to reimburse those property owners who do not receive the municipal service, but such reimbursement shall not exceed the cost that would be incurred by the municipality in providing the collection or disposal service directly. Nothing contained in this subsection shall be deemed to modify the provisions of P.L.1989, c.299 (C.40:67-23.2 et seq.) with respect to qualified private communities.

c. A municipal governing body that establishes a system for the collection of solid waste pursuant to subsection a. of this section may limit the municipal service furnished by it to specified operating hours in order to preserve the peace and quiet in neighborhoods during the hours when most residents are asleep.

d. A municipal governing body that adopts a recycling ordinance pursuant to subsection b. of section 6 of P.L.1987, c.102 (C.13:1E-99.16) may limit the collection of designated recyclable materials to specified operating hours in order to preserve the peace and quiet in neighborhoods during the hours when most residents are asleep.

2. R.S.40:66-4 is amended to read as follows:

Contracts; bid specification, advertising, renegotiations.

40:66-4. a. The governing body may, if it deem it more advantageous, contract with any person for the cleaning of the streets, or the collection or disposal of solid waste. Before making any such contract or contracts the governing body shall first adopt specifications for the doing of the work in a sanitary and inoffensive manner. The specifications may include provisions limiting solid waste collection service and recyclable material collection service to specified operating hours in order to preserve the peace and quiet in neighborhoods during the hours when most residents are asleep.

Any specifications adopted by the governing body for the collection or disposal of solid waste shall conform to the uniform bid specifications for municipal solid waste collection contracts established pursuant to section 22 of P.L.1991, c.381 (C.48:13A-7.22). Any such contract or contracts, the total amount of which exceeds in the fiscal year the amount set forth in, or

the amount calculated by the Governor pursuant to, section 3 of P.L.1971, c.198 (C.40A:11-3), shall be entered into and made only after bids shall have been advertised therefor, and awarded in the manner provided in the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.).

b. Whenever the governing body adopts an ordinance to provide for the collection or disposal of solid waste within its municipal boundaries by imposing solid waste charges based on the number of solid waste containers processed per household pursuant to subsection b. of R.S.40:66-5, on or after the first day of the 13th month following the effective date of that ordinance, the governing body may request the relevant solid waste collector to whom a multi-year contract has been awarded to renegotiate the contract to reflect any reduction in the annual volume of solid waste collected achieved as a result of the ordinance.

3. R.S.40:66-5 is amended to read as follows:

Cost of solid waste collection, disposal; ordinance.

40:66-5. a. The governing body may provide for the collection or disposal of solid waste at the general expense, or if deemed by it more advisable, impose rates or charges (hereinafter referred to as "solid waste charges") to be charged by the municipality for the collection or disposal of solid waste, provide for the manner of payment of the same, and maintain an action at law to recover any moneys due therefor.

b. Whenever the governing body determines to provide for the collection or disposal of solid waste by imposing solid waste charges on a per container basis, the governing body shall adopt an ordinance to:

(1) Establish a rate schedule of solid waste charges based on the number of solid waste containers processed per household; and

(2) Provide residents with the opportunity to purchase, on a prepaid basis, one or more solid waste containers, or a voucher or sticker therefor, to facilitate the payment of solid waste charges on a per container basis.

c. Whenever the governing body adopts an ordinance pursuant to subsection b. of this section, the ordinance may include provisions limiting solid waste collection service to specified operating hours in order to preserve the peace and quiet in neighborhoods during the hours when most residents are asleep.

d. Whenever the governing body adopts an ordinance pursuant to subsection b. of section 6 of P.L.1987, c.102 (C.13:1E-99.16), the ordinance may include provisions limiting recyclable material collection service to specified operating hours in order to preserve the peace and quiet in neighborhoods during the hours when most residents are asleep.

4. Section 1 of P.L.1991, c.170 (C.40:66-5.1) is amended to read as follows:

C.40:66-5.1 Municipality to adopt proof of service ordinance for solid waste generators.

1. a. The governing body of any municipality wherein solid waste collection services are contracted for and provided, wholly or in part, on an individual, private contract basis shall adopt a proof of service ordinance which requires all responsible solid waste generators to contract or otherwise lawfully provide for the collection of solid waste generated at those premises in the manner provided by the ordinance.

b. Each proof of service ordinance required pursuant to this section shall include:

(1) In the case of single-family residential housing, a requirement that each responsible solid waste generator, in those instances where a solid waste collection system is not otherwise provided for by the municipality and if he has not already done so, enter into a contract for regular solid waste collection service with any person lawfully providing private solid waste collection services within the municipality; except that the ordinance may include an exemption from this requirement in those instances where the responsible solid waste generator is transporting the solid waste which is generated at his residential premises directly to the solid waste facility utilized by the municipality for disposal;

(2) In the case of multi-family residential housing, a requirement that the responsible solid waste generator, in those instances where a solid waste collection system is not otherwise provided for by the municipality and if he has not already done so, enter into a contract for regular solid waste collection service with any person lawfully providing private solid waste collection services within the municipality; except that the ordinance may include an exemption from this requirement in those instances where the responsible solid waste generator is transporting the solid waste which is generated at his residential premises directly to the solid waste facility utilized by the municipality for disposal. It shall be the responsibility of the owner of the multiple dwelling to provide a sufficient number of appropriate solid waste containers for the deposit of nonrecyclable waste materials to be disposed of as solid waste;

(3) In the case of any commercial or institutional building or structure located within the boundaries of the municipality, a requirement that the responsible solid waste generator, in those instances where regular solid waste collection services are not otherwise provided for, enter into a contract with any person lawfully providing private solid waste collection services within the municipality; and

(4) In the case of a responsible solid waste generator, within the municipality, who is transporting the solid waste which is generated at his residential premises directly to the solid waste facility utilized by the municipality for disposal, a requirement that every such responsible solid waste generator within the municipality furnish proof that the responsible solid waste generator is transporting the solid waste which is generated at his residential premises directly to the solid waste facility utilized by the municipality for disposal to the governing body of the municipality at least once every 12 months. In order to fulfill the requirements of this subsection, the responsible solid waste generator may include the proof of service with the municipal tax payment mailed to the municipal tax collector.

Any proof of service ordinance may include provisions limiting regular solid waste collection service to specified operating hours in order to preserve the peace and quiet in neighborhoods during the hours when most residents are asleep.

Any proof of service ordinance may include provisions limiting recyclable material collection service to specified operating hours in order to preserve the peace and quiet in neighborhoods during the hours when most residents are asleep.

c. The governing body shall, within six months of the effective date of a proof of service ordinance adopted pursuant to this section and at least once every six months thereafter, notify all responsible solid waste generators of the requirements of the ordinance. In order to fulfill the notification requirements of this subsection, the governing body of a municipality may, in its discretion, place an advertisement in a newspaper circulating in the municipality, post a notice in public places where public notices are customarily posted, include a notice with other official notifications periodically mailed to taxpayers, or any combination thereof, as the municipality deems necessary and appropriate.

5. Section 2 of P.L.1991, c.170 (C.40:66-5.2) is amended to read as follows:

C.40:66-5.2 Solid waste generators provided opportunity to contract for collection services.

2. a. The provisions of any other law, rule or regulation to the contrary notwithstanding, the governing body of any municipality may request that every solid waste collector engaging in private solid waste collection services within the municipality who is registered pursuant to sections 4 and 5 of P.L.1970, c.39 (C.13:1E-4 and 13:1E-5) and holds a certificate of public convenience and necessity pursuant to sections 7 and 10 of P.L.1970, c.40 (C.48:13A-6 and 48:13A-9) provide all responsible solid waste generators with the opportunity to contract for, on an individual basis,

regular solid waste collection services, if the responsible solid waste generator is required to do so by a proof of service ordinance adopted pursuant to section 1 of P.L.1991, c.170 (C.40:66-5.1).

b. The governing body of any municipality may request any solid waste collector engaging in private solid waste collection services within the municipality to assist the municipality in identifying those responsible solid waste generators who fail to comply with the provisions of section 1 of P.L.1991, c.170 (C.40:66-5.1).

c. Whenever the governing body adopts a proof of service ordinance pursuant to section 1 of P.L.1991, c.170 (C.40:66-5.1), or requests a solid waste collector to provide all responsible solid waste generators with the opportunity to contract for regular solid waste collection services pursuant to subsection a. of this section, the governing body shall notify the Department of Environmental Protection of these actions by certified mail.

d. In the event that a solid waste collector refuses any request to provide responsible solid waste generators with the opportunity to contract for regular solid waste collection services pursuant to subsection a. of this section, the governing body shall notify the department of this refusal by certified mail.

e. Whenever the governing body of a municipality adopts a proof of service ordinance pursuant to section 1 of P.L.1991, c.170 (C.40:66-5.1), the governing body shall notify the owner or operator of every solid waste facility utilized by the municipality of this action by certified mail.

6. Section 1 of P.L.1975, c.243 (C.40:67-23.1) is amended to read as follows:

C.40:67-23.1 Road, street services.

1. a. The governing body of every municipality may make, amend, repeal and enforce ordinances to cause the governing body of the municipality to repair and maintain and provide for the removal of snow, ice and other obstructions from, and provide for the lighting of, any roads or streets upon which the travel is sufficient, in the opinion of said governing body, to warrant such expenditures, even though such roads or streets shall not have been taken over by said municipal governing body or dedicated and accepted as public highways. The municipality may also provide for the curbside collection of solid waste along such streets, or for the reimbursement of such solid waste collection costs as the municipality may determine to have been reasonably incurred by persons residing adjacent to such streets. Roads or streets so serviced, which are not shown on the official map of the municipality, may, at the option of the governing body of said municipality, be suitably improved in accordance with any requirements established pursuant to article 5 of the "Municipal Land Use Law," P.L.1975, c.291, ss. 23-27 (C.40:55D-32 to C.40:55D-36) and the ordinance.

b. A municipal governing body that provides for the curbside collection of solid waste pursuant to subsection a. of this section may limit these services to specified operating hours in order to preserve the peace and quiet in neighborhoods during the hours when most residents are asleep.

c. A municipal governing body that provides for the collection of designated recyclable materials pursuant to subsection b. of section 6 of P.L.1987, c.102 (C.13:1E-99.16) may limit these services to specified operating hours in order to preserve the peace and quiet in neighborhoods during the hours when most residents are asleep.

d. If, as a condition of providing services for any road or street proposed to be serviced, the municipality notifies the owner that dedication thereof to the municipality is required, the owner may refuse to accept the services and benefits of the ordinance upon that condition by so notifying the municipality within 60 days of receipt of the notice. With respect to any road or street for which services are provided, if the municipality notifies the owner that continuation of provision of the services is conditioned upon the dedication thereof to the municipality, the owner may refuse to accept continuance of the services and benefits of the ordinance upon that condition by so notifying the municipality within 60 days of receipt of the notice. Notices to be given pursuant to this section shall be in writing.

7. Section 3 of P.L.1987, c.102 (C.13:1E-99.13) is amended to read as follows:

C.13:1E-99.13 District recycling plan.

3. a. Each county shall prepare and adopt a district recycling plan to implement the State Recycling Plan goals. Each district recycling plan shall be adopted as an amendment to the district solid waste management plan required pursuant to the provisions of the "Solid Waste Management Act," P.L.1970, c.39 (C.13:1E-1 et seq.) and subject to the approval of the department.

b. Each district recycling plan required pursuant to this section shall include, but need not be limited to:

- (1) Designation of a district recycling coordinator;
- (2) Designation of the recyclable materials to be source separated in each municipality which shall include, in addition to leaves, at least three other recyclable materials separated from the municipal solid waste stream;
- (3) Designation of the strategy for the collection, marketing and disposition of designated source separated recyclable materials in each municipality;
- (4) Designation of recovery targets in each municipality to achieve the maximum feasible recovery of recyclable materials from the municipal solid waste stream which shall include, at a minimum, the following schedule:

- (a) The recycling of at least 15% of the total municipal solid waste stream by December 31, 1989;
- (b) The recycling of at least 25% of the total municipal solid waste stream by December 31, 1990; and
- (c) The recycling of at least 50% of the total municipal solid waste stream, including yard waste and vegetative waste, by December 31, 1995; and
- (5) Designation of countywide recovery targets to achieve the maximum feasible recovery of recyclable materials from the total solid waste stream which shall include, at a minimum, the recycling of at least 60% of the total solid waste stream by December 31, 1995.

For the purposes of this subsection, "total municipal solid waste stream" means the sum of the municipal solid waste stream disposed of as solid waste, as measured in tons, plus the total number of tons of recyclable materials recycled; and "total solid waste stream" means the aggregate amount of solid waste generated within the boundaries of any county from all sources of generation, including the municipal solid waste stream.

c. Each district recycling plan, in designating a strategy for the collection, marketing and disposition of designated recyclable materials in each municipality, shall authorize municipalities that adopt a recycling ordinance pursuant to subsection b. of section 6 of P.L.1987, c.102 (C.13:1E-99.16) to limit the collection of designated recyclable materials to specified operating hours in order to preserve the peace and quiet in neighborhoods during the hours when most residents are asleep.

Each district recycling plan may be modified after adoption pursuant to a procedure set forth in the adopted plan as approved by the department.

d. A district recycling plan may be modified to require that each municipality within the county revise the ordinance adopted pursuant to subsection b. of section 6 of P.L.1987, c.102 (C.13:1E-99.16) to provide for the source separation and collection of used dry cell batteries as a designated recyclable material.

8. Section 6 of P.L.1987, c.102 (C.13:1E-99.16) is amended to read as follows:

C.13:1E-99.16 Municipal recycling program.

6. Each municipality in this State shall designate one or more persons as the municipal recycling coordinator. Each municipality shall establish and implement a municipal recycling program in accordance with the following requirements:

a. Each municipality shall provide for a collection system for the recycling of the recyclable materials designated in the district recycling plan as may be necessary to achieve the designated recovery targets set forth in the plan in those

instances where a recycling collection system is not otherwise provided for by the generator or by the county, interlocal service agreement or joint service program, or other private or public recycling program operator.

b. The governing body of each municipality shall adopt an ordinance which requires persons generating municipal solid waste within its municipal boundaries to source separate from the municipal solid waste stream, in addition to leaves, the specified recyclable materials for which markets have been secured and, unless recycling is otherwise provided for by the generator, place these specified recyclable materials for collection in the manner provided by the ordinance.

c. The governing body of each municipality shall, at least once every 36 months, conduct a review and make necessary revisions to the master plan and development regulations adopted pursuant to P.L.1975, c.291 (C.40:55D-1 et seq.), which revisions shall reflect changes in federal, State, county and municipal laws, policies and objectives concerning the collection, disposition and recycling of designated recyclable materials.

The revised master plan shall include provisions for the collection, disposition and recycling of recyclable materials designated in the municipal recycling ordinance adopted pursuant to subsection b. of this section, and for the collection, disposition and recycling of designated recyclable materials within any development proposal for the construction of 50 or more units of single-family residential housing or 25 or more units of multi-family residential housing and any commercial or industrial development proposal for the utilization of 1,000 square feet or more of land.

d. The governing body of a municipality may exempt persons occupying commercial and institutional premises within its municipal boundaries from the source separation requirements of the ordinance adopted pursuant to subsection b. of this section if those persons have otherwise provided for the recycling of the recyclable materials designated in the district recycling plan from solid waste generated at those premises. To be eligible for an exemption pursuant to this subsection, a commercial or institutional solid waste generator annually shall provide written documentation to the municipality of the total number of tons recycled.

e. The governing body of each municipality shall, on or before July 1 of each year, submit a recycling tonnage report to the New Jersey Office of Recycling in accordance with rules and regulations adopted by the department therefor.

f. The governing body of each municipality shall, at least once every six months, notify all persons occupying residential, commercial, and institutional premises within its municipal boundaries of local recycling opportunities, and the source separation requirements of the ordinance. In order to fulfill the notification requirements of this subsection, the governing body of a municipality may, in its discretion, place an advertisement in

a newspaper circulating in the municipality, post a notice in public places where public notices are customarily posted, include a notice with other official notifications periodically mailed to residential taxpayers, or any combination thereof, as the municipality deems necessary and appropriate.

The governing body of a municipality that adopts a recycling ordinance pursuant to subsection b. of this section may limit the collection of designated recyclable materials to specified operating hours in order to preserve the peace and quiet in neighborhoods during the hours when most residents are asleep.

C.40:66-1.6 Limits on solid waste collection; operating hours.

9. a. The provisions of P.L.1970, c.40 (C.48:13A-1 et seq.), P.L.1991, c.381 (C.48:13A-7.1 et seq.), P.L.1970, c.39 (C.13:1E-1 et seq.) or any other law, or any rules and regulations adopted pursuant thereto to the contrary notwithstanding, a municipal governing body that: (1) establishes a municipal contract system for solid waste collection pursuant to R.S.40:66-4; (2) awards a contract for the collection of municipal solid waste pursuant to the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.); or (3) adopts a proof of service ordinance pursuant to section 1 of P.L.1991, c.170 (C.40:66-5.1), may adopt an ordinance limiting solid waste collection service to specified operating hours in order to preserve the peace and quiet in neighborhoods during the hours when most residents are asleep.

b. Any solid waste collection uniform tariff for the provision of residential solid waste collection service, which designates hours of operation that are contrary to the operating hours specified in the ordinance adopted pursuant to subsection a. of this section, shall be superseded by the hours of operation indicated in the ordinance.

c. The Department of Environmental Protection, in any subsequent revision to or readoption of the solid waste utility rules and regulations pertaining to solid waste collection uniform tariffs under N.J.A.C.7:26H-4.6, shall make whatever changes to these rules and regulations as may be necessary to comply with the provisions of P.L.2001, c.92 and this section.

10. This act shall take effect immediately.

Approved May 10, 2001.

CHAPTER 93

AN ACT concerning individual development accounts, supplementing chapter 10 of Title 44 of the Revised Statutes and making an appropriation.

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

C.44:10-86 Short title.

1. This act shall be known and may be cited as the "New Jersey Individual Development Account Act."

C.44:10-87 Findings, declarations regarding individual development accounts.

2. a. The Legislature finds and declares that:

(1) Economic well-being does not come solely from income, spending and consumption, but also requires savings, investment and accumulation of assets, since assets can improve economic stability, connect people with a viable and hopeful future, stimulate development of human and other capital, yield personal and social dividends and enhance the welfare of offspring.

(2) With the enactment of the "Work First New Jersey Act," P.L.1997, c.38 (C.44:10-55 et seq.) and companion legislation, emphasizing moving people off of public assistance and into employment, there is an urgent need to provide incentives for savings accounts that will complement and stabilize the movement of people from public assistance and into employment.

(3) Income-based social policy should be complemented with asset-based social policy, because while income-based policies ensure that consumption needs, including food, child care, rent, clothing and health care are met, asset-based policies provide the means to achieve some degree of economic self-sufficiency.

(4) The State of New Jersey should develop policies, such as individual development accounts, that promote higher rates of personal savings and net private domestic investment.

b. It is the intent of the Legislature, therefore, to provide for the establishment of individual development accounts which accounts are designed to:

(1) provide individuals and families, especially those with limited means, an opportunity to accumulate assets;

(2) facilitate and mobilize savings;

(3) promote education, home ownership and micro enterprise development; and

(4) stabilize families and build communities.

C.44:10-88 Definitions regarding individual development accounts.

3. As used in this act:

"Account holder" means a person who is the owner of an individual development account.

"Commissioner" means the Commissioner of Community Affairs.

"Community-based organization" means a not-for-profit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 (26

U.S.C. s.501(c)(3)) and exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 (26 U.S.C. s.501 (a)), that is approved by the commissioner to implement the New Jersey Individual Development Account Program established under this act.

"Department" means the Department of Community Affairs.

"Economic literacy" means a basic understanding of budgets and savings accounts, credit and interest and how to use financial services; and having a savings plan and using it to reach the account holder's savings goal for an individual development account.

"Eligible individual" means an adult with an annual household gross income up to a maximum of 200 percent of the official poverty level.

"Financial institution" means a state or federally chartered bank, savings bank, savings and loan association or credit union with an office in this State.

"Fund" means the Individual Development Account Fund established pursuant to 42 U.S.C. s.604(h) and 45 C.F.R. Part 263 (45 C.F.R. s.263.0 et seq.).

"Individual development account" means an account established pursuant to 42 U.S.C. s.604(h) and 45 C.F.R. Part 263 (45 C.F.R. s.263.0 et seq.) in trust for an eligible individual that is a trust account pursuant to the "Multiple-party Deposit Account Act," P.L.1979, c.491 (C.17:16I-1 et seq.).

"Program" means the New Jersey Individual Development Account Program established pursuant to the provisions of this act.

"Program contributor" means a person or entity who makes a contribution to an individual development account reserve fund, except that "program contributor" does not mean the account holder.

"Reserve fund" means the individual development account reserve fund created by a community-based organization for the purposes of: funding the costs incurred in the administration of the program; receiving matching funds from the State; and providing matching funds for individual development accounts pursuant to section 5 of this act.

C.44:10-89 New Jersey Individual Development Account Program.

4. a. The New Jersey Individual Development Account Program is hereby established within the Department of Community Affairs. The purpose of this program shall be to provide each eligible individual in this State with an opportunity to establish an individual development account in a financial institution, to the extent funding will permit. The individual development account may be used for any of the purposes specified under subsection c. of section 5 of this act.

b. There is established in the department, the Individual Development Account Fund. This fund shall be used by the commissioner to provide:

(1) grants to community-based organizations selected by the commissioner to participate in the program; and

(2) a State match of one dollar for every one dollar of earned income deposited into an individual development account by the account holder, except that the maximum amount provided as a match per individual development account per calendar year shall be \$1,500. The earned income deposited into an individual development account shall not be deposited on behalf of the account holder by a third party.

Community-based organizations may raise additional, non-federal or State funds to increase the State match rate and the State maximum annual match amount.

c. The commissioner shall implement this program by entering into agreements with community-based organizations which the commissioner shall select through a request for proposal process, pursuant to the provisions of P.L.1987, c.7 (C.52:14-34.4 et seq.).

d. In reviewing the proposals of community-based organizations, the commissioner shall consider the following factors:

(1) the not-for-profit status of the organization;
(2) the fiscal accountability of the organization;
(3) the ability of the organization to provide its moneys or raise moneys from program contributors for matching contributions which are in addition to State matching funds;

(4) the plan of the organization for the development, implementation and management of an individual development account program;

(5) the capacity of the organization to provide economic literacy training, either directly or through another provider;

(6) the organization's history of working with low-income populations;

(7) the target population and the extent to which the organization plans to exceed the 33.3 percent minimum participation under this act by current or former Work First New Jersey recipients pursuant to P.L.1997, c.38 (C.44:10-55 et seq.), or Aid to Families with Dependent Children recipients or Temporary Assistance for Needy Families recipients pursuant to 42 U.S.C. s.601 et seq.; and

(8) the length of time, in months and years, of the operation of the program, taking into account the resources that are available to the organization.

e. (1) The commissioner shall select community-based organizations and enter into a contract for services with each organization selected that requires the organization to establish and maintain an individual development account reserve fund and work with each eligible individual and any local financial institution to establish an individual development account, among other services to be provided for eligible individuals and their households, if any.

(2) The commissioner shall have the discretion to disburse moneys from the fund in a manner and an amount the commissioner deems appropriate and consistent with the community-based organization's

contract for services and proposal selected pursuant to this subsection and subsections c., d. and f. of this section.

f. (1) No more than 10 percent of the federal Temporary Assistance for Needy Families funds under this act may be used for administrative purposes by a community-based organization selected to participate in the program.

(2) No more than 10 percent of the federal Temporary Assistance for Needy Families funds under this act may be used to provide economic literacy training and one-on-one financial counseling to account holders by an organization selected to participate in the program.

g. At all times, a minimum of 33.3 percent of the account holders participating in the program shall be current or former Work First New Jersey recipients pursuant to P.L.1997, c.38 (C.44:10-55 et seq.) or Aid to Families with Dependent Children recipients or Temporary Assistance for Needy Families recipients pursuant to 42 U.S.C. s.601 et seq., unless otherwise authorized by the commissioner.

C.44:10-90 Opening an individual development account; conditions.

5. a. An eligible individual may, in agreement with a community-based organization selected by the commissioner pursuant to section 4 of this act, open an individual development account for the purpose of accumulating and withdrawing moneys for specified expenditures pursuant to this section. Upon satisfaction of the organization's requirements for economic literacy by an account holder, the organization shall certify to the commissioner that the account holder may withdraw moneys from the account on the approval of the organization, without penalty, for any of the expenditures listed in subsection c. of this section.

b. The commissioner shall establish by regulation:

(1) the minimum monthly deposit amount that each account holder shall be required to maintain and the maximum monthly deposit amount that each account holder shall be permitted to make, during their participation in the program;

(2) the minimum time period the account holder shall maintain an individual development account, pursuant to section 4 of this act, in order to be eligible to withdraw the moneys deposited and receive the State matching funds, pursuant to this subsection and subsections c., d. and e. of this section;

(3) the prior notice of the account holder's intent to, and purpose for, withdrawing individual development account funds and the minimum time period that an account holder shall give notice to the individual development account trustee community-based organization prior to an approved withdrawal in order to be eligible to receive State matching funds pursuant to this subsection and subsections c., d. and e. of this section; and

(4) the maximum length of time an account holder may participate in the program.

c. Upon satisfaction of the provisions of subsections a. and b. of this section by the community-based organization:

(1) the account holder may, upon the approval of the community-based organization, withdraw moneys from the account holder's individual development account in the form of a joint check or transfer of funds made payable to the account holder and the payee of the approved withdrawal, pursuant to 45 C.F.R. s.263.22, for any of the following purposes:

(a) post-secondary educational expenses as defined in 42 U.S.C. s.604(h)(5) and 45 C.F.R. s.263.20;

(b) qualified acquisition costs of a primary residence as defined in 42 U.S.C. s.604(h)(5) and 45 C.F.R. s.263.20; and

(c) qualified business capitalization expenses, as defined in 42 U.S.C. s.604(h)(5) and 45 C.F.R. s.263.20.

(2) if the account holder withdraws any moneys from the account and uses those moneys, or any part of those moneys, for a purpose other than that permitted pursuant to this subsection, the account holder shall forfeit all matching funds associated with the unapproved withdrawal. The account holder shall receive only the moneys which the account holder has deposited into the account.

(3) the commissioner, in consultation with the Commissioner of Human Services, shall establish procedures to ensure that funds held in an individual development account under this act are withdrawn for qualified purposes only, as defined in this subsection. Penalties for unapproved withdrawals may include taxing the withdrawal as income and, as applicable, including the withdrawal as income or resources in determining eligibility for federal and State public assistance pursuant to 45 C.F.R. s.263.23.

d. Community-based organizations approved by the department shall establish an individual development account in trust for an eligible individual in a financial institution as required pursuant to this act. Organizations may, with the approval of the commissioner, employ methods to maximize the efficiency of multiple individual development accounts, such as pooling deposits into a single account held by the financial institution, with individual account information maintained by the organization. In addition, with the approval of the commissioner, organizations shall develop an efficient means of providing the match portion of an individual development account, such as matching deposits at the time of approved withdrawal only. Organizations acting as trustees under this act shall, at all times, maintain current account information, without regard to the chosen method of administration, on all individual development accounts, which shall include: the individual development account balance,

a time indexed record of deposits and withdrawals made by the account holder and the current match level. Community-based organizations under this act shall certify to the department that the accounts have been established pursuant to the provisions of this act in trust for the account holder in the manner approved by the commissioner.

e. A community-based organization establishing an individual development account shall:

(1) sign an agreement with an eligible individual to the effect that the account shall be kept in the name of the eligible individual as the account holder and that the eligible individual shall have an officer of the organization as a trustee of the account;

(2) open and keep the account in the name of the eligible individual, with an officer of the organization as trustee;

(3) permit the account holder to deposit earned income, as defined in 42 U.S.C. s.604(h)(2)(C), into an individual development account which shall be matched by the organization when withdrawn for an approved expenditure, pursuant to subsection c. of this section;

(4) maintain the records of individual development accounts in a manner that enables the organization to determine the amounts deposited by the account holder and amounts paid by the organization as matching funds;

(5) require the individual development account to earn a rate of interest that reasonably reflects the prevailing market rate paid on like deposits by financial institutions in this State, which shall be credited to the account holder;

(6) permit the account holder, after obtaining the signature of the trustee, to withdraw moneys from the account for any of the purposes listed in subsection c. of this section;

(7) remit matching funds in the form of a joint check or transfer of funds made payable to the account holder and the payee of the approved withdrawal, pursuant to 45 C.F.R. s.263.22 at the time the account holder withdraws funds for a purpose permitted pursuant to subsection c. of this section;

(8) work with other community-based organizations and State agencies to coordinate the program with other private and public programs designed for asset accumulation and self-sufficiency, such as transportation, child care and health care services, New Jersey Housing and Mortgage Finance Agency programs, Federal National Mortgage Association (Fannie Mae) mortgage programs and other programs under the direction of the Department of Human Services, such as the Family Loan Pilot Program and Entrepreneur Development Services Pilot Program;

(9) provide financial counseling to account holders and assist them in establishing a secure, low-risk, effective savings opportunity, for the purposes of an individual development account, for income that is in excess of the individual development account maximum match of \$1,500 per year or income that does

not meet the definition of earned income, as defined in paragraph (3) of this subsection, such as federal and State earned income tax credits, homestead and property tax rebates, inheritance, monetary damages recovered in a legal proceeding and income from the sale of an asset. The account shall be tailored to each account holder's resources and financial goals and shall be held in a separate account from the individual development account. Accounts investigated may include money market accounts, individual retirement accounts, certificates of deposit and individual development accounts that do not include matching federal or State funds; and

(10) be deemed to have a fiduciary duty with respect to moneys in an individual development account or reserve fund. The commissioner may require that an organization post and maintain a fidelity bond or other security with regard to the position of the organization as fiduciary for the moneys in an individual development account or reserve fund.

C.44:10-91 Transfer of account on death of holder.

6. a. Notwithstanding the provisions of any other law to the contrary, in the event of the death of the account holder, the ownership of the individual development account shall be transferred to the ownership of a contingent beneficiary, which the account holder shall name at the time the account is established and may change at any time. If the beneficiary is deceased or otherwise cannot accept the transfer, the moneys in the individual development account derived from the account holder's earned income and any interest accrued thereon shall be transferred to the estate of the account holder.

b. If an individual development account is closed pursuant to subsection a. of this section or an account holder withdraws from the individual development account program or forfeits his State matching funds due to an unauthorized withdrawal, any moneys held for matching funds for that account may be retained in the reserve fund for reallocation to be used as matching funds for new individual development accounts.

C.44:10-92 Moneys in, interest on account not considered gross income.

7. a. Moneys deposited into or withdrawn from an individual development account by an account holder pursuant to subsection c. of section 5 of this act or matched by a community-based organization pursuant to paragraph (7) of subsection e. of section 5 of this act shall not be considered gross income otherwise includable as income pursuant to subsections a., b., k., and p. of N.J.S.54A:5-1.

b. Interest earned by an individual development account shall not be considered gross income otherwise includable as income pursuant to subsection e. of N.J.S.54A:5-1.

c. Moneys deposited in an individual development account and the interest from an individual development account under this act shall not be taken into account in determining eligibility or the amount of assistance under State and federal means-tested programs pursuant to 42 U.S.C s.604(h) and 45 C.F.R. s.263.20.

C.44:10-93 Regulations; consultation with Human Services.

8. a. The commissioner shall promulgate regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to effectuate the provisions of this act.

b. The commissioner shall consult with the Commissioner of Human Services regarding the development, operation and administration of the program and ensuring compliance with 42 U.S.C. s.604(h) and 45 C.F.R. Part 263 (45 C.F.R. s.263.0 et seq.).

C.44:10-94 Report to Legislature.

9. a. The commissioner shall report to the Legislature annually on the effectiveness of the program in providing eligible individuals in this State with an opportunity to establish an individual development account and may include in the report recommendations for change, if any, to make the program more effective. This report shall be due within 30 days of the end of the anniversary of the effective date of this section for each year the program is in operation.

b. The Department of Community Affairs shall make available to the Departments of Labor and Human Services necessary individual development account statistical and program information in a usable format and in a timely manner, so that those departments may prepare federal and other reports.

10. Upon certification by the Director of the Division of Budget and Accounting in the State Department of the Treasury that federal funds to support the expenditure are available, there is appropriated \$2,000,000 in federal Temporary Assistance for Needy Families funds to the Department of Community Affairs for the purpose of funding the Individual Development Account Fund established pursuant to section 4 of this act for adults with one or more dependent children, who are, or except for income and resources would be, eligible for Work First New Jersey pursuant to P.L.1997, c.38 (C.44:10-55 et seq.). The department is authorized to use other federal and State funds which may become available for adults without dependent children.

11. This act shall take effect on the 180th day following enactment, except that section 8 shall take effect immediately.

Approved May 10, 2001.

CHAPTER 94

AN ACT concerning workers' compensation petitions and amending R.S.34:15-51 and R.S.34:15-52.

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

1. R.S.34:15-51 is amended to read as follows:

Filing of petition; two year limit.

34:15-51. Every claimant for compensation under Article 2 of this chapter (R.S. 34:15-7 et seq.) shall, unless a settlement is effected or a petition filed under the provisions of R.S. 34:15-50, submit to the Division of Workers' Compensation a petition filed and verified in a manner prescribed by regulation, within two years after the date on which the accident occurred, or in case an agreement for compensation has been made between the employer and the claimant, then within two years after the failure of the employer to make payment pursuant to the terms of such agreement; or in case a part of the compensation has been paid by the employer, then within two years after the last payment of compensation except that repair or replacement of prosthetic devices shall not be construed to extend the time for filing of a claim petition. A payment, or agreement to pay by the insurance carrier, shall for the purpose of this section be deemed payment or agreement by the employer. The petition shall state the respective addresses of the petitioner and of the defendant, the facts relating to employment at the time of injury, the injury in its extent and character, the amount of wages received at the time of injury, the knowledge of the employer or notice of the occurrence of the accident, and such other facts as may be necessary and proper for the information of the division and shall state the matter or matters in dispute and the contention of the petitioner with reference thereto. A paper copy of the petition shall be verified by the oath or affirmation of the petitioner. Proceedings on behalf of an infant shall be instituted and prosecuted by a guardian, guardian ad litem, or next friend, and payment, if any, shall be made to the guardian, guardian ad litem, or next friend. The division shall prepare and print forms of petitions and shall furnish assistance to claimants in the preparation of such petitions, when requested so to do.

2. R.S.34:15-52 is amended to read as follows:

Copy of petition forwarded to employer.

34:15-52. Within five days after the filing of the petition or as soon thereafter as is practicable, the Division of Workers' Compensation shall

cause a copy of the petition to be forwarded to the employer. The copy shall include a notice directing the employer to file an answer thereto with the division within 30 days after the notice is forwarded, unless the division for good cause shall grant further time, which answer shall give the address of the respondent, and admit or deny the substantial averments of the petition, and shall state the contention of the defendant with reference to the matters in dispute as disclosed by the petition. The answer shall be verified by the oath or affirmation of the respondent, and shall be filed in a manner prescribed by regulation.

3. This act shall take effect immediately.

Approved May 10, 2001.

CHAPTER 95

AN ACT concerning weights and measures, amending R.S.51:1-2, and supplementing article 3 of chapter 1 of Title 51 of the Revised Statutes.

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

1. R.S.51:1-2 is amended to read as follows:

Definitions.

51:1-2. As used in this chapter:

a. "Commodity" means any article of food, drink, trade or commerce, or any service or amusement, goods, wares, merchandise, or fuel measured by any weighing and measuring or counting system, but shall not include any article of food, drink, trade, commerce, goods, wares, merchandise, or fuel which is not sold or intended for sale to an entity distinct from the seller;

b. "Commodity in package form" means a commodity put up or packaged in any manner in advance of sale in units suitable for either wholesale or retail sale. An individual item or lot of any commodity not in package form as defined in this section, but on which there is marked a selling price based on an established price per unit of weight or of measure, shall be construed to be a commodity in package form. Where the term "package" is used in chapter 1 of Title 51 of the Revised Statutes, it shall be construed to mean "commodity in package form" as herein defined. For the purpose of this definition, single unit produce items wrapped in clear film shall not be construed as commodities in package form;

- c. "Food" or "foods" means articles used for food or drink for man or animals, chewing gum and articles used as ingredients of the foregoing;
- d. "Physical property" means mass, weight, length, volume, pressure, electricity, electromagnetic forces, radiation, thermodynamics, coefficients of expansion, gravitational forces or any other measurable attribute or quantity, including count;
- e. "Weight and measure" or "weights and measures" means a device, apparatus, or instrument designed or used to weigh, measure, count or time any physical property or determine value, and any auxiliary apparatus and accessories that indicate quantity or value, or records representative thereof;
- f. "Weights and measures official" or "weights and measures officer" means, at the State level, the State superintendent, deputy State superintendent, assistant State superintendent, State supervisor, State metrologist, and State weights and measures officers of all grades; and at the county and municipal levels, means the superintendent, deputy superintendent, assistant superintendents of all grades, and weights and measures officers of all grades;
- g. "Gross weight" means the weight of a vehicle in a loaded state;
- h. "Net weight" means the gross weight of a vehicle minus the tare weight of the vehicle; and
- i. "Tare weight" means the weight of a vehicle in an unloaded state.

C.51:1-77.1 Certification of tare weight by weighmaster.

2. Notwithstanding any other provision of law to the contrary, a public weighmaster appointed pursuant to R.S.51:1-74 shall certify the tare weight of a vehicle used for the transportation of construction materials when requested to do so by the operator of that vehicle. The weight of a commodity transported by such a vehicle shall be determined by subtracting the certified tare weight of the vehicle from the gross weight of the vehicle. It shall be sufficient and not a violation of this Title for the tare weight of the vehicle to be certified no more than seven days immediately prior to the date the gross weight of the vehicle is determined. In the event that the tare weight of the vehicle has not been certified during the seven-day period provided for in this section, it shall be sufficient and not a violation of this Title for the tare weight to be certified by a public weighmaster other than during the immediately preceding seven-day period, provided that the certification shall occur not more than one year prior to the date the gross weight is determined and further provided that, if there should be a subsequent examination and weighing, the subsequent tare weight of the vehicle is no greater than 105 per cent or less than 95 per cent of the tare weight certified during the one year period. A certificate issued by a public weighmaster pursuant to this section certifying the tare weight of a vehicle shall contain the wording "stored tare." Such a "stored tare" certificate shall not supersede a certificate setting forth the

weight of a vehicle which results from a weighing on certified scales that produces a weight of record. Construction materials not sold or intended for sale to an entity distinct from the seller shall not be considered a commodity for purposes of this Title. It shall be sufficient and not a violation of this Title for vehicles carrying such construction materials to have only the gross weight of the vehicles certified. As used in this section, "construction materials" means naturally occurring aggregates, including but not limited to top soil, crushed stone, gravel, sand, clay and clean fill.

3. This act shall take effect immediately.

Approved May 10, 2001.

CHAPTER 96

AN ACT establishing the Senior Gold Prescription Discount Program, supplementing Title 30 of the Revised Statutes and making an appropriation.

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

C.30:4D-43 Short title.

1. This act shall be known and may be cited as the "Senior Gold Prescription Discount Act."

C.30:4D-44 Definitions regarding the "Senior Gold Prescription Discount Act."

2. As used in this act:
 - "Commissioner" means the Commissioner of Health and Senior Services.
 - "Department" means the Department of Health and Senior Services.
 - "PAAD" means the program of pharmaceutical assistance to the aged and disabled established pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.).
 - "Prescription drug" means any legend drug which is covered by PAAD.
 - "Program" means the "Senior Gold Prescription Discount Program" established pursuant to this act.
 - "Reasonable cost" means the cost of a prescription drug as established for PAAD.
 - "Resident" means a resident as defined in section 3 of P.L.1975, c.194 (C.30:4D-22) for purposes of eligibility for PAAD.

C.30:4D-45 "Senior Gold Prescription Discount Program."

3. a. There is established the "Senior Gold Prescription Discount Program" in the Department of Health and Senior Services.

- b. A resident of this State shall be eligible for the program if the person is:
- (1) either 65 years of age or older or a recipient of disability insurance benefits under Title II of the federal Social Security Act (42 U.S.C. s.401 et seq.);
 - (2) receiving an annual income, the amount of which is not more than \$10,000 above the applicable PAAD income eligibility limits for single and married persons, which amount is to be determined on the same basis as income is determined for the purpose of eligibility for PAAD; and
 - (3) not eligible for any other program of State-funded prescription drug benefits.

c. The program shall provide a payment to a pharmacy that is participating in the program for the reasonable cost of one or more prescription drugs purchased by an eligible person who presents an identification card issued by the program in an amount that exceeds the copayment paid by the eligible person. The payments to pharmacies shall commence no later than 120 days after the effective date of this act or after enactment, whichever is later.

At the time of each purchase of a prescription drug, the eligible person shall pay a copayment that shall not be waived, discounted or rebated in whole or in part, and shall be equal to:

(1) \$15 plus 50% of the remaining amount of the reasonable cost for the prescription drug, or the reasonable cost for the prescription drug, whichever is less; or

(2) \$15, or the reasonable cost for the prescription drug, whichever is less, in the case of an eligible person who has incurred out-of-pocket expenditures, including copayments and deductibles, for the purchase of prescription drugs, which are not reimbursable by any other plan of assistance or insurance and are credited to that person's account for each 12-month period of eligibility in accordance with procedures established by the commissioner, in the following amounts: \$2,000 for a single person and \$3,000 for a married couple. These out-of-pocket expense amounts shall include only expenses incurred on or after the date that the person received proof of eligibility for the program from the department.

d. If an interchangeable drug product contained in the latest list approved and published by the Drug Utilization Review Council pursuant to section 7 of P.L.1977, c.240 (C.24:6E-6) is available for the prescribed prescription drug, an eligible person shall either:

(1) purchase an interchangeable drug product, the cost of which is equal to or less than the maximum allowable cost as determined by the commissioner; or

(2) if the prescriber specifically indicates that substitution is not permissible, purchase the prescribed drug product that is higher in cost than the maximum allowable cost as determined by the commissioner and pay the amount of the price above that maximum allowable cost, in addition to

the amount of the copayment paid by the eligible person pursuant to subsection c. of this section.

e. An eligible person whose prescription drug costs are covered in part by any other program or plan of assistance or insurance may be required to receive reduced assistance under the Senior Gold Prescription Discount Program. If an eligible person's prescription drug costs are covered in whole or in part by any other program or plan of assistance or insurance, the other program or plan shall be the primary payer and the Senior Gold Prescription Discount Program shall be the payer of last resort.

f. The commissioner may establish limits on the day supply or maximum quantity of prescription drugs which may be purchased by an eligible person under the program in a manner equivalent to those established for prescription drug purchases under PAAD.

g. An eligible person under the program shall, upon the submission of an application and proof of expenditure as the department may prescribe, be reimbursed for 50% of the cost of each prescription drug purchased by that person in an amount that exceeds the required copayment, during the period commencing 30 days after the person's properly completed application was received by the department and ending on the date on which the person received proof of eligibility from the department; except that no reimbursement under this act shall be made for a prescription drug purchased prior to the effective date of this act.

h. The commissioner shall by regulation provide for:

(1) arrangements for providing notice of the availability of the program and the distribution of application forms therefor;

(2) a system of payments to pharmacies that includes the same dispensing fee structure that is used for PAAD and a system for determining eligibility for the program, including evidence of complete or partial coverage of prescription drug costs by any other program or plan of assistance or insurance; and

(3) the issuance of program identification cards to persons who are determined eligible for the program.

C.30:4D-46 Report to Governor, Legislature.

4. The commissioner shall annually report to the Governor and the Legislature on the operations of the program and shall include with that report any recommendations for legislative action that the commissioner deems appropriate.

C.30:4D-47 Violations of act; program identification cards.

5. a. A person violating any provision of this act shall be subject to the applicable civil and criminal penalties provided in P.L.1968, c.413 (C.30:4D-1 et seq.). An eligible person who violates any provision of this act shall be subject to a suspension of the person's eligibility for the program

for one year for a first offense and a permanent revocation of the person's eligibility for a second offense.

b. The commissioner shall include on the program identification cards issued pursuant to subsection h. of section 3 of this act a conspicuous notice of the penalties for violating the provisions of this act.

C.30:4D-48 New Jersey EASE program, provide information on prescription program.

6. The New Jersey EASE program established by the department shall provide information and assistance to members of the public and potential or actual applicants to the program, including, but not limited to, making general information about the program available to the public Statewide, answering specific inquiries about the program, assisting interested persons to ascertain their eligibility for the program or other State-funded prescription drug benefits, and further assisting program applicants to complete their application as necessary.

C.30:4D-49 Funding of Senior Gold Prescription Discount Program.

7. The program shall be funded from the monies made available to the State from tobacco companies under the nationwide settlement of the respective actions by state governments against those companies, entered into by the State in the Master Settlement Agreement in State of New Jersey v. R.J. Reynolds Tobacco Company, et al., Superior Court, Chancery Division, Middlesex County, No. C-254-96.

C.30:4D-50 Rules, regulations.

8. The Commissioner of Health and Senior Services, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and regulations to effectuate the purposes of this act.

C.30:4D-51 Conditions on expending funds.

9. Notwithstanding the provisions of any law to the contrary, no funds appropriated for the Senior Gold Prescription Discount Program established pursuant to this act shall be expended unless participating pharmaceutical manufacturing companies execute contracts with the Department of Health and Senior Services through the Department of Human Services providing for the payment of rebates to the State under terms substantially similar to those of rebate payment contracts under PAAD, provided that the manufacturer's rebates for the Senior Gold Prescription Discount Program shall apply only to the amount paid by the State under the program.

C.30:4D-52 Rebates appropriated to Department of Health and Senior Services for program.

10. Amounts received as rebates under rebate payment contracts executed pursuant to section 9 of this act are appropriated to the Department

of Health and Senior Services for the support of the Senior Gold Prescription Discount Program.

11. This act shall take effect immediately.

Approved May 15, 2001.

CHAPTER 97

A SUPPLEMENT to "An Act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 2000 and regulating the disbursement thereof," approved June 28, 1999 (P.L.1999, c.138).

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

1. In addition to the amounts appropriated under P.L.1999, c.138, there is appropriated out of the General Fund the following sum for the purpose specified:

54 DEPARTMENT OF HUMAN SERVICES
50 Economic Planning, Development and Security
53 Economic Assistance and Security
7570 Division of Youth and Family Services
GRANTS-IN-AID

16-7570 Services to Families and Children \$5,000
Grants-in-Aid:
16 CONTACT Hotline (\$5,000)

2. This act shall take effect immediately.

Approved May 17, 2001.

CHAPTER 98

AN ACT concerning certain school elections and amending P.L.1995, c.278.

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

1. Section 2 of P.L.1995, c.278 (C.19:60-2) is amended to read as follows:

C.19:60-2 Special elections; days, certain; notice.

2. a. The board of education of a type II district may call a special election of the legal voters of the district on only the fourth Tuesday in January, the second Tuesday in March, the last Tuesday in September, or the second Tuesday in December when in its judgment the interests of the schools require such an election. The board of education shall give the municipal clerk or clerks, as the case may be, and the county board of elections no less than 60 days' notice, in writing, of its intention to hold a special election.

b. No business shall be transacted at any special election except such as shall have been set forth in the notices by which the election was called.

2. This act shall take effect on the 120th day after enactment.

Approved May 31, 2001.

CHAPTER 99

AN ACT concerning the State cancer registry and amending P.L.1977, c.266.

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

1. Section 2 of P.L.1977, c.266 (C.26:2-105) is amended to read as follows:

C.26:2-105 Establishment, maintenance of State cancer registry.

2. The Department of Health and Senior Services shall establish and maintain an up-to-date registry which shall include a record of cases of cancer and specified cases of tumorous or precancerous disease that occur in New Jersey, and such information concerning these cases as it shall deem necessary and appropriate in order to conduct thorough and complete epidemiologic surveys of cancer and cancer-related diseases in this State and to apply appropriate preventive and control measures.

2. Section 3 of P.L.1977, c.266 (C.26:2-106) is amended to read as follows:

C.26:2-106 Reports; rules, regulations; enforcement.

3. a. The Commissioner of Health and Senior Services, in consultation with the Public Health Council, shall require the reporting of cases of cancer and other specified tumorous and precancerous diseases, and the submission of such specified additional information on reported cases or control populations as he deems necessary and appropriate for the recognition, prevention, cure or control of such diseases.

b. Pursuant to subsection a. of this section, the Commissioner of Health and Senior Services is hereby authorized to adopt and promulgate, in the manner prescribed by the applicable provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) rules and regulations specifying the health care providers, individuals, and other organizations obliged to make the report and submissions required by subsection a. of this section, the related information to be included in such reports, and the methods for such reporting.

c. All abstracting work performed by a health care facility in accordance with this section shall be performed by a certified tumor registrar.

d. (1) The Department of Health and Senior Services shall contract out its registry services to health care facilities which lack adequate internal capabilities to report cases on a timely basis, as provided in the regulations adopted pursuant to this section. Such health care facilities shall reimburse the department for services rendered.

(2) If a health care facility fails to correct deficiencies in its reporting that are discovered on audit by the Department of Health and Senior Services within 30 days, the department will conduct the appropriate registrar activities and charge the facility for all costs related to its services.

e. Health insurers and other third party health care payers providing health benefits plans to residents of the State shall report to the Department of Health and Senior Services cases of cancer of State residents based upon selection criteria and in a format specified by the department.

f. (1) A health care facility, health care provider or health insurer that fails to comply with the provisions of this section shall be liable to a penalty of up to \$500 per unreported cancer case.

(2) A health care facility that fails to report cases of cancer electronically, as required by regulation, shall be liable to a penalty not to exceed \$1,000 per business day.

(3) A penalty sued for under the provisions of this subsection shall be recovered by and in the name of the Department of Health and Senior Services and shall be dedicated to the cancer registry.

g. All information reported to the Department of Health and Senior Services for inclusion in the cancer registry pursuant to this section shall be

verified for accuracy by the department within six months of receiving the information and shall be incorporated in the registry. Aggregate or summary information, to include gender distribution, age groupings of cases, and cancer types, shall be made available to the public no later than six months after verification by the department. The department shall not make public any information reported to the department which discloses the identity of any person to whom the information relates.

3. Section 4 of P.L.1977, c.266 (C.26:2-107) is amended to read as follows:

C.26:2-107 Confidentiality of reports.

4. The reports made pursuant to this act are to be used only by the Department of Health and Senior Services and such other agencies as may be designated by the Commissioner of Health and Senior Services and shall not otherwise be divulged or made public so as to disclose the identity of any person to whom they relate; and to that end, such reports shall not be included under materials available to public inspection pursuant to P.L.1963, c.73 (C.47:1A-1 et seq.).

4. Section 5 of P.L.1977, c.266 (C.26:2-108) is amended to read as follows:

C.26:2-108 Immunity from liability for individuals, organizations providing information.

5. No individual or organization providing information to the Department of Health and Senior Services in accordance with this act shall be deemed to be, or held liable for, divulging confidential information.

5. This act shall take effect immediately.

Approved May 31, 2001.

CHAPTER 100

A SUPPLEMENT to "An Act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 2001 and regulating the disbursement thereof," approved June 30, 2000 (P.L.2000, c.53).

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

1. Upon certification by the Director of the Division of Budget and Accounting in the Department of the Treasury that federal funds to support the expenditures listed below are available, the following sum is appropriated:

54 DEPARTMENT OF HUMAN SERVICES
50 Economic Planning, Development and Security
53 Economic Assistance and Security

15-7550 Income Maintenance Management \$16,900,000
State Aid and Grants:
 Low Income Home Energy Assistance
 Block Grant (\$16,900,000)

In addition to the federal Low Income Home Energy Assistance Block Grant funds appropriated above, there are appropriated such additional federal Low Income Home Energy Assistance Block Grant funds as may be made available by the federal government.

2. This act shall take effect immediately.

Approved May 31, 2001.

CHAPTER 101

AN ACT concerning reassessment, and amending R.S.54:4-23.

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

1. R.S.54:4-23 is amended to read as follows:

Assessment of real property; conditions for reassessment.

54:4-23. All real property shall be assessed to the person owning the same on October 1 in each year. The assessor shall ascertain the names of the owners of all real property situate in his taxing district, and after examination and inquiry, determine the full and fair value of each parcel of real property situate in the taxing district at such price as, in his judgment, it would sell for at a fair and bona fide sale by private contract on October 1 next preceding the date on which the assessor shall complete his assessments, as hereinafter required; provided, however, that in determining the full and fair value of land which is being assessed and taxed under the Farmland Assessment Act of 1964, chapter 48, laws of 1964, the assessor shall consider only those indicia of value which such land has for agricul-

tural or horticultural use as provided by said act; and provided further however, that when the assessor has reason to believe that property comprising all or part of a taxing district has been assessed at a value lower or higher than is consistent with the purpose of securing uniform taxable valuation of property according to law for the purpose of taxation, or that the assessment of property comprising all or part of a taxing district is not in substantial compliance with the law and that the interests of the public will be promoted by a reassessment of such property, the assessor shall, after due investigation, make a reassessment of the property in the taxing district that is not in substantial compliance, provided that (1) the assessor has first notified, in writing, the mayor, the municipal governing body, the Division of Taxation in the Department of the Treasury, the county board of taxation, and the county tax administrator of the basis of the assessor's determination that a reassessment of that property in the taxing district is warranted and (2) the assessor has submitted a copy of a compliance plan to the county board of taxation and to the Division of Taxation for approval. If the assessor does not receive an approval decision or a decision disapproving the plan from either the county board of taxation or the Division of Taxation within 45 days of their receipt of the compliance plan, then the entity that did not respond shall be deemed to have approved the plan. Following a reassessment of a portion of the taxing district pursuant to an approved compliance plan, the assessor shall certify to the county board of taxation, through such sampling as the county board of taxation deems adequate, that the reassessment is in substantial compliance with the portions of the taxing district that were not reassessed. For the purposes of assessment, the assessor shall compute and determine the taxable value of such real property at the level established for the county pursuant to law.

2. This act shall take effect immediately.

Approved June 14, 2001.

CHAPTER 102

AN ACT concerning the membership and powers of a county board of recreation commissioners and amending R.S.40:12-1 and R.S.40:12-6.

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

1. R.S.40:12-1 is amended to read as follows:

Board of recreation commissioners; appointment, terms.

40:12-1. a. The mayor or other chief executive officer of any municipality may in his or her discretion appoint not less than three nor more than seven persons, citizens and residents of the municipality, as members of a board of recreation commissioners. The commissioners first appointed shall be appointed for terms of 1, 2, 3, 4, and 5 years respectively, in such manner that the term of at least one commissioner and not more than two commissioners shall expire in each year according to the number appointed as fixed by the mayor or other chief executive officer. In case of the increase of a board from three to five members or in case of the increase of a board from five to seven members, the additional commissioners shall be appointed, one for 4 and one for 5 years and in case of the increase of a board from three to seven members, two of the additional commissioners shall be appointed for 4 years and two shall be appointed for 5 years. Thereafter all appointments shall be for the term of 3 years if the board consists of three members or 5 years if the board consists of five or seven members, according to the number appointed to comprise the board, and vacancies shall be filled for the unexpired term only. The members shall serve until their respective successors are appointed and shall qualify. The members shall receive no compensation for their services.

b. The board of chosen freeholders of any county may in its discretion appoint not less than three nor more than nine persons, citizens and residents of the county, as members of a board of recreation commissioners. The commissioners first appointed shall be appointed for terms of 1, 2, 3, 4, and 5 years respectively, in such manner that the term of at least one commissioner and not more than two commissioners shall expire in each year according to the number appointed as fixed by the board of chosen freeholders. In case of the increase of a board from three to five members, one additional member shall be appointed for 4 years and one for 5 years. In the case of the increase of a board from five to seven members, one additional member shall be appointed for 4 years and one for 5 years. In the case of the increase of a board from seven to nine members, one additional member shall be appointed for 4 years and one for 5 years. In the case of the increase of a board from five to nine members, two additional commissioners shall be appointed for 4 years and two for 5 years. In the case of the increase of a board from three to nine members, three additional commissioners shall be appointed for 4 years and three for 5 years. Thereafter, all appointments shall be for the term of 3 years if the board consists of three members or 5 years if the board consists of five, seven or nine members, according to the number appointed to comprise the board, and vacancies shall be filled for the unexpired term only. The members shall serve until

their respective successors are appointed and shall qualify. The members shall receive no compensation for their services.

All such boards heretofore appointed are continued and shall be governed by the provisions of sections 40:12-1 to 40:12-8 of this Title.

2. R.S.40:12-6 is amended to read as follows:

Powers of board of recreation commissioners.

40:12-6. The board of recreation commissioners shall have full control over all lands, playgrounds and recreation places acquired or leased under the provisions of sections 40:12-1 to 40:12-9 of this Title and may adopt a board seal, suitable rules, regulations and bylaws for the use thereof, and the conduct of all persons while on or using the same; and any person who shall violate any of such rules, regulations or bylaws shall be deemed and adjudged to be a disorderly person.

The custodians, supervisors and assistants appointed by the board shall, while on duty and for the purpose of preserving order and the observance of the rules, regulations and bylaws of the board, have all the power and authority of police officers of the respective municipalities in and for which they are severally appointed.

The board may appoint a recreation director for a term not to exceed 3 years, a secretary or clerk, and such number of custodians, supervisors and assistants for the several playgrounds and recreation places under its control as they shall think necessary, and fix and determine their salaries.

3. This act shall take effect immediately.

Approved June 14, 2001.

CHAPTER 103

AN ACT appropriating \$14,750,000 from the "Garden State Farmland Preservation Trust Fund" for farmland preservation purposes.

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

1. a. There is appropriated from the "Garden State Farmland Preservation Trust Fund," established pursuant to section 20 of P.L.1999, c.152 (C.13:8C-20), to the State Agriculture Development Committee the sum of \$14,750,000 for the purpose of providing for the cost of acquisition by the

committee of development easements on farmland for projects approved as eligible for such funding pursuant to subsection b. of this section. The total expenditure by the State Agriculture Development Committee from the list of eligible projects in subsection b. of this section totaling \$15,775,000 shall not exceed \$14,750,000.

b. The following projects are eligible for funding with the monies appropriated pursuant to subsection a. of this section:

Project (Farm)	County	Municipality	Acres (+/-)	Approved Amount Not to Exceed
Castellari	Atlantic	Buena Boro	35	\$ 200,000
Allen, J. & F.	Cumberland	Deerfield	93	225,000
Streep, J.	Cumberland	Fairfield	784	475,000
Nieukirk, R. & A.	Cumberland	Greenwich	94	200,000
Ayars, H.	Cumberland	Hopewell	30	125,000
McAllister, C.	Cumberland	Hopewell	42	150,000
Timberman, G. & J.	Cumberland	Stow Creek	35	125,000
Kristovich, J. & S	Cumberland	Upper Deerfield	121	300,000
Palischak, M.	Cumberland	Upper Deerfield	50	200,000
Seabrook Farm	Cumberland	Upper Deerfield	42	175,000
Barney, E. & R.	Monmouth	Colts Neck	51	1,450,000
Borshowsky, P.	Monmouth	Howell	24	1,350,000
Naryshkin, G. & V.	Monmouth	Howell	75	3,350,000
Providence Corporation	Monmouth	Manalapan	83	950,000
Freedom Farm USA	Monmouth	Upper Freehold	33	250,000
Isaac, H. & B.	Monmouth	Upper Freehold	11	50,000
Liester, A. & K.	Monmouth	Upper Freehold	17	125,000
Ray, W.	Salem	Alloway	176	250,000
Coles, C.	Salem	Elsinboro	164	175,000
Haynes, B. & B.	Salem	Elsinboro	86	125,000
Sanflippo, L. Jr. & Taylor, L.	Salem	Elsinboro	100	200,000
Seddon, W. & V.	Salem	Elsinboro	17	50,000
Shuman, F.	Salem	Elsinboro	61	100,000
Weber, J. & K.	Salem	Elsinboro	113	175,000
Yurick, A. & E.	Salem	Elsinboro	30	75,000
Sylvester	Salem	Lower Alloways Creek	365	350,000
Weigel, A. & M.	Salem	Mannington	103	200,000
Clark, R. & L.	Salem	Pilesgrove	22	100,000

Goforth, A. & J.	Salem	Pilesgrove	105	250,000
Harker, R. & C.	Salem	Pilesgrove	92	200,000
Seayrs, P. & K.	Salem	Pilesgrove	56	150,000
Waddington, G. & J.	Salem	Pilesgrove	32	100,000
DiGregorio, R. & M.	Salem	Pittsgrove	108	150,000
Eachus, Ella	Salem	Pittsgrove	37	125,000
Walker, S., P., E. & B.	Salem	Pittsgrove	259	725,000
Ladner, H. & D.	Salem	Quinton	163	225,000
Turner, R. & N.	Salem	Quinton	30	75,000
Devivo, A.	Salem	Upper Pittsgrove	127	325,000
Gantz, V.	Salem	Upper Pittsgrove	111	325,000
Hannah, T.	Salem	Upper Pittsgrove	129	275,000
Harvey, R. & D.	Salem	Upper Pittsgrove	64	175,000
Mayhew, W. & J.	Salem	Upper Pittsgrove	88	225,000
Murphy, A.	Salem	Upper Pittsgrove	38	125,000
Nelson, J. Sr.	Salem	Upper Pittsgrove	85	200,000
Sarracino, P. & L.	Salem	Upper Pittsgrove	19	75,000
Schissler, G. & C.	Salem	Upper Pittsgrove	17	75,000
Schultz, R.	Salem	Upper Pittsgrove	60	150,000
Seery, L.	Salem	Upper Pittsgrove	24	75,000
Williams, T.	Salem	Upper Pittsgrove	79	150,000
Zeck, D. & S.	Salem	Upper Pittsgrove	38	100,000

2. The expenditure of the sums appropriated by this act is subject to the provisions and conditions of P.L.1999, c.152 (C.13:8C-1 et seq.), and P.L.1983, c.32 (C.4:1C-11 et seq.), as appropriate.

3. This act shall take effect immediately.

Approved June 14, 2001.

CHAPTER 104

AN ACT appropriating \$14,900,000 from the "Garden State Farmland Preservation Trust Fund" for farmland preservation purposes.

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

1. a. There is appropriated from the "Garden State Farmland Preservation Trust Fund," established pursuant to section 20 of P.L.1999, c.152 (C.13:8C-20), to the State Agriculture Development Committee the sum of \$14,900,000 for the purpose of providing for the cost of acquisition by the committee of development easements on farmland for projects approved as eligible for such funding pursuant to subsection b. of this section. The total expenditure by the State Agriculture Development Committee from the list of eligible projects in subsection b. of this section totaling \$16,025,000 shall not exceed \$14,900,000.

b. The following projects are eligible for funding with the monies appropriated pursuant to subsection a. of this section:

Project (Farm)	County	Municipality	Acres (+/-)	Approved Amount Not to Exceed
Wrede, H & V.	Hunterdon	Alexandria	16	\$ 100,000
Hagaman, E.	Hunterdon	Bethlehem	48	300,000
Hagaman, E.	Hunterdon	Bethlehem	51	300,000
Ravenburg, R., T. & K.	Hunterdon	Bethlehem	41	250,000
Crater, S.	Hunterdon	East Amwell	42	350,000
Hockenbury, I.	Hunterdon	East Amwell	62	550,000
Hoffman A	Hunterdon	Holland	135	700,000
Hoffman B	Hunterdon	Holland	89	475,000
Hoffman C	Hunterdon	Holland	90	475,000
Phillips, R. & I.	Hunterdon	Holland	63	350,000
Phillips, R., I., M. & Sciarrello, K.	Hunterdon	Holland	63	375,000
Wydner, L. & D.	Hunterdon	Holland	122	50,000
Young, K. & Ryan, M.	Hunterdon	Holland	89	425,000
Kenny, J. & R.	Hunterdon	Kingwood/ Delaware	150	950,000
Lee, M. & H.	Hunterdon	Raritan	52	600,000
Kerr Ridge Farm	Mercer	Hopewell Twp	84	1,900,000
Wengryn, B., S., & W. Jr.	Somerset	Hillsborough	25	725,000
Tri-Farms, Inc.	Sussex	Andover Boro/ Byram/ Green	568	1,900,000
Howell-Vasbinder Farm	Warren	Frelinghuysen	50	250,000
Schwartz 1987 Trust	Warren	Frelinghuysen	91	275,000
Brands, A. & Brands-Parker, A.	Warren	Knowlton	107	450,000
Ridgewood Hunt Club, L.L.C.	Warren	Knowlton	308	1,250,000

Walters, J. & A. Jr.	Warren	Knowlton	153	625,000
Gambino, S. & A.	Warren	Pohatcong	97	475,000
Snyder, G. & M.	Warren	Pohatcong	94	400,000
Willard, D. & M.	Warren	Pohatcong	284	1,125,000
Sigler, A.	Warren	Washington Twp	61	400,000

2. The expenditure of the sums appropriated by this act is subject to the provisions and conditions of P.L.1999, c.152 (C.13:8C-1 et seq.), and P.L.1983, c.32 (C.4:1C-11 et seq.), as appropriate.

3. This act shall take effect immediately.

Approved June 14, 2001.

CHAPTER 105

AN ACT appropriating \$11,800,000 from the "Garden State Farmland Preservation Trust Fund" for farmland preservation purposes.

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

1. a. There is appropriated from the "Garden State Farmland Preservation Trust Fund," established pursuant to section 20 of P.L.1999, c.152 (C.13:8C-20), to the State Agriculture Development Committee the sum of \$6,000,000 for the purpose of providing planning incentive grants to counties and municipalities pursuant to the provisions of P.L.1999, c.180 (C.4:1C-43.1 et seq.). The total expenditure by the State Agriculture Development Committee from the list of eligible projects in subsection b. of this section totaling \$6,025,000 shall not exceed \$6,000,000.

b. The following projects are eligible for funding with the monies appropriated pursuant to subsection a. of this section:

Applicant	County	Municipality	Approved Grant Not To Exceed
Delaware Twp & Kingwood Twp (Covered Bridge/ Dilts Corner District)	Hunterdon	Delaware Twp & Kingwood Twp	\$ 500,000
Tewksbury Twp	Hunterdon	Tewksbury Twp	675,000
Monmouth County	Monmouth	Howell Twp	1,400,000
Monmouth County	Monmouth	Millstone Twp	1,575,000

Franklin Twp	Somerset	Franklin Twp	1,175,000
Hillsborough Twp	Somerset	Hillsborough Twp	700,000

2. a. There is appropriated from the "Garden State Farmland Preservation Trust Fund," established pursuant to section 20 of P.L.1999, c.152 (C.13:8C-20), to the State Agriculture Development Committee the sum of \$1,800,000 for the purpose of providing grants to qualifying tax exempt nonprofit organizations (1) for up to 50% of the cost of acquisition of development easements on farmland, or (2) for up to 50% of the cost of acquisition of fee simple titles to farmland for resale or lease with agricultural deed restrictions approved by the committee. The total expenditure by the State Agriculture Development Committee from the list of eligible projects in subsection b. of this section totaling \$1,900,000 shall not exceed \$1,800,000.

b. The following projects are eligible for funding with the monies appropriated pursuant to subsection a. of this section:

Applicant (Farm)	County	Municipality	Acres	Approved Grant Not to Exceed
Nature Conservancy (Sheppard Farms)	Cumberland	Lawrence Twp	431	\$ 250,000
New Jersey Conservation Foundation (Buchholz)	Hunterdon	Alexandria Twp	45	250,000
Nature Conservancy (Darling)	Warren	Frelinghuysen Twp	137	375,000
Nature Conservancy (Jamar)	Warren	Frelinghuysen Twp	203	575,000
Nature Conservancy (Katzenstein)	Warren	Frelinghuysen Twp	140	350,000
Ridge and Valley Conservancy, Inc. (Motyka)	Warren	Hope Twp	79	100,000

3. There is appropriated from the "Garden State Farmland Preservation Trust Fund," established pursuant to section 20 of P.L.1999, c.152 (C.13:8C-20), to the State Agriculture Development Committee the sum of \$4,000,000 for the purpose of providing for the cost of acquisition by the committee of fee simple titles to farmland for farmland preservation purposes. Any such farmland acquired in fee simple with monies appropriated pursuant to this section shall be offered for resale or lease with agricultural deed restrictions.

4. The expenditure of the sums appropriated by this act is subject to the provisions and conditions of P.L.1999, c.152 (C.13:8C-1 et seq.), P.L.1983, c.32 (C.4:1C-11 et seq.), and P.L.1999, c.180 (C.4:1C-43.1 et seq.), as appropriate.

5. This act shall take effect immediately.

Approved June 14, 2001.

CHAPTER 106

AN ACT concerning benefits under the NJ SAVER and amending P.L.1999, c.63.

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

1. Section 4 of P.L.1999, c.63 (C.54:4-8.58b) is amended to read as follows:

C.54:4-8.58b NJ SAVER rebate, amount; eligibility; conditions.

4. a. A resident of this State who has paid property taxes for the tax year on a homestead that is owned as such, who has filed an application for an NJ SAVER rebate pursuant to the provisions of P.L.1999, c.63 (C.54:4-8.58a et al.), shall be allowed an NJ SAVER rebate in the amount determined by the director pursuant to this section. The amount of the NJ SAVER rebate shall be equal to the product of (1) the NJ SAVER property value amount, multiplied by (2) the NJ SAVER school tax rate for the municipality in which the claimant maintains the homestead for which the claimant has paid property taxes for the tax year; provided however, that the NJ SAVER rebate amount for the 1998 tax year to be paid on or before September 30, 1999 shall be 20% of the amount otherwise determined, the NJ SAVER rebate amount for the 1999 tax year to be paid on or before September 30, 2000 shall be 40% of the amount otherwise determined, and the NJ SAVER rebate amount for the 2000 tax year to be paid on or before September 30, 2001 shall be 83 1/3 % of the amount otherwise determined.

b. Eligibility for an NJ SAVER rebate shall be based upon the prerequisites for an NJ SAVER rebate having been met by the applicant at 12:01 A.M. on October 1 of the tax year for which the NJ SAVER rebate is claimed.

c. If title to a homestead is held by more than one individual, other than a husband and wife, as joint tenants or tenants in common, each individual shall be allowed an NJ SAVER rebate pursuant to this section

only in relation to the individual's proportionate share of interest in the title. Title shall be presumed to be held in equal shares among all co-owners, but if the applicant satisfactorily demonstrates to the director that under the conveyance under which the title is held, or otherwise satisfactorily demonstrates that the title provides for unequal interests therein, that applicant's NJ SAVER rebate shall be in proportion to the claimant's interest in the title.

d. If the homestead of an NJ SAVER applicant is a residential property consisting of more than one unit, that applicant shall be allowed an NJ SAVER rebate pursuant to this section only in relation to the proportionate share of the school property taxes assessed and levied against the residential unit occupied by that applicant, as satisfactorily demonstrated by the applicant to the director.

e. A homestead held by husband and wife, as tenants by the entirety, shall be deemed wholly owned by each tenant, but no more than one NJ SAVER rebate in regard to that homestead shall be allowed in any year. If a husband and wife file separate NJ SAVER applications for a tax year for the same homestead, the amount of the NJ SAVER rebate allowed in regard to that homestead shall be paid in one-half equal amounts to each applicant. An application for an NJ SAVER rebate shall be allowed for a homestead the title to which is held by a partnership, to the extent of the applicant's interest as a partner therein, and by a guardian, trustee, committee, conservator or other fiduciary for any individual who would otherwise be eligible for an NJ SAVER rebate.

2. This act shall take effect immediately.

Approved June 18, 2001.

CHAPTER 107

A SUPPLEMENT to "An Act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 2000 and regulating the disbursement thereof," approved June 28, 1999 (P.L. 1999, c.138).

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

1. In addition to the amounts appropriated under P.L. 1999, c.138, there is appropriated out of the General Fund the following sum for the purpose specified:

42 DEPARTMENT OF ENVIRONMENTAL PROTECTION
40 Community Development and Environmental Management
42 Natural Resource Management
STATE AID

21-4895 Natural Resources Engineering: \$468,750
State Aid:

21 Restoration of Lake Lily, Cape May Point,
 Cape May County (\$468,750)

2. This act shall take effect immediately.

Approved June 21, 2001.

CHAPTER 108

A SUPPLEMENT to "An Act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 2001 and regulating the disbursement thereof," approved June 30, 2000 (P.L.2000, c.53).

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

1. In addition to the amounts appropriated under P.L.2000, c.53 there is appropriated out of the General Fund the following sum for the purpose specified:

46 DEPARTMENT OF HEALTH AND SENIOR SERVICES
20 Physical and Mental Health
21 Health Services
GRANTS-IN-AID

03-4230 Public Health Protection Services \$45,000
 Total Grants-In-Aid Appropriation,
 Public Health Protection Services \$45,000

Grants-In-Aid:

03 Friends of the Homeless Animals, Inc. . . . (\$45,000)

2. This act shall take effect immediately.

Approved June 21, 2001.

CHAPTER 109

AN ACT concerning the settlement of intestate estates in certain circumstances, amending and supplementing various sections of Title 3B of New Jersey Statutes and repealing N.J.S.3B:5-5 and N.J.S.3B:23-20.

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

C.3B:5-5.1 Diligent inquiry by fiduciary to find heirs.

1. If it appears to a fiduciary administering an intestate estate that there may be persons whose names or addresses are unknown who may be entitled to participate in the distribution of the estate, the fiduciary shall make a diligent inquiry, under the circumstances, to identify and locate the persons. The actions taken by a fiduciary shall be those that have some reasonable likelihood of finding the persons and are reasonable in cost compared with the amount of the distribution involved.

2. N.J.S.3B:23-19 is amended to read as follows:

Order for filing claims of unknown distributees.

3B:23-19. Order for filing claims of unknown distributees.

a. When it appears in an action for the distribution of the property of which a decedent dies intestate that no heirs to the property can be found or in addition to persons known to have an interest in the estate, there may be others whose names or addresses are unknown who may be entitled to participate in the distribution, the court may order additional actions to identify and locate heirs.

b. If no heirs to the property can be found, the property shall be presumed abandoned and handled in accordance with the "Uniform Unclaimed Property Act (1981)," R.S. 46:30B-1 et seq.

c. If, in addition to persons known to have an interest in the estate, others whose names or addresses are unknown may be entitled to participate in the distribution, the court shall order the part of the estate to which they may be entitled held for a specific period. The court shall set that period as two years beginning at the date of death unless good cause is shown to set another period. If the others cannot be located within the period, the court shall order the property divided among the known heirs in proportions as if the unknown heirs did not exist.

3. N.J.S.3B:23-21 is amended to read as follows:

Unclaimed estate assets.

3B:23-21. Unclaimed estate assets. When a fiduciary states his final account and there remains in his hands a balance, devise, distributive share, dividend or sum of money to be paid to a person and the person, or his guardian, if he be an infant or mental incompetent, fails to claim the balance, devise, distributive share, dividend or sum of money within the period of time set forth in R.S.46:30B-37.1, then the property shall be disposed of as provided in N.J.S.3B:23-19 if it is part of an intestate estate or otherwise presumed abandoned and handled in accordance with the "Uniform Unclaimed Property Act (1981)," R.S.46:30B-1 et seq.

Repealer.

4. N.J.S.3B:5-5 and N.J.S.3B:23-20 are hereby repealed.
5. This act shall take effect immediately.

Approved June 21, 2001.

CHAPTER 110

AN ACT concerning forgery and amending N.J.S.2C:21-1 and supplementing Title 2C of the New Jersey Statutes.

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

1. N.J.S.2C:21-1 is amended to read as follows:

Forgery and related offenses.

2C:21-1. Forgery and Related Offenses.

a. Forgery. A person is guilty of forgery if, with purpose to defraud or injure anyone, or with knowledge that he is facilitating a fraud or injury to be perpetrated by anyone, the actor:

(1) Alters or changes any writing of another without his authorization;

(2) Makes, completes, executes, authenticates, issues or transfers any writing so that it purports to be the act of another who did not authorize that act or of a fictitious person, or to have been executed at a time or place or in a numbered sequence other than was in fact

the case, or to be a copy of an original when no such original existed; or

(3) Utters any writing which he knows to be forged in a manner specified in paragraph (1) or (2).

"Writing" includes printing or any other method of recording information, money, coins, tokens, stamps, seals, credit cards, badges, trademarks, access devices, and other symbols of value, right, privilege, or identification, including retail sales receipts, universal product code (UPC) labels and checks. This section shall apply without limitation to forged, copied or imitated checks.

b. Grading of forgery. Forgery is a crime of the third degree if the writing is or purports to be part of an issue of money, securities, postage or revenue stamps, or other instruments, certificates or licenses issued by the government, New Jersey Prescription Blanks as referred to in R.S.45:14-14, or part of an issue of stock, bonds or other instruments representing interest in or claims against any property or enterprise, or an access device. Forgery is a crime of the third degree if the writing is or purports to be a check. Forgery is a crime of the third degree if the writing is or purports to be 15 or more forged or altered retail sales receipts or universal product code labels.

Otherwise forgery is a crime of the fourth degree.

c. Possession of forgery devices. A person is guilty of possession of forgery devices, a crime of the third degree, when with purpose to use, or to aid or permit another to use the same for purposes of forging written instruments, including access devices, he makes or possesses any device, apparatus, equipment, computer, computer equipment, computer software or article specially designed or adapted to such use.

C.2C:21-2.4 Possession of certain fraudulent receipts, universal product code (UPC) labels and checks.

2. Possession of certain fraudulent receipts, universal product code (UPC) labels and checks.

a. Except as provided in subsection b. of this section, any person who knowingly possesses a forged or altered retail sales receipt, universal product code (UPC) label or check for the purpose of defrauding a retail merchant shall be guilty of a disorderly persons offense.

b. Any person who knowingly possesses 15 or more forged or altered retail sales receipts, universal product code labels or checks for the purpose of defrauding a retail merchant shall be guilty of a crime of the fourth degree.

3. This act shall take effect immediately.

Approved June 21, 2001.

CHAPTER 111

AN ACT concerning pupil transportation and amending
N.J.S.18A:39-3.

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

1. N.J.S.18A:39-3 is amended to read as follows:

Pupil transportation contracts.

18A:39-3. a. No contract for the transportation of pupils to and from school shall be made, when the amount to be paid during the school year for such transportation shall exceed \$7,500.00 or the amount determined pursuant to subsection b. of this section, and have the approval of the county superintendent of schools, unless the board of education making such contract shall have first publicly advertised for bids therefor in a newspaper published in the district or, if no newspaper is published therein, in a newspaper circulating in the district, once, at least 10 days prior to the date fixed for receiving proposals for such transportation, and shall have awarded the contract to the lowest responsible bidder.

Nothing in this chapter shall require the advertisement and letting on proposals or bids of annual extensions, approved by the county superintendent, of any contract for transportation entered into through competitive bidding when--

(1) Such annual extensions impose no additional cost upon the board of education, regardless of the fact that the route description has changed; or

(2) The increase in the original contractual amount as a result of such extensions does not exceed the rise in the Consumer Price Index as defined in section 3 of P.L.1996, c.138 (C.18A:7F-3) for that school year, regardless of the fact that the route description has changed or an aide has been added or removed; or

(3) (Deleted by amendment, P.L.1982, c.74.)

(4) The increase in the original contractual amount as a result of an extension exceeds the rise in the Consumer Price Index as defined

in section 3 of P.L.1996, c.138 (C.18A:7F-3) for that school year, but the following apply to the extensions:

(a) The increase is directly attributable to a route change to accommodate new student riders or safety concerns as provided for in the original bid, or the increase is directly attributable to the addition of an aide as provided for in the original bid; and

(b) The school destination remains unchanged from the original contract.

Any such extension as described in this paragraph shall require the approval of the county superintendent of schools.

Nothing in this chapter shall require the immediate bid of any contract renewal for the remainder of a school year in which the only change, in addition to route description, is the bus type. However, any such extension shall be approved by the county superintendent of schools and shall be bid for the next school year.

b. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of each odd-numbered year, adjust the threshold amount set forth in subsection a. of this section, or subsequent to 1985 the threshold amount resulting from any adjustment under this subsection or section 17 of P.L.1985. c.469, in direct proportion to the rise or fall of the Consumer Price Index for all urban consumers in the New York City and the Philadelphia areas as reported by the United States Department of Labor. The Governor shall, no later than June 1 of each odd-numbered year, notify all local school districts of the adjustment. The adjustment shall become effective on July 1 of each odd-numbered year.

2. This act shall take effect immediately.

Approved June 21, 2001.

CHAPTER 112

AN ACT concerning patient information obtained by organized delivery systems and amending P.L.1999, c.409.

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

1. Section 30 of P.L.1999, c.409 (C.17:48H-30) is amended to read as follows:

C.17:48H-30 Confidentiality of data, information; exceptions.

30. Any data or information relating to the diagnosis, treatment or health of an enrollee, prospective enrollee or contract holder obtained by a certified or licensed organized delivery system from the carrier, contract holder, enrollee, prospective enrollee or any provider shall be confidential and shall not be disclosed to any person except:

a. To the extent that it may be necessary to carry out the purposes of this act;

b. Upon the express consent of the enrollee, prospective enrollee or contract holder;

c. Pursuant to statute or court order for the production of evidence or the discovery thereof;

d. In the event of a claim or litigation between an enrollee, a prospective enrollee or a contract holder and the organized delivery system wherein that data or information is relevant. An organized delivery system shall be entitled to claim any statutory privilege against disclosure which the provider who furnished the information to the system is entitled to claim;

e. For epidemiological and outcomes research when the identity of the enrollee, prospective enrollee or contract holder is protected through the use of anonymized information. For the purposes of this subsection, "anonymized information" means information that has been coded or encrypted to protect the identity of the enrollee, prospective enrollee or contract holder in such a manner that decoding or unencryption of the information can occur only with the use of a key that is available only to authorized persons and utilized only as deemed necessary by those persons, and the unauthorized use of which is subject to such penalties as are prescribed by law; or

f. Upon the informed consent of the enrollee, prospective enrollee or contract holder, which is obtained for research that has been approved by an institutional review board, in accordance with federal requirements for informed consent under 21C.F.R.50 et seq. or 45C.F.R.46 et seq.

2. This act shall take effect immediately.

Approved June 21, 2001.

CHAPTER 113

AN ACT providing for the location and final site of the New Jersey railroad and transportation museum and supplementing Title 52 of the Revised Statutes.

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

C.28:2-32 Findings, declarations regarding railroad, transportation museum.

1. The Legislature finds and declares:

a. New Jersey has long been disadvantaged by the absence of an official historical exhibit site and institution for its large transportation artifacts. As a result, our State's artifacts have been collected by transportation museums in neighboring states supported by state and federal funds. Tourism, as well as museum volunteer labor, has also "migrated" out of the State to follow these artifacts.

b. Pursuant to section 4 of P.L.1993, c.209 (C.52:16A-46), as amended by P.L.1997, c.50, the New Jersey Railroad and Transportation Museum Commission, authorized pursuant to an appropriation of \$357,000 in Fiscal Year 2000, has developed a master plan for the proposed railroad and transportation museum, prepared by the firm of Wallace Roberts and Todd in May 2000. The master plan examines the establishment of the museum in the town of Phillipsburg, Warren County, with the development of a satellite facility in the borough of Netcong, Morris County and including the feasibility of rail excursions between Netcong and Phillipsburg.

c. Pursuant to the master plan, the commission, in a report issued in September 2000, recommends to the Governor, the Legislature and the Department of Transportation that the final site for the museum be principally located in the town of Phillipsburg, Warren County, with a satellite location in the borough of Netcong, Morris County. The commission recommends that the museum be called the "New Jersey Transportation Heritage Center."

d. It is in the public interest for the Legislature to establish the location and final site of the New Jersey transportation and railroad museum in the town of Phillipsburg, Warren County, with a satellite facility in the borough of Netcong, Morris County, the museum to be called the "New Jersey Transportation Heritage Center."

C.28:2-33 Location, establishment of "New Jersey Transportation Heritage Center."

2. The principal location and final site of the New Jersey railroad and transportation museum shall be in the town of

Phillipsburg, Warren County, with a satellite location in the borough of Netcong, Morris County. The museum shall be called the "New Jersey Transportation Heritage Center." Rail excursions are also authorized from the town of Phillipsburg and the borough of Netcong at such times and following such routes as prescribed by the body, be it the board of directors, board of trustees, or otherwise, which shall be authorized to operate the "New Jersey Transportation Heritage Center."

3. This act shall take effect immediately.

Approved June 22, 2001.

CHAPTER 114

AN ACT concerning civil actions against drug dealers and supplementing Title 2C of the New Jersey Statutes.

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

C.2C:35B-1 Short title.

1. This act shall be known and may be cited as the "Drug Dealer Liability Act."

C.2C:35B-2 Findings, declarations regarding civil actions against drug dealers.

2. The Legislature finds and declares:

a. Although the criminal justice system is an important weapon in the battle against controlled dangerous substances, the civil justice system can and must also be used. The civil justice system can provide an avenue of compensation for those who have suffered harm as a result of the marketing and distribution of controlled dangerous substances. The persons who have joined the marketing of controlled dangerous substances should bear the cost of the harm caused by that market in the community.

b. The threat of liability under this act serves as an additional deterrent to a recognizable segment of the network for marketing controlled dangerous substances. Because of this threat, a person who has assets unrelated to the sale of controlled dangerous substances, who markets controlled dangerous substances at the workplace, who encourages friends to become users, is likely to decide that the added cost of entering the market is not worth the

benefit. This is particularly true for a first-time, casual dealer who has not yet made substantial profits.

c. This act is intended to provide a mechanism whereby the costs of the injuries caused by illegal drug use will be borne by those who benefit from illegal drug dealing.

d. This act imposes liability against all participants in the marketing of controlled dangerous substances, including small dealers, particularly those in the workplace, who are not usually the focus of criminal investigations. Small dealers increase the number of users and ultimately are the people who become large dealers. It is these small dealers who are most likely to be deterred by the threat of liability.

C.2C:35B-3 Definitions regarding civil actions against drug dealers.

3. As used in this act:

a. "Marketing of controlled dangerous substances" means the illegal distributing, dispensing, or possessing with intent to distribute, a specified controlled dangerous substance.

b. "Individual user of controlled dangerous substance" means the individual whose illegal use of a specified controlled dangerous substance is the basis of an action brought under this act.

c. "Level 1 offense" means:

(1) possessing with intent to distribute less than four ounces of a specified controlled dangerous substance as defined in this section;

(2) distributing or dispensing less than one ounce of a specified controlled dangerous substance as defined in this section;

(3) possessing with intent to distribute 25 or more but less than 50 marijuana plants;

(4) possessing with intent to distribute less than four pounds of marijuana, or

(5) distributing or dispensing more than 28.5 grams of marijuana.

d. "Level 2 offense" means:

(1) possessing with intent to distribute four ounces or more but less than eight ounces of a specified controlled dangerous substance as defined in this section;

(2) distributing or dispensing one ounce or more but less than two ounces of a specified controlled dangerous substance as defined in this section;

(3) possessing with intent to distribute 50 or more but less than 75 marijuana plants;

(4) possessing with intent to distribute four pounds or more but less than eight pounds of marijuana, or

(5) distributing or dispensing more than one pound but less than five pounds of marijuana.

e. "Level 3 offense" means:

(1) possessing with intent to distribute eight ounces or more but less than 16 ounces of a specified controlled dangerous substance as defined in this section;

(2) distributing or dispensing two ounces or more but less than four ounces of a specified controlled dangerous substance as defined in this section;

(3) possessing with intent to distribute 75 or more but less than 100 marijuana plants;

(4) possessing with intent to distribute eight pounds or more but less than 16 pounds of marijuana, or

(5) distributing or dispensing more than five pounds but less than 10 pounds of marijuana.

f. "Level 4 offense" means:

(1) possessing with intent to distribute 16 ounces or more of a specified controlled dangerous substance as defined in this section;

(2) distributing or dispensing four ounces or more of a specified controlled dangerous substance as defined in this section;

(3) possessing with intent to distribute 100 or more marijuana plants;

(4) possessing with intent to distribute 16 pounds or more of marijuana, or

(5) distributing or dispensing more than 10 pounds of marijuana.

g. "Participate in the illegal marketing of controlled dangerous substances" means to transport, import into this State, distribute, dispense, sell, possess with intent to distribute, or offer to distribute a controlled dangerous substance, in violation of any of the provisions of chapter 35 of Title 2C of the New Jersey Statutes. "Participate in the marketing of controlled dangerous substances" does not include the purchase or receipt of a controlled dangerous substance for personal use only.

h. "Person" means any natural person, association, partnership, corporation or other entity.

i. "Period of illegal use" means, in relation to the individual user of a controlled dangerous substance, the time of the individual's first illegal use of a controlled dangerous substance to the accrual of the cause of action.

j. "Place of illegal activity" means, in relation to the individual user of a specified controlled dangerous substance, each county in

which the individual illegally possess or uses a specified controlled dangerous substance.

k. "Place of participation" means, in relation to a defendant in an action brought under this act, each county in which the defendant participates in the marketing of controlled dangerous substances.

l. "Specified controlled dangerous substance" means heroin, cocaine, lysergic acid diethylamide, phencyclidine, methamphetamine, phenyl-2-propanone (P2P) and any other controlled dangerous substance specified under the provisions of N.J.S.2C:35-5 as being unlawful to manufacture, distribute, or dispense, or to possess or have under a person's control with intent to manufacture, distribute or dispense.

C.2C:35B-4 Liability of illegal marketer of controlled dangerous substances.

4. A person who knowingly participates in the illegal marketing of controlled dangerous substances within this State is liable for damages, as provided in this act, for injury resulting from an individual's illegal use of a controlled dangerous substance.

C.2C:35B-5 Action for damages; plaintiffs, offenses.

5. a. Any of the following persons may bring an action for damages caused by an individual's illegal use of a controlled dangerous substance:

(1) A parent, legal guardian, child, spouse, or sibling of the controlled dangerous substance user.

(2) An individual who was exposed to a controlled dangerous substance in utero.

(3) An employer of the controlled dangerous substance user.

(4) A medical facility, insurer, employer, or other nongovernmental entity that funded a drug treatment program or employee assistance program for the controlled dangerous substance user or that otherwise expended money on behalf of the controlled dangerous substance user.

(5) A person injured as a result of the reckless or negligent actions of an individual user of a controlled dangerous substance.

No public entity, and no public agency other than a public hospital, shall have a cause of action under this act.

b. A person entitled to bring an action under this act may seek damages against:

(1) A person who illegally distributed or dispensed a controlled dangerous substance to the individual user of the controlled dangerous substance; or

(2) A person who knowingly participated in the illegal marketing of controlled dangerous substances, if all of the following apply:

(a) The defendant's place of participation is situated in the same county as the individual user's place of illegal activity;

(b) The defendant participated in the marketing of the same type of controlled dangerous substances as those used by the individual user;

(c) The defendant was previously convicted of an offense in the State of New Jersey for that type of controlled dangerous substance; and

(d) The defendant participated in the marketing of controlled dangerous substances at any time during the period the individual user unlawfully used the controlled dangerous substance.

c. A person entitled to bring an action under this section may recover all of the following damages:

(1) Economic damages, including, but not limited to, the cost of treatment and rehabilitation, medical expenses, loss of economic or educational potential, loss of productivity, absenteeism, support expenses, accidents or injury, and any other pecuniary loss proximately caused by the use of a controlled dangerous substance.

(2) Noneconomic damages, including but not limited to physical and emotional pain, suffering, physical impairment, physical impairment, emotional distress, disfigurement, loss of enjoyment, loss of companionship, services and consortium, and other nonpecuniary losses proximately caused by an individual's use of a controlled dangerous substance.

(3) Punitive damages.

(4) Reasonable attorney fees.

(5) Costs of suit, including, but not limited to, reasonable expenses for expert testimony.

C.2C:35B-6 Controlled dangerous substance individual user; conditions to bring an action.

6. a. An individual user of a controlled dangerous substance may bring an action for damages caused by the use of a controlled dangerous substance only if all of the following conditions are met:

(1) The individual personally discloses to narcotics enforcement authorities all of the information known to the individual regarding all that individual's sources of controlled dangerous substances.

(2) The individual has not used a controlled dangerous substance within the 30 days before filing the action.

(3) The individual continues to remain free of the use of an illegal controlled substance throughout the pendency of the action.

b. An individual user entitled to bring an action under this section may seek damages only from a person who transported, imported into this State, distributed, dispensed, sold, possessed with intent to distribute, or offered to distribute, in violation of any of the provisions of chapter 35 of Title 2C of the New Jersey Statutes, the controlled dangerous substance actually used by the individual user of a controlled dangerous substance.

c. An individual user entitled to bring an action under this section may recover only the following damages:

(1) Economic damages, including, but not limited to, the cost of treatment, rehabilitation and medical expenses, loss of economic or educational potential, loss of productivity, absenteeism, accidents or injury, and any other pecuniary loss proximately caused by the person's use of a controlled dangerous substance.

(2) Reasonable attorney fees.

(3) Costs of suit, including, but not limited to, reasonable expenses for expert testimony.

C.2C:35B-7 No third party damage payments; assignment of cause of action restricted.

7. a. A third party shall not pay damages awarded under this act, or provide a defense or money for a defense, on behalf of an insured under a contract of insurance or indemnification.

b. A cause of action authorized pursuant to this act may not be assigned, either expressly, by subrogation, or by any other means, directly or indirectly, to any public or publicly funded agency or institution.

C.2C:35B-8 Damage table.

8. A person whose participation in the marketing of controlled dangerous substances is grounds for liability pursuant to this act shall be rebuttably presumed to be liable for damages incurred by the plaintiff in the following percentages:

a. For a level 1 offense, 25 percent of the damages;

b. For a level 2 offense, 50 percent of the damages;

c. For a level 3 offense, 75 percent of the damages; and

d. For a level 4 offense, 100 percent of the damages.

C.2C:35B-9 Joint actions.

9. a. Two or more persons may join in one action under this act as plaintiffs if their respective actions have at least one market for controlled dangerous substances in common and if any portion of the period of use of a controlled dangerous substance overlaps with the

period of use of a controlled dangerous substance for every other plaintiff.

b. Two or more persons may be joined in one action under this act as defendants if those persons are liable to at least one plaintiff.

C.2C:35B-10 Comparative responsibility governing action.

10. a. An action by an individual user of a controlled dangerous substance is governed by the principles of comparative responsibility. Comparative responsibility attributed to an individual user does not bar the user's recovery but diminishes the award of damages proportionately, according to the measure of responsibility attributed to the user. The burden of proving comparative responsibility is on the defendant, who shall prove comparative responsibility by clear and convincing evidence.

b. Comparative responsibility shall not be attributed to a plaintiff who is not an individual user of a controlled substance, unless that plaintiff knowingly gave the individual user money for the purchase of the controlled dangerous substance.

C.2C:35B-11 Right of action for contribution.

11. A person subject to liability under this act has a right of action for contribution against another person subject to liability under this act. Contribution may be enforced either in the original action or by a separate action brought for that purpose. A plaintiff may seek recovery in accordance with this act and other laws against a person whom a defendant has asserted a right of contribution.

C.2C:35B-12 Proof of liability; prima facie evidence.

12. a. Proof of liability in an action brought under this act shall be shown by clear and convincing evidence.

b. A person against whom recovery is sought who has been convicted of a violation of N.J.S.2C:35-5, Manufacturing, Distributing or Dispensing, or an equivalent offense under federal law or the law of any other state, is estopped from denying illegal participation in the market for controlled dangerous substances. If such conviction was based upon the same type of controlled dangerous substance as that used by the individual user, the conviction also constitutes prima facie evidence of the person's participation in the marketing of controlled dangerous substance user pursuant to this act.

c. The absence of a criminal conviction for a violation of N.J.S.2C:35-5 or an equivalent offense under federal law or the law

of any other state does not bar recovery by a plaintiff bringing suit pursuant to subsection b. of section 5 of this act.

C.2C:35B-13 Ex parte prejudgment attachment order.

13. A plaintiff under this act may request an ex parte prejudgment attachment order from the court against all assets of a defendant sufficient to satisfy a potential award. Any claim of the State authorized pursuant to chapter 35A and 64 of Title 2C of the New Jersey Statutes shall have priority over an order issued pursuant to this section.

C.2C:35B-14 Cause of action, accrual; statute of limitations on claim.

14. a. A cause of action accrues under this act when a person has reason to know of the harm from use of a controlled dangerous substance that is the basis for the cause of action and has reason to know that the use of a controlled dangerous substance is the cause of the harm.

b. Except as provided in subsection a. of this section, a claim under this act shall not be brought more than one year after the defendant distributes, dispenses, or possesses with intent to distribute, the controlled dangerous substance or more than one year after the defendant is convicted of a crime involving controlled dangerous substances, whichever is the later.

C.2C:35B-15 Stay of action pending criminal action.

15. On motion by a governmental agency involved in an investigation or prosecution involving a controlled dangerous substance, an action brought under this act shall be stayed until the completion of any underlying criminal investigation or prosecution.

C.2C:35B-16 Satisfaction of judgment after other fines, penalties, etc.

16. Any judgment resulting from a cause of action brought pursuant to this act shall be satisfied only after the satisfaction of any assessment, fine, fee, penalty or restitution imposed by law and enumerated in section 13 of P.L. 1991, c.329 (C.2C:46-4.1).

C.2C:35B-17 Nonapplicability of act.

17. No cause of action shall arise based on any act by a defendant which occurred prior to the effective date of this act.

18. This act shall take effect immediately.

Approved June 26, 2001.

CHAPTER 115

AN ACT concerning the auctioning of alcoholic beverages and supplementing Title 33 of the Revised Statutes.

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

C.33:1-97 Special auction permit to nonprofit organization; fee, duration.

1. a. The director may issue a special auction permit to any nonprofit organization operating solely for civic, religious, educational, charitable, fraternal, social or recreational purposes. The fee for the license shall be \$100.

b. The permit shall only entitle the permittee to sell at auction alcoholic beverages donated to the organization. A person licensed under Title 33 of the Revised Statutes may in any calendar year donate alcoholic beverages to a maximum of three nonprofit organizations which have been issued a permit under this section, provided such donations are not made in connection with a sale of an alcoholic beverage.

c. The permit shall be valid only for the date specified. Only one such permit shall be issued to a nonprofit organization in any calendar year.

d. Pursuant to the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the director shall promulgate regulations to effectuate the provisions of this act.

2. This act shall take effect on the first day of the third month after enactment; provided however, the Director of the Division of Alcoholic Beverage Control in the Department of Law and Public Safety may take such anticipatory action as needed to effectuate the act's provisions.

Approved June 26, 2001.

CHAPTER 116

AN ACT creating the "Uniform Electronic Transactions Act;" supplementing Title 12A of the New Jersey Statutes and repealing R.S.1:1-2.4.

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

C.12A:12-1 Short title.

1. This act shall be known and may be cited as the "Uniform Electronic Transactions Act."

C.12A:12-2 Definitions relative to electronic transactions.

2. As used in this act:

"Agreement" means the bargain of the parties in fact, as found in their language or inferred from other circumstances, and from rules, regulations and procedures given the effect of agreements under laws otherwise applicable to a particular transaction.

"Automated transaction" means a transaction conducted or performed, in whole or in part, by electronic means or electronic records, in which the acts or records of one or both parties are not reviewed by an individual in the ordinary course in forming a contract, performing under an existing contract or fulfilling an obligation required by the transaction.

"Computer program" means a set of statements or instructions to be used directly or indirectly in an information processing system in order to bring about a certain result.

"Contract" means the total legal obligation resulting from the parties' agreement as affected by this act and other applicable law.

"Electronic" means relating to technology having an electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities.

"Electronic agent" means a computer program or an electronic or other automated means used independently to initiate an action or respond to electronic records or performances in whole or in part, without review or action by an individual.

"Electronic record" means a record created, generated, sent, communicated, received or stored by electronic means.

"Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

"Governmental agency" means an executive, legislative or judicial agency, department, board, commission, authority, institution or instrumentality of the federal government or of a state or of a county, municipality, or other political subdivision of a state.

"Information" means data, text, images, sounds, codes, computer programs, software, databases or the like.

"Information processing system" means an electronic system for creating, generating, sending, receiving, storing, displaying or processing information.

"Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, governmental agency, public corporation, or any other legal or commercial entity.

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Security procedure" means a procedure employed for the purpose of verifying that an electronic signature, record or performance is that of a specific person or for detecting changes or errors in the information in an electronic record. The term includes a procedure that requires the use of algorithms or other codes, identifying words or numbers, encryption, callback or other acknowledgment procedures.

"State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States. The term includes an Indian tribe or band, or Alaskan native village, which is recognized by a federal law or formally acknowledged by a state.

"Transaction" means an action or set of actions occurring between two or more persons relating to the conduct of business, commercial or governmental affairs.

C.12A:12-3 Applicability of act to electronic records, signatures; exceptions.

3. a. Except as provided in subsections b. and c. of this section, this act applies to electronic records and electronic signatures relating to a transaction.

b. This act does not apply to a transaction to the extent it is governed by:

(1) a law governing the creation and execution of wills, codicils or testamentary trusts;

(2) the Uniform Commercial Code other than sections 1-107 and 1-206, Article 2 and Article 2A;

(3) a statute, regulation or other rule of law governing adoption, divorce or other matters of family law.

c. This act does not apply to:

(1) court orders or notices or official court documents (including briefs, pleadings and other writings) required to be executed in connection with court proceedings;

(2) any notice of:

(a) the cancellation or termination of utility services (including water, heat and power);

(b) the default, acceleration, repossession, foreclosure or eviction, or the right to cure, under a credit agreement secured by, or a rental agreement for, a primary residence of an individual;

(c) the cancellation or termination of health insurance benefits or life insurance benefits (excluding annuities); or

(d) the recall of a product, or material failure of a product, that risks endangering health or safety; or

(3) any document required to accompany any transportation or handling of hazardous materials, pesticides or other toxic or dangerous materials.

d. This act applies to an electronic record or electronic signature otherwise excluded from the application of this act under subsection b. of this section to the extent it is governed by a law other than those specified in subsection b. of this section.

e. A transaction subject to this act is subject also to other applicable substantive law.

C.12A:12-4 Act applies on or after June 26, 2001.

4. This act applies to any electronic record or electronic signature created, generated, sent, communicated, received or stored on or after the effective date of this act.

C.12A:12-5 Electronic record, signature not required.

5. a. This act does not require a record or signature to be created, generated, stored, sent, communicated, received, stored or otherwise processed or used by electronic means or in electronic form.

b. This act applies only to transactions between parties each of which has agreed to conduct transactions by electronic means. Whether the parties agree to conduct a transaction by electronic means is determined from the context and surrounding circumstances, including the parties' conduct.

c. A party that agrees to conduct a transaction by electronic means may refuse to conduct other transactions by electronic means. The right granted by this subsection may not be waived by agreement.

d. Except as otherwise provided in this act, the effect of any of its provisions may be varied by agreement. The presence in certain provisions of this act of the words "unless otherwise agreed," or words of similar import, does not imply that the effect of other provisions may not be varied by agreement.

e. Whether an electronic record or electronic signature has legal consequences is determined by this act and other applicable law.

C.12A:12-6 Construction of act.

6. This act shall be construed and applied:

a. to facilitate electronic transactions consistent with other applicable law;

b. to be consistent with reasonable practices concerning electronic transactions and with the continued expansion of those practices; and

c. to effectuate its general purpose to make uniform the law with respect to the subject of this act among the states enacting it.

C.12A:12-7 Legal effect and enforceability.

7. a. A record or signature may not be denied legal effect or enforceability solely because it is in electronic form.

b. A contract may not be denied legal effect or enforceability solely because an electronic record was used in its formation.

c. If a law requires a record to be in writing, an electronic record satisfies the law.

d. If a law requires a signature, an electronic signature satisfies the law.

C.12A:12-8 Use, retention, content, format of electronic records.

8. a. If parties have agreed to conduct a transaction by electronic means and a law requires a person to provide, send, or deliver information in writing to another person, the requirement is satisfied if the information is provided, sent, or delivered, as the case may be, in an electronic record capable of retention by the recipient at the time of receipt. An electronic record is not capable of retention by the recipient if the sender or its information processing system inhibits the ability of the recipient to print or store the electronic record.

b. If a law other than this act requires a record to be posted or displayed in a certain manner, to be sent, communicated or transmitted by a specified method, or to contain information that is formatted in a certain manner, the following apply:

(1) The record shall be posted or displayed in the manner specified in the other law.

(2) Except as otherwise provided in paragraph (2) of subsection d. of this section, the record shall be sent, communicated or transmitted by the method specified in the other law.

(3) The record shall contain the information formatted in the manner specified in the other law.

c. If a sender inhibits the ability of a recipient to store or print an electronic record, the electronic record is not enforceable against the recipient.

d. The requirements of this section may not be varied by agreement, but:

(1) to the extent a law other than this act requires information to be provided, sent, or delivered in writing but permits that requirement to be varied by agreement, the requirement under subsection a. of this section that the information be in the form of an electronic record capable of retention may also be varied by agreement; and

(2) a requirement under a law other than this act to send, communicate, or transmit a record by United States mail, may be varied by agreement to the extent permitted by the other law.

C.12A:12-9 Attribution, effect of electronic records, signatures.

9. a. An electronic record or electronic signature is attributable to a person if it was the act of the person. The act of the person may be shown in any manner, including a showing of the efficacy of any security procedure applied to determine the person to which the electronic record or electronic signature was attributable.

b. The effect of an electronic record or electronic signature attributed to a person under subsection a. of this section is determined from the context and surrounding circumstances at the time of its creation, execution or adoption, including the parties' agreement, if any, and as otherwise provided by law.

C.12A:12-10 Rules applicable to changes, errors in electronic records.

10. If a change or error in an electronic record occurs in a transmission between parties to a transaction, the following rules apply:

a. If the parties have agreed to use a security procedure to detect changes or errors and one party has consented to the procedure but the other party has not, and the nonconforming party would have detected the change or error had that party also conformed, the conforming party may avoid the effect of the changed or erroneous electronic record.

b. In an automated transaction involving an individual, the individual may avoid the effect of an electronic record that resulted from an error made by the individual in dealing with the electronic agent of another person if the electronic agent did not provide an opportunity for the prevention or correction of the error, and, at the time the individual learns of the error, the individual:

(1) promptly notifies the other person of the error and that the individual did not intend to be bound by the electronic record received by the other person;

(2) takes reasonable steps, including steps that conform to the other persons's reasonable instructions, to return to the other person or, if instructed by the other person, to destroy the consideration received, if any, as a result of the erroneous electronic record; and

(3) has not used or received any benefit or value from the consideration, if any, received from the other person.

c. If neither subsection a. or b. of this section applies, the change or error has the effect provided by other law, including the law of mistake, and the parties' contract, if any.

d. Subsections b. and c. of this section may not be varied by agreement.

C.12A:12-11 Notarized signatures or records.

11. If a law requires a signature or record to be notarized, acknowledged, verified, or made under oath, the requirement is satisfied if the electronic signature of the person authorized to perform those acts, together with all other information required to be included by other applicable law, is attached to or logically associated with the signature or record.

C.12A:12-12 Retention of electronic records.

12. a. If a law requires that a record be retained, the requirement is satisfied by retaining an electronic record of the information in the record which:

(1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and

(2) remains accessible for later reference.

b. A requirement to retain a record in accordance with subsection a. of this section does not apply to any information the sole purpose of which is to enable the record to be sent, communicated or received.

c. A person may satisfy subsection a. of this section by using the services of another person if the requirements of that subsection are satisfied.

d. If a law requires a record to be presented or retained in its original form, or provides consequences if the record is not presented or retained in its original form, that law is satisfied by an electronic record retained in accordance with subsection a. of this section.

e. If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection a. of this section.

f. A record retained as an electronic record in accordance with subsection a. of this section satisfies a law requiring a person to retain a record for evidentiary, audit or like purposes, unless a law enacted after the effective date of this act specifically prohibits the use of an electronic record for the specified purpose.

g. This section does not preclude a governmental agency of this State from specifying additional requirements for the retention of a records subject to the agency's jurisdiction.

C.12A:12-13 Admissibility of electronic records, signatures.

13. In a proceeding, evidence of a record or signature may not be excluded solely because it is in electronic form.

C.12A:12-14 Rules applicable to automated transactions.

14. In an automated transaction, the following rules apply:

a. A contract may be formed by the interaction of electronic agents of the parties, even if no individual was aware of or reviewed the electronic agents' actions or the resulting terms and agreements.

b. A contract may be formed by the interaction of an electronic agent and an individual, acting on the individual's own behalf or for another person, including by an interaction in which the individual performs actions that the individual is free to refuse to perform and which the individual knows or has reason to know will cause the electronic agent to complete the transaction or performance.

c. The terms of the contract are determined by the substantive law applicable to it.

C.12A:12-15 Conditions under which electronic record is sent, received.

15. a. Unless otherwise agreed between the sender and the recipient, an electronic record is sent when it:

(1) is addressed properly or otherwise directed properly to an information processing system that the recipient has designated or uses for the purpose of receiving electronic records or information of the type sent and from which the recipient is able to retrieve the electronic record;

(2) is in a form capable of being processed by that system; and

(3) enters an information processing system outside the control of the sender or of a person that sent the electronic record on behalf of the sender or enters a region of the information processing system designated or used by the recipient which is under the control of the recipient.

b. Unless otherwise agreed between a sender and the recipient, an electronic record is received when:

(1) it enters an information processing system that the recipient has designated or uses for the purpose of receiving electronic records or information of the type sent and from which the recipient is able to retrieve the electronic record; and

(2) is in a form capable of being processed by that system.

c. Subsection b. of this section applies even if the place the information processing system is located is different from the place the electronic record is deemed to be received under subsection d. of this section.

d. Unless otherwise expressly provided in the electronic record or agreed between the sender and the recipient, an electronic record is deemed to be sent from the sender's place of business and to be received at the recipient's place of business. For purposes of this subsection, the following rules apply:

(1) If the sender or recipient has more than one place of business, the place of business of that person is the place having the closest relationship to the underlying transaction.

(2) If the sender or the recipient does not have a place of business, the place of business is the sender's or recipient's residence, as the case may be.

e. An electronic record is received under subsection b. of this section even if no individual is aware of its receipt.

f. Receipt of an electronic acknowledgment from an information processing system described in subsection b. of this section establishes that a record was received but, by itself, does not establish that the content sent corresponds to the content received.

g. If a person is aware that an electronic record purportedly sent under subsection a. of this section, or purportedly received under subsection b. of this section, was not actually sent or received, the

legal effect of the sending or receipt is determined by other applicable law. Except to the extent permitted by the other law, the requirements of this subsection may not be varied by agreement.

C.12A:12-16 Control of transferable records.

16. a. As used in this section "transferable record" means an electronic record that:

(1) would be a note under Article 3 of the Uniform Commercial Code or a document under Article 7 of the Uniform Commercial Code if the electronic record were in writing; and

(2) the issuer of the electronic record expressly has agreed is a transferable record.

b. A person has control of a transferable record if a system employed for evidencing the transfer of interests in the transferable record reliably establishes that person as the person to which the transferable record was issued or transferred.

c. A system satisfies subsection b. of this section and the person is deemed to have control of a transferable record if the transferable record is created, stored and assigned in such a manner that:

(1) a single authoritative copy of the transferable record exists which is unique, identifiable and, except as otherwise provided in paragraphs (4), (5) and (6) of this subsection, unalterable;

(2) the authoritative copy identifies the person asserting control as:

(a) the person to which the transferable record was issued; or

(b) if the authoritative copy indicates that the transferable record has been transferred, the person to which the transferable record was most recently transferred;

(3) the authoritative copy is communicated to and maintained by the person asserting control or its designated custodian;

(4) copies or revisions that add or change an identified assignee of the authoritative copy may be made only with the consent of the person asserting control;

(5) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and

(6) any revision of the authoritative copy is readily identifiable as authorized or unauthorized.

d. Except as otherwise agreed, a person having control of a transferable record is the holder, as defined in section 1-201 of the Uniform Commercial Code of the transferable record and has the same rights and defenses as a holder of an equivalent record or writing under the Uniform Commercial Code including, if the

applicable statutory requirements are satisfied, the rights and defenses of a holder in due course, a holder to which a negotiable document of title has been duly negotiated or a purchaser. Delivery, possession and indorsement are not required to obtain or exercise any of the rights under this subsection.

e. Except as otherwise agreed, an obligor under a transferable record has the same rights and defenses as an equivalent obligor under equivalent records or writings under the Uniform Commercial Code.

f. If requested by a person against which enforcement is sought, the person seeking to enforce the transferable record shall provide reasonable proof that the person is in control of the transferable record. Proof may include access to the authoritative copy of the transferable record and related business records sufficient to review the terms of the transferable record and to establish the identity of the person having control of the transferable record.

C.12A:12-17 Governmental agency creation, retention, conversion of electronic records.

17. Each governmental agency shall determine whether, and the extent to which, it will create and retain electronic records and convert written records to electronic records. Additionally, each executive agency shall comply with standards adopted by the Secretary of State pursuant to section 19 of this act.

C.12A:12-18 Use of electronic records, signatures by governmental agencies; specifications.

18. a. Except as otherwise provided in subsection f. of section 12 of this act or section 17 of this act, each governmental agency shall determine whether, and the extent to which, it will send and accept electronic records and electronic signatures to and from other persons, and otherwise create, generate, communicate, store, process, use and rely upon electronic records and electronic signatures.

b. To the extent a governmental agency uses electronic records and electronic signatures under subsection a. of this section, the governmental agency, giving due consideration to security, may specify:

(1) the manner and format in which the electronic records must be created, generated, sent, communicated, received and stored and the system established for those purposes;

(2) if electronic records must be signed by electronic means, the type of electronic signature required, the manner and format in which the electronic signature must be affixed to the electronic

record, and the identity of, or criteria that must be met by, any third party used by a person filing a document to facilitate the process;

(3) control processes and procedures appropriate to ensure adequate preservation, disposition, integrity, security, confidentiality and auditability of electronic records; and

(4) any other required attributes for electronic records which are currently specified for corresponding nonelectronic records, or reasonably necessary under the circumstances.

c. Except as otherwise provided in subsection f. of section 12 of this act or section 17 of this act, this act does not require a governmental agency to use or permit the use of electronic records or electronic signatures.

C.12A:12-19 Adoption of standards for governmental agencies.

19. The Secretary of State shall adopt standards to encourage and promote consistency and interoperability with similar requirements adopted by other governmental agencies of this and other states and the federal government, and nongovernmental persons interacting with governmental agencies of this State. If appropriate, those standards may specify differing levels of standards from which governmental agencies of this State may choose in implementing the most appropriate standard for a particular application.

C.12A:12-20 Severability.

20. If any provision of this act or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application and, to this end, the provisions of this act are severable.

C.12A:12-21 Use of electronic record to satisfy consumer information in writing, conditions.

21. a. Notwithstanding any other provision of this act, if a law or regulation requires that information relating to the transaction be provided or made available to a consumer in writing, the use of an electronic record to provide or make available (whichever is required) such information satisfies the requirement that such information be in writing if:

(1) the consumer has affirmatively consented to such use and has not withdrawn such consent;

(2) the consumer, prior to consenting, is provided with a clear and conspicuous statement:

(a) informing the consumer of:

- (i) any right or option of the consumer to have the record provided or made available on paper or in nonelectronic form, and
- (ii) the right of the consumer to withdraw the consent to have the record provided or made available in an electronic form and of any conditions, consequences (which may include termination of the parties' relationship), or fees in the event of such withdrawal;
- (b) informing the consumer of whether the consent applies:
 - (i) only to the particular transaction which gave rise to the obligation to provide the record, or
 - (ii) to identified categories of records that may be provided or made available during the course of the parties' relationship;
- (c) describing the procedures the consumer must use to withdraw consent as provided in a.(2)(a) of this section and to update information needed to contact the consumer electronically; and
- (d) informing the consumer:
 - (i) how, after the consent, the consumer may, upon request, obtain a paper copy of an electronic record, and
 - (ii) whether any fee will be charged for such copy;
- (3) the consumer:
 - (a) prior to consenting, is provided with a statement of the hardware and software requirements for access to and retention of the electronic records; and
 - (b) consents electronically, or confirms his or her consent electronically, in a manner that reasonably demonstrates that the consumer can access information in the electronic form that will be used to provide the information that is the subject of the consent; and
- (4) after the consent of a consumer in accordance with a.(1) of this section, if a change in the hardware or software requirements needed to access or retain electronic records creates a material risk that the consumer will not be able to access or retain a subsequent electronic record that was the subject of the consent, the person providing the electronic record:
 - (a) provides the consumer with a statement of:
 - (i) the revised hardware and software requirements for access to and retention of the electronic records; and
 - (ii) the right to withdraw consent without the imposition of any fees for such withdrawal and without the imposition of any condition or consequence that was not disclosed under a.(2)(a) of this section; and
 - (b) again complies with a.(3) of this section.

b. Nothing in this act affects the content or timing of any disclosure or other record required to be provided or made available to any consumer under any statute, regulation, or other rule of law.

c. If a law that was enacted prior to this act expressly requires a record to be provided or made available by a specified method that requires verification or acknowledgment of receipt, the record may be provided or made available electronically only if the method used provides verification or acknowledgment of receipt (whichever is required).

d. The legal effectiveness, validity or enforceability of any contract executed by a consumer shall not be denied solely because of the failure to obtain electronic consent or confirmation of consent by that consumer in accordance with a.(3)(b) of this section.

e. Withdrawal of consent by a consumer shall not affect the legal effectiveness, validity or enforceability of electronic records provided or made available to that consumer in accordance with subsection a. prior to implementation of the consumer's withdrawal of consent. A consumer's withdrawal of consent shall be effective within a reasonable period of time after receipt of the withdrawal by the provider of the record. Failure to comply with a.(4) of this section may, at the election of the consumer, be treated as a withdrawal of consent for purposes of this subsection.

f. This subsection does not apply to any records that are provided or made available to a consumer who has consented prior to the effective date of this act to receive such records in electronic form as permitted by any statute, regulation, or other rule of law.

g. An oral communication or a recording of an oral communication shall not qualify as an electronic record for purposes of this section except as otherwise provided under applicable law.

C.12A:12-22 Findings, declaration concerning "federal E-sign".

22. The Legislature finds and declares:

That the adoption of the "Electronic Signatures in Global and National Commerce Act," Pub.L. 106-229, 114 Stat. 464 (2000), popularly known as "federal E-Sign," encourages states to enact the Uniform Electronic Transactions Act proposed for adoption by the National Conference of Commissioners on Uniform State Laws; and

That the adoption of the Uniform Electronic Transactions Act will invoke the provisions of Section 102 of Pub. L. 106-229 which state that federal law will no longer preempt the laws of an enacting state; and

That Section 102 of Pub. L. 106-229 provides that a state, in enacting the Uniform Electronic Transactions Act, may "modify, limit or supersede" the provisions of the federal law; and

That it is desirable for this State to take the fullest possible advantage of the ability to "modify, limit or supersede" Pub. L. 106-229; and

That it is the intention of the Legislature that the adoption of the Uniform Electronic Transactions Act in this State modify, limit and supersede the provisions of Pub. L. 106-229 to the fullest possible extent permitted under the federal law.

C.12A:12-23 Capability of electronic records retention by recipients.

23. Under the provisions of subsection a. of section 8, an electronic record, to be capable of retention by the recipient at the time of receipt, must be capable of being retained and accurately reproduced for later reference by all persons who are entitled to retain the record.

C.12A:12-24 Accessibility of records of information.

24. Under the provisions of paragraph (2) of subsection a. of section 12, a record of information remains accessible for later reference if it remains accessible to all persons who are entitled to access by statute, regulation or rule of law, for the period required by such statute, regulation or rule of law, in a form that is capable of being accurately reproduced for later reference, whether by transmission, printing, or otherwise.

C.12A:12-25 The New Jersey Center for Electronic Transactions and Informational Privacy, established.

25. The New Jersey Center for Electronic Transactions and Informational Privacy shall be established within the Institute of Law, Science and Technology at Seton Hall University School of Law. The Center shall collect and evaluate information on issues concerning electronic records and privacy and shall compile its findings and any recommendations for submission to the Secretary of State and governmental agencies of this State, as may be appropriate.

C.12A:12-26 "Statute, regulation or other rule of law" defined.

26. For purposes of this act, references to "statute, regulation or other rule of law" shall include the Rules Governing the Courts of the State of New Jersey and the reference to "court orders or notices or official court documents" as used in paragraph (1) of subsection c. of section 3 of this act shall include all official court documents governed by the Rules Governing the Courts of the State of New Jersey.

Repealer.

27. R.S.1:1-2.4 is hereby repealed.

28. This act shall take effect immediately

Approved June 26, 2001.

CHAPTER 117

AN ACT concerning secured transactions, replacing chapter 9 of Title 12A of the New Jersey Statutes and revising various parts of the statutory law.

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

1. Chapter 9 of Title 12A of the New Jersey Statutes (N.J.S.12A:9-101 through 12A:9-507, including any amendments or supplements thereto) is repealed and replaced as follows:

CHAPTER 9- SECURED TRANSACTIONS

PART 1 GENERAL PROVISIONS

SUBPART 1. SHORT TITLE, DEFINITIONS AND GENERAL CONCEPTS

Short title.

12A:9-101. Short Title.

This chapter may be cited as "Uniform Commercial Code-Secured Transactions."

Definitions and index of definitions.

12A:9-102. Definitions and Index of Definitions.

a. Chapter 9 definitions. In this chapter:

(1) "Accession" means goods that are physically united with other goods in such a manner that the identity of the original goods is not lost.

(2) "Account," except as used in "account for," (a) means a right to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered, (iii) for a policy of insurance issued or to be issued, (iv) for a secondary obligation incurred or to be incurred, (v) for energy provided or to be provided, (vi) for the use or hire of a vessel under a charter or other contract, (vii) arising out

of the use of a credit or charge card or information contained on or for use with the card, or (viii) as winnings in a lottery or other game of chance operated or sponsored by a State, governmental unit of a State, or person licensed or authorized to operate the game by a State or governmental unit of a State. The term includes health care insurance receivables and bondable transition property. (b) The term does not include (i) rights to payment evidenced by chattel paper or an instrument, (ii) commercial tort claims, (iii) deposit accounts, (iv) investment property, (v) letter-of-credit rights or letters of credit, or (vi) rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card.

(3) "Account debtor" means a person obligated on an account, chattel paper, or general intangible. The term does not include persons obligated to pay a negotiable instrument, even if the instrument constitutes part of chattel paper.

(4) "Accounting," except as used in "accounting for," means a record:

(a) authenticated by a secured party;

(b) indicating the aggregate unpaid secured obligations as of a date not more than 35 days earlier or 35 days later than the date of the record; and

(c) identifying the components of the obligations in reasonable detail.

(5) "Agricultural lien" means an interest, other than a security interest, in farm products:

(a) which secures payment or performance of an obligation for:

(i) goods or services furnished in connection with a debtor's farming operation; or

(ii) rent on real property leased by a debtor in connection with its farming operation;

(b) which is created by statute in favor of a person who:

(i) in the ordinary course of its business furnished goods or services to a debtor in connection with a debtor's farming operation; or

(ii) leased real property to a debtor in connection with the debtor's farming operation; and

(c) whose effectiveness does not depend on the person's possession of the personal property.

(6) "As-extracted collateral" means:

(a) oil, gas, or other minerals that are subject to a security interest that:

(i) is created by a debtor having an interest in the minerals before extraction; and

(ii) attaches to the minerals as extracted; or

(b) accounts arising out of the sale at the wellhead or minehead of oil, gas, or other minerals in which the debtor had an interest before extraction.

(7) "Authenticate" means:

- (a) to sign; or
 - (b) to execute or otherwise adopt a symbol, or encrypt or similarly process a record in whole or in part, with the present intent of the authenticating person to identify the person and adopt or accept a record.
- (8) "Bank" means an organization that is engaged in the business of banking. The term includes savings banks, savings and loan associations, credit unions, and trust companies.
- (9) "Bondable transition property" shall have the meaning set forth in section 3 of P.L.1999, c.23 (C.48:3-51).
- (10) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the like.
- (11) "Certificate of title" means a certificate of title with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral.
- (12) "Chattel paper" means a record or records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. In this paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods. The term does not include charters or other contracts involving the use or hire of a vessel. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.
- (13) "Collateral" means the property subject to a security interest or agricultural lien. The term includes:
- (a) proceeds to which a security interest attaches;
 - (b) accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and
 - (c) goods that are the subject of a consignment.
- (14) "Commercial tort claim" means a claim arising in tort with respect to which:
- (a) the claimant is an organization; or
 - (b) the claimant is an individual and the claim:
 - (i) arose in the course of the claimant's business or profession; and
 - (ii) does not include damages arising out of personal injury to or the death of an individual.

(15) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer.

(16) "Commodity contract" means a commodity futures contract, an option on a commodity futures contract, a commodity option, or another contract or option if the contract or option is:

(a) traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to federal commodities laws; or

(b) traded on a foreign commodity board of trade, exchange, or market, and is carried on the books of a commodity intermediary for a commodity customer.

(17) "Commodity customer" means a person for which a commodity intermediary carries a commodity contract on its books.

(18) "Commodity intermediary" means a person who:

(a) is registered as a futures commission merchant under federal commodities law; or

(b) in the ordinary course of its business provides clearance or settlement services for a board of trade that has been designated as a contract market pursuant to federal commodities law.

(19) "Communicate" means:

(a) to send a written or other tangible record;

(b) to transmit a record by any means agreed upon by the persons sending and receiving the record; or

(c) in the case of transmission of a record to or by a filing office, to transmit a record by any means prescribed by filing-office rule.

(20) "Consignee" means a merchant to which goods are delivered in a consignment.

(21) "Consignment" means a transaction, regardless of its form, in which a person delivers goods to a merchant for the purpose of sale and:

(a) the merchant:

(i) deals in goods of that kind under a name other than the name of the person making delivery;

(ii) is not an auctioneer; and

(iii) is not generally known by its creditors to be substantially engaged in selling the goods of others;

(b) with respect to each delivery, the aggregate value of the goods is \$1,000 or more at the time of delivery;

(c) the goods are not consumer goods immediately before delivery; and

(d) the transaction does not create a security interest that secures an obligation.

(22) "Consignor" means a person who delivers goods to a consignee in a consignment.

(23) "Consumer debtor" means a debtor in a consumer transaction.

(24) "Consumer goods" means goods that are used or bought for use primarily for personal, family, or household purposes.

(25) "Consumer-goods transaction" means a consumer transaction in which:

(a) an individual incurs an obligation primarily for personal, family, or household purposes; and

(b) a security interest in consumer goods secures the obligation.

(26) "Consumer obligor" means an obligor who is an individual and who incurred the obligation as part of a transaction entered into primarily for personal, family, or household purposes.

(27) "Consumer transaction" means a transaction in which (a) an individual incurs an obligation primarily for personal, family, or household purposes, (b) a security interest secures the obligation, and (c) the collateral is held or acquired primarily for personal, family, or household purposes. The term includes consumer-goods transactions.

(28) "Continuation statement" means an amendment of a financing statement which:

(a) identifies, by its file number, the initial financing statement to which it relates; and

(b) indicates that it is a continuation statement for, or that it is filed to continue the effectiveness of, the identified financing statement.

(29) "Debtor" means:

(a) a person having an interest, other than a security interest or other lien, in the collateral, whether or not the person is an obligor;

(b) a seller of accounts, chattel paper, payment intangibles, or promissory notes; or

(c) a consignee.

(30) "Deposit account" means a demand, time, savings, passbook, or similar account maintained with a bank. The term does not include investment property or accounts evidenced by an instrument.

(31) "Document" means a document of title or a receipt of the type described in 12A:7-201(2).

(32) "Electronic chattel paper" means chattel paper evidenced by a record or records consisting of information stored in an electronic medium.

(33) "Encumbrance" means a right, other than an ownership interest, in real property. The term includes mortgages and other liens on real property.

(34) "Equipment" means goods other than inventory, farm products, or consumer goods.

(35) "Farm products" means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and which are:

(a) crops grown, growing, or to be grown, including:

(i) crops produced on trees, vines, and bushes; and

(ii) aquatic goods produced in aquacultural operations;

(b) livestock, born or unborn, including aquatic goods produced in aquacultural operations;

(c) supplies used or produced in a farming operation; or

(d) products of crops or livestock in their unmanufactured states.

(36) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or any other farming, livestock, or aquacultural operation.

(37) "File number" means the number assigned to an initial financing statement pursuant to 12A:9-519a.

(38) "Filing office" means an office designated in 12A:9-501 as the place to file a financing statement.

(39) "Filing-office rule" means a rule adopted pursuant to 12A:9-526.

(40) "Financing statement" means a record or records composed of an initial financing statement and any filed record relating to the initial financing statement.

(40.1) "Fixture filing" means the filing of a financing statement covering goods that are or are to become fixtures and satisfying 12A:9-502 a. and b. The term includes the filing of a financing statement covering goods of a transmitting utility which are or are to become fixtures.

(41) "Fixtures" means goods that have become so related to particular real property that an interest in them arises under real property law.

(42) "General intangible" means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. The term includes payment intangibles and software.

(43) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing.

(44) "Goods" means all things that are movable when a security interest attaches. (a) The term includes (i) fixtures, (ii) standing timber that is to be cut and removed under a conveyance or contract for sale, (iii) the unborn young of animals, (iv) crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes, and (v) manufactured homes. (b) The term also includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if (i) the program is associated with the goods in such a manner that it customarily is considered part of the goods, or (ii) by becoming the owner of the goods, a person acquires a right to use the

program in connection with the goods. The term does not include a computer program embedded in goods that consist solely of the medium in which the program is embedded. The term also does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals before extraction.

(45) "Governmental unit" means a subdivision, agency, department, county, parish, municipality, or other unit of the government of the United States, a state, or a foreign country. The term includes an organization having a separate corporate existence if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States.

(46) "Health-care-insurance receivable" means an interest in or claim under a policy of insurance which is a right to payment of a monetary obligation for health care goods or services provided.

(47) "Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in ordinary course of business is transferred by delivery with any necessary indorsement or assignment. The term does not include (a) investment property, (b) letters of credit, or (c) writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

(48) "Inventory" means goods, other than farm products, which:

(a) are leased by a person as lessor;

(b) are held by a person for sale or lease or to be furnished under a contract of service;

(c) are furnished by a person under a contract of service; or

(d) consist of raw materials, work in process, or materials used or consumed in a business.

(49) "Investment property" means a security, whether certificated or uncertificated, security entitlement, securities account, commodity contract, or commodity account.

(50) "Jurisdiction of organization," with respect to a registered organization, means the jurisdiction under whose law the organization is organized.

(51) "Letter-of-credit right" means a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance. The term does not include the right of a beneficiary to demand payment or performance under a letter of credit.

(52) "Lien creditor" means:

(a) a creditor that has acquired a lien on the property involved by attachment, levy, or the like;

(b) an assignee for benefit of creditors from the time of assignment;

(c) a trustee in bankruptcy from the date of the filing of the petition; or

(d) a receiver in equity from the time of appointment.

(53) "Manufactured home" means a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. The term includes any structure that meets all of the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the United States Secretary of Housing and Urban Development and complies with the standards established under Title 42 of the United States Code.

(54) "Manufactured-home transaction" means a secured transaction:

(a) that creates a purchase-money security interest in a manufactured home, other than a manufactured home held as inventory; or

(b) in which a manufactured home, other than a manufactured home held as inventory, is the primary collateral.

(55) "Mortgage" means a consensual interest in real property, including fixtures, which secures payment or performance of an obligation.

(56) "New debtor" means a person who becomes bound as debtor under 12A:9-203 d. by a security agreement previously entered into by another person.

(57) "New value" means (a) money, (b) money's worth in property, services, or new credit, or (c) release by a transferee of an interest in property previously transferred to the transferee. The term does not include an obligation substituted for another obligation.

(58) "Noncash proceeds" means proceeds other than cash proceeds.

(59) "Obligor" means a person who, with respect to an obligation secured by a security interest in or an agricultural lien on the collateral, (a) owes payment or other performance of the obligation, (b) has provided property other than the collateral to secure payment or other performance of the obligation, or (c) is otherwise accountable in whole or in part for payment or other performance of the obligation. The term does not include issuers or nominated persons under a letter of credit.

(60) "Original debtor" means a person who, as debtor, entered into a security agreement to which a new debtor has become bound under 12A:9-203 d.

(61) "Payment intangible" means a general intangible under which the account debtor's principal obligation is a monetary obligation.

(62) "Person related to," with respect to an individual, means:

(a) the spouse of the individual;

(b) a brother, brother-in-law, sister, or sister-in-law of the individual;

(c) an ancestor or lineal descendant of the individual or the individual's spouse; or

(d) any other relative, by blood or marriage, of the individual or the individual's spouse who shares the same home with the individual.

(63) "Person related to," with respect to an organization, means:

(a) a person directly or indirectly controlling, controlled by, or under common control with the organization;

(b) an officer or director of, or a person performing similar functions with respect to, the organization;

(c) an officer or director of, or a person performing similar functions with respect to, a person described in subparagraph (a);

(d) the spouse of an individual described in subparagraph (a), (b), or (c);

or

(e) an individual who is related by blood or marriage to an individual described in subparagraph (a), (b), (c), or (d) and shares the same home with the individual.

(64) "Proceeds" means the following property:

(a) whatever is acquired upon the sale, lease, license, exchange, or other disposition of collateral;

(b) whatever is collected on, or distributed on account of, collateral;

(c) rights arising out of collateral;

(d) to the extent of the value of collateral, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to, the collateral; or

(e) to the extent of the value of collateral and to the extent payable to the debtor or the secured party, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to, the collateral.

(65) "Promissory note" means an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds.

(66) "Proposal" means a record authenticated by a secured party which includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to 12A:9-620, 12A:9-621, and 12A:9-622.

(67) "Public-finance transaction" means a secured transaction in connection with which:

- (a) debt securities are issued;
- (b) all or a portion of the securities issued have an initial stated maturity of at least 20 years; and
- (c) the debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security interest is a state or a governmental unit of a state.

(68) "Pursuant to commitment," with respect to an advance made or other value given by a secured party, means pursuant to the secured party's obligation, whether or not a subsequent event of default or other event not within the secured party's control has relieved or may relieve the secured party from its obligation.

(69) "Record," except as used in "for record," "of record," "record or legal title," and "record owner," means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

(70) "Registered organization" means an organization organized solely under the law of a single state or the United States and as to which the state or the United States shall maintain a public record showing the organization to have been organized.

(71) "Secondary obligor" means an obligor to the extent that:

- (a) the obligor's obligation is secondary; or
- (b) the obligor has a right of recourse with respect to an obligation secured by collateral against the debtor, another obligor, or property of either.

(72) "Secured party" means:

- (a) a person in whose favor a security interest is created or provided for under a security agreement, whether or not any obligation to be secured is outstanding;
- (b) a person who holds an agricultural lien;
- (c) a consignor;
- (d) a person to which accounts, chattel paper, payment intangibles, or promissory notes have been sold;
- (e) a trustee, indenture trustee, agent, collateral agent, or other representative in whose favor a security interest or agricultural lien is created or provided for; or
- (f) a person who holds a security interest arising under 12A:2-401, 12A:2-505, 12A:2-711(3), 12A:2A-508(5), or 12A:4-210.

(73) "Security agreement" means an agreement that creates or provides for a security interest.

(74) "Send," in connection with a record or notification, means:

(a) to deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or

(b) to cause the record or notification to be received within the time that it would have been received if properly sent under subparagraph (a).

(75) "Software" means a computer program and any supporting information provided in connection with a transaction relating to the program. The term does not include a computer program that is included in the definition of goods.

(76) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(77) "Supporting obligation" means a letter-of-credit right or secondary obligation that supports the payment or performance of an account, chattel paper, a document, a general intangible, an instrument, or investment property.

(78) "Tangible chattel paper" means chattel paper evidenced by a record or records consisting of information that is inscribed on a tangible medium.

(79) "Termination statement" means an amendment of a financing statement which:

(a) identifies, by its file number, the initial financing statement to which it relates; and

(b) indicates either that it is a termination statement or that the identified financing statement is no longer effective.

(80) "Transmitting utility" means a person primarily engaged in the business of:

(a) operating a railroad, subway, street railway, or trolley bus;

(b) transmitting communications electrically, electromagnetically, or by light;

(c) transmitting goods by pipeline or sewer; or

(d) transmitting or producing and transmitting electricity, steam, gas, or water.

b. Definitions in other chapters. The following definitions in other chapters apply to this chapter:

"Applicant" 12A:5-102.

"Beneficiary" 12A:5-102.

"Broker" 12A:8-102.

"Certificated security" 12A:8-102.

"Check" 12A:3-104.

"Clearing corporation" 12A:8-102.

"Contract for sale"	12A:2-106.
"Customer"	12A:4-104.
"Entitlement holder"	12A:8-102.
"Financial asset"	12A:8-102.
"Holder in due course"	12A:3-302.
"Issuer" (with respect to a letter of credit or letter of credit right)	12A:5-102.
"Issuer" (with respect to a security)	12A:8-201.
"Lease"	12A:2A-103.
"Lease agreement"	12A:2A-103.
"Lease contract"	12A:2A-103.
"Leasehold interest"	12A:2A-103.
"Lessee"	12A:2A-103.
"Lessee in ordinary course of business"	12A:2A-103.
"Lessor"	12A:2A-103.
"Lessor's residual interest"	12A:2A-103.
"Letter of credit"	12A:5-102.
"Merchant"	12A:2-104.
"Negotiable instrument"	12A:3-104.
"Nominated person"	12A:5-102.
"Note"	12A:3-104.
"Proceeds of a letter of credit"	12A:5-114.
"Prove"	12A:3-103.
"Sale"	12A:2-106.
"Securities account"	12A:8-501.
"Securities intermediary"	12A:8-102.
"Security"	12A:8-102.
"Security certificate"	12A:8-102.
"Security entitlement"	12A:8-102.
"Uncertificated security"	12A:8-102.

c. Chapter 1 definitions and principles. Chapter 1 contains general definitions and principles of construction and interpretation applicable throughout this chapter.

Purchase-money security interest; application of payments; burden of establishing.

12A:9-103. Purchase-Money Security Interest; Application of Payments; Burden of Establishing.

a. Definitions. In this section:

- (1) "purchase-money collateral" means goods or software that secure a purchase-money obligation incurred with respect to that collateral; and
- (2) "purchase-money obligation" means an obligation of an obligor incurred as all or part of the price of the collateral or for value given to

enable the debtor to acquire rights in or the use of the collateral if the value is in fact so used.

b. Purchase-money security interest in goods. A security interest in goods is a purchase-money security interest:

(1) to the extent that the goods are purchase-money collateral with respect to that security interest;

(2) if the security interest is in inventory that is or was purchase-money collateral, also to the extent that the security interest secures a purchase-money obligation incurred with respect to other inventory in which the secured party holds or held a purchase-money security interest; and

(3) also to the extent that the security interest secures a purchase-money obligation incurred with respect to software in which the secured party holds or held a purchase-money security interest.

c. Purchase-money security interest in software. A security interest in software is a purchase-money security interest to the extent that the security interest also secures a purchase-money obligation incurred with respect to goods in which the secured party holds or held a purchase-money security interest if:

(1) the debtor acquired its interest in the software in an integrated transaction in which it acquired an interest in the goods; and

(2) the debtor acquired its interest in the software for the principal purpose of using the software in the goods.

d. Consignor's inventory purchase-money security interest. The security interest of a consignor in goods that are the subject of a consignment is a purchase-money security interest in inventory.

e. Application of payment in non-consumer-goods transaction. In a transaction other than a consumer-goods transaction, if the extent to which a security interest is a purchase-money security interest depends on the application of a payment to a particular obligation, the payment shall be applied:

(1) in accordance with any reasonable method of application to which the parties agree;

(2) in the absence of the parties' agreement to a reasonable method, in accordance with any intention of the obligor manifested at or before the time of payment; or

(3) in the absence of an agreement to a reasonable method and a timely manifestation of the obligor's intention, in the following order:

(a) to obligations that are not secured; and

(b) if more than one obligation is secured, to obligations secured by purchase-money security interests in the order in which those obligations were incurred.

f. No loss of status of purchase-money security interest in non-consumer-goods transaction. In a transaction other than a consumer-goods transaction, a purchase-money security interest does not lose its status as such, even if:

(1) the purchase-money collateral also secures an obligation that is not a purchase-money obligation;

(2) collateral that is not purchase-money collateral also secures the purchase-money obligation; or

(3) the purchase-money obligation has been renewed, refinanced, consolidated, or restructured.

g. Burden of proof in non-consumer-goods transaction. In a transaction other than a consumer-goods transaction, a secured party claiming a purchase-money security interest has the burden of establishing the extent to which the security interest is a purchase-money security interest.

h. Non-consumer-goods transactions; no inference. The limitation of the rules in subsections e., f. and g. of this section to transactions other than consumer-goods transactions is intended to leave to the court the determination of the proper rules in consumer-goods transactions. The court may not infer from that limitation the nature of the proper rule in consumer-goods transactions and may continue to apply established approaches.

Control of deposit account.

12A:9-104. Control of Deposit Account.

a. Requirements for control. A secured party has control of a deposit account if:

(1) the secured party is the bank with which the deposit account is maintained;

(2) the debtor, secured party, and bank have agreed in an authenticated record that the bank will comply with instructions originated by the secured party directing disposition of the funds in the deposit account without further consent by the debtor; or

(3) the secured party becomes the bank's customer with respect to the deposit account.

b. Debtor's right to direct disposition. A secured party that has satisfied subsection a. has control, even if the debtor retains the right to direct the disposition of funds from the deposit account.

Control of electronic chattel paper.

12A:9-105. Control of Electronic Chattel Paper.

A secured party has control of electronic chattel paper if the record or records comprising the chattel paper are created, stored, and assigned in such a manner that:

- a. A single authoritative copy of the record or records exists which is unique, identifiable and, except as otherwise provided in paragraphs d., e. and f., unalterable;
- b. The authoritative copy identifies the secured party as the assignee of the record or records;
- c. The authoritative copy is communicated to and maintained by the secured party or its designated custodian;
- d. Copies or revisions that add or change an identified assignee of the authoritative copy can be made only with the participation of the secured party;
- e. Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and
- f. any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

Control of investment property.

12A:9-106. Control of Investment Property.

a. Control under 12A:8-106. A person has control of a certificated security, uncertificated security, or security entitlement as provided in 12A:8-106.

b. Control of commodity contract. A secured party has control of a commodity contract if:

(1) the secured party is the commodity intermediary with which the commodity contract is carried; or

(2) the commodity customer, secured party, and commodity intermediary have agreed that the commodity intermediary will apply any value distributed on account of the commodity contract as directed by the secured party without further consent by the commodity customer.

c. Effect of control of securities account or commodity account. A secured party having control of all security entitlements or commodity contracts carried in a securities account or commodity account has control over the securities account or commodity account.

Control of letter-of-credit right.

12A:9-107. Control of Letter-of-Credit Right.

A secured party has control of a letter-of-credit right to the extent of any right to payment or performance by the issuer or any nominated person if the issuer or nominated person has consented to an assignment of proceeds of the letter of credit under 12A:5-114 c. or otherwise applicable law or practice.

Sufficiency of description.

12A:9-108. Sufficiency of Description.

a. Sufficiency of description. Except as otherwise provided in subsections c., d., e. and f. of this section, a description of personal or real property is sufficient, whether or not it is specific, if it reasonably identifies what is described.

b. Examples of reasonable identification. Except as otherwise provided in subsection d. of this section, a description of collateral reasonably identifies the collateral if it identifies the collateral by:

(1) specific listing;

(2) category;

(3) except as otherwise provided in subsection e. of this section, a type of collateral defined in the Uniform Commercial Code;

(4) quantity;

(5) computational or allocational formula or procedure; or

(6) except as otherwise provided in subsection c. of this section, any other method, if the identity of the collateral is objectively determinable.

c. Supergeneric description not sufficient. A description of collateral as "all the debtor's assets" or "all the debtor's personal property" or using words of similar import does not reasonably identify the collateral.

d. Investment property. Except as otherwise provided in subsection e. of this section, a description of a security entitlement, securities account, or commodity account is sufficient if it describes:

(1) the collateral by those terms or as investment property; or

(2) the underlying financial asset or commodity contract.

e. When description by type insufficient. A description only by type of collateral defined in the Uniform Commercial Code is an insufficient description of:

(1) a commercial tort claim; or

(2) in a consumer transaction, consumer goods, a security entitlement, a securities account, or a commodity account.

f. Bondable transition property. A description of bondable transition property is sufficient if it refers to the bondable stranded costs rate order, as defined in section 3 of P.L. 1999, c.23 (C.48:3-51), establishing the bondable transition property.

SUBPART 2. APPLICABILITY OF CHAPTER

Scope.

12A:9-109. Scope.

a. General scope of chapter. Except as otherwise provided in subsections c. and d. of this section, this chapter applies to:

(1) a transaction, regardless of its form, that creates a security interest in personal property or fixtures by contract;

(2) an agricultural lien;

(3) a sale of accounts, chattel paper, payment intangibles, or promissory notes;

(4) a consignment;

(5) a security interest arising under 12A:2-401, 12A:2-505, 12A:2-711(3), or 12A:2A-508(5), as provided in 12A:9-110; and

(6) a security interest arising under 12A:4-210.

b. Security interest in secured obligation. The application of this chapter to a security interest in a secured obligation is not affected by the fact that the obligation is itself secured by a transaction or interest to which this chapter does not apply.

c. Extent to which chapter does not apply. This chapter does not apply to the extent that:

(1) a statute, regulation, or treaty of the United States preempts this chapter; or

(2) the rights of a transferee beneficiary or nominated person under a letter-of-credit are independent and superior under 12A:5-114.

d. Inapplicability of chapter. This chapter does not apply to:

(1) a landlord's lien, other than an agricultural lien;

(2) a lien, other than an agricultural lien, given by statute or other rule of law for services or materials, but 12A:9-333 applies with respect to priority of the lien;

(3) an assignment of a claim for wages, salary, or other compensation of an employee;

(4) a sale of accounts, chattel paper, payment intangibles, or promissory notes as part of a sale of the business out of which they arose;

(5) an assignment of accounts, chattel paper, payment intangibles, or promissory notes which is for the purpose of collection only;

(6) an assignment of a right to payment under a contract to an assignee that is also obligated to perform under the contract;

(7) an assignment of a single account, payment intangible, or promissory note to an assignee in full or partial satisfaction of a preexisting indebtedness;

(8) a transfer of an interest in or an assignment of a claim under a policy of insurance, other than an assignment by or to a health-care provider of a health-care-insurance receivable and any subsequent assignment of the right to payment, but 12A:9-315 and 12A:9-322 apply with respect to proceeds and priorities in proceeds;

(9) an assignment of a right represented by a judgment, other than a judgment taken on a right to payment that was collateral;

- (10) a right of recoupment or set-off, but:
 - (a) 12A:9-340 applies with respect to the effectiveness of rights of recoupment or set-off against deposit accounts; and
 - (b) 12A:9-404 applies with respect to defenses or claims of an account debtor;
- (11) the creation or transfer of an interest in or lien on real property, including a lease or rents thereunder, except to the extent that provision is made for:
 - (a) liens on real property in 12A:9-203 and 12A:9-308;
 - (b) fixtures in 12A:9-334;
 - (c) fixture filings in 12A:9-501, 12A:9-502, 12A:9-512 and 12A:9-516;
 and
 - (d) security agreements covering personal and real property in 12A:9-604;
- (12) an assignment of a claim arising in tort, other than a commercial tort claim, but 12A:9-315 and 12A:9-322 apply with respect to proceeds and priorities in proceeds;
- (13) an assignment of a deposit account in a consumer transaction, but 12A:9-315 and 12A:9-322 apply with respect to proceeds and priorities in proceeds; or
- (14) a transfer by a government or governmental unit.

Security interests arising under Chapter 2 or 2A.

12A:9-110. Security Interests Arising under Chapter 2 or 2A.

A security interest arising under 12A:2-401, 12A:2-505, 12A:2-711(3), or 12A:2A-508(5) is subject to this chapter. However, until the debtor obtains possession of the goods:

- (1) the security interest is enforceable, even if 12A:9-203 b.(3) has not been satisfied;
- (2) filing is not required to perfect the security interest;
- (3) the rights of the secured party after default by the debtor are governed by Chapter 2 or 2A; and
- (4) the security interest has priority over a conflicting security interest created by the debtor.

PART 2

**EFFECTIVENESS OF SECURITY AGREEMENT;
ATTACHMENT OF SECURITY INTEREST;
RIGHTS OF PARTIES TO SECURITY AGREEMENT**

SUBPART 1. EFFECTIVENESS AND ATTACHMENT

General effectiveness of security agreement.

12A:9-201. General Effectiveness of Security Agreement.

a. General effectiveness. Except as otherwise provided in the Uniform Commercial Code, a security agreement is effective according to its terms between the parties, against purchasers of the collateral, and against creditors.

b. Applicable consumer laws and other law. A transaction subject to this chapter is subject to any applicable rule of law which establishes a different rule for consumers and to (1) any other statute or regulation that regulates the rates, charges, agreements, and practices for loans, credit sales, or other extensions of credit and (2) any consumer protection statute or regulation.

c. Other applicable law controls. In case of conflict between this chapter and a rule of law, statute, or regulation described in subsection b. of this section, the rule of law, statute, or regulation controls. Failure to comply with a statute or regulation described in subsection b. has only the effect the statute or regulation specifies.

d. Further deference to other applicable law. This chapter does not:

- (1) validate any rate, charge, agreement, or practice that violates a rule of law, statute, or regulation described in subsection b. of this section; or
- (2) extend the application of the rule of law, statute, or regulation to a transaction not otherwise subject to it.

Title to collateral immaterial.

12A:9-202. Title to Collateral Immaterial.

Except as otherwise provided with respect to consignments or sales of accounts, chattel paper, payment intangibles, or promissory notes, the provisions of this chapter with regard to rights and obligations apply whether title to collateral is in the secured party or the debtor.

Attachment and enforceability of security interest; proceeds; supporting obligations; formal requisites.

12A:9-203. Attachment and Enforceability of Security Interest; Proceeds; Supporting Obligations; Formal Requisites.

a. Attachment. A security interest attaches to collateral when it becomes enforceable against the debtor with respect to the collateral, unless an agreement expressly postpones the time of attachment.

b. Enforceability. Except as otherwise provided in subsections c. through i. of this section, a security interest is enforceable against the debtor and third parties with respect to the collateral only if:

- (1) value has been given;
- (2) the debtor has rights in the collateral or the power to transfer rights in the collateral to a secured party; and

(3) one of the following conditions is met:

(a) the debtor has authenticated a security agreement that provides a description of the collateral and, if the security interest covers timber to be cut, a description of the land concerned;

(b) the collateral is not a certificated security and is in the possession of the secured party under 12A:9-313 pursuant to the debtor's security agreement;

(c) the collateral is a certificated security in registered form and the security certificate has been delivered to the secured party under 12A:8-301 pursuant to the debtor's security agreement; or

(d) the collateral is deposit accounts, electronic chattel paper, investment property, or letter-of-credit rights, and the secured party has control under 12A:9-104, 12A:9-105, 12A:9-106, or 12A:9-107 pursuant to the debtor's security agreement.

c. Other Uniform Commercial Code provisions. Subsection b. of this section is subject to 12A:4-210 on the security interest of a collecting bank, 12A:9-110 on a security interest arising under Chapter 2 or 2A, and 12A:9-206 on security interests in investment property.

d. When person becomes bound by another person's security agreement. A person becomes bound as debtor by a security agreement entered into by another person if, by operation of law other than this chapter or by contract:

(1) the security agreement becomes effective to create a security interest in the person's property; or

(2) the person becomes generally obligated for the obligations of the other person, including the obligation secured under the security agreement, and acquires or succeeds to all or substantially all of the assets of the other person.

e. Effect of new debtor becoming bound. If a new debtor becomes bound as debtor by a security agreement entered into by another person:

(1) the agreement satisfies paragraph (3) of subsection b. of this section with respect to existing or after-acquired property of the new debtor to the extent the property is described in the agreement; and

(2) another agreement is not necessary to make a security interest in the property enforceable.

f. Proceeds and supporting obligations. The attachment of a security interest in collateral gives the secured party the rights to proceeds provided by 12A:9-315 and is also attachment of a security interest in a supporting obligation for the collateral.

g. Lien securing right to payment. The attachment of a security interest in a right to payment or performance secured by a security interest

or other lien on personal or real property is also attachment of a security interest in the security interest, mortgage, or other lien.

h. Security entitlement carried in securities account. The attachment of a security interest in a securities account is also attachment of a security interest in the security entitlements carried in the securities account.

i. Commodity contracts carried in commodity account. The attachment of a security interest in a commodity account is also attachment of a security interest in the commodity contracts carried in the commodity account.

j. Bondable transition property. Bondable transition property is presently existing property for all purposes, including for purposes of paragraph (2) of subsection b. of this section, whether or not the revenues and proceeds arising under the property have accrued and notwithstanding that the value of the property may depend upon customer use of electricity or performance of service by electric public utilities, or both.

After-acquired property; future advances.

12A:9-204. After-acquired Property; Future Advances.

a. After-acquired collateral. Except as otherwise provided in subsection b. of this section, a security agreement may create or provide for a security interest in after-acquired collateral.

b. When after-acquired property clause not effective. A security interest does not attach under a term constituting an after-acquired property clause to:

(1) consumer goods, other than an accession when given as additional security, unless the debtor acquires rights in them within 10 days after the secured party gives value; or

(2) a commercial tort claim.

c. Future advances and other value. A security agreement may provide that collateral secures, or that accounts, chattel paper, payment intangibles, or promissory notes are sold in connection with, future advances or other value, whether or not the advances or value are given pursuant to commitment.

Use or disposition of collateral permissible.

12A:9-205. Use or Disposition of Collateral Permissible.

a. When security interest not invalid or fraudulent. A security interest is not invalid or fraudulent against creditors solely because:

(1) the debtor has the right or ability to:

(a) use, commingle, or dispose of all or part of the collateral, including returned or repossessed goods;

(b) collect, compromise, enforce, or otherwise deal with collateral;

(c) accept the return of collateral or make repossessions; or

(d) use, commingle, or dispose of proceeds; or
(2) the secured party fails to require the debtor to account for proceeds or replace collateral.

b. Requirements of possession not relaxed. This section does not relax the requirements of possession if attachment, perfection, or enforcement of a security interest depends upon possession of the collateral by the secured party.

Security interest arising in purchase or delivery of financial asset.

12A:9-206. Security Interest Arising in Purchase or Delivery of Financial Asset.

a. Security interest when person buys through securities intermediary. A security interest in favor of a securities intermediary attaches to a person's security entitlement if:

(1) the person buys a financial asset through the securities intermediary in a transaction in which the person is obligated to pay the purchase price to the securities intermediary at the time of the purchase; and

(2) the securities intermediary credits the financial asset to the buyer's securities account before the buyer pays the securities intermediary.

b. Security interest secures obligation to pay for financial asset. The security interest described in subsection a. of this section secures the person's obligation to pay for the financial asset.

c. Security interest in payment against delivery transaction. A security interest in favor of a person who delivers a certificated security or other financial asset represented by a writing attaches to the security or other financial asset if:

(1) the security or other financial asset:

(a) in the ordinary course of business is transferred by delivery with any necessary indorsement or assignment; and

(b) is delivered under an agreement between persons in the business of dealing with such securities or financial assets; and

(2) the agreement calls for delivery against payment.

d. Security interest secures obligation to pay for delivery. The security interest described in subsection c. of this section secures the obligation to make payment for the delivery.

12A:9-207. [BLANK.]

SUBPART 2. RIGHTS AND DUTIES

Rights and duties of secured party having possession or control of collateral.

12A:9-208. Rights and Duties of Secured Party Having Possession or Control of Collateral.

a. Duty of care when secured party in possession. Except as otherwise provided in subsection d. of this section, a secured party shall use reasonable care in the custody and preservation of collateral in the secured party's possession. In the case of chattel paper or an instrument, reasonable care includes taking necessary steps to preserve rights against prior parties unless otherwise agreed.

b. Expenses, risks, duties, and rights when secured party in possession. Except as otherwise provided in subsection d. of this section, if a secured party has possession of collateral:

(1) reasonable expenses, including the cost of insurance and payment of taxes or other charges, incurred in the custody, preservation, use or operation of the collateral are chargeable to the debtor and are secured by the collateral;

(2) the risk of accidental loss or damage is on the debtor to the extent of a deficiency in any effective insurance coverage;

(3) the secured party shall keep the collateral identifiable, but fungible collateral may be commingled; and

(4) the secured party may use or operate the collateral:

(a) for the purpose of preserving the collateral or its value;

(b) as permitted by an order of a court having competent jurisdiction;

or

(c) except in the case of consumer goods, in the manner and to the extent agreed by the debtor.

c. Duties and rights when secured party in possession or control. Except as otherwise provided in subsection d. of this section, a secured party having possession of collateral or control of collateral under 12A:9-104, 12A:9-105, 12A:9-106, or 12A:9-107:

(1) may hold as additional security any proceeds, except money or funds, received from the collateral;

(2) shall apply money or funds received from the collateral to reduce the secured obligation, unless remitted to the debtor; and

(3) may create a security interest in the collateral.

d. Buyer of certain rights to payment. If the secured party is a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor:

(1) subsection a. of this section does not apply unless the secured party is entitled under an agreement:

(a) to charge back uncollected collateral; or

(b) otherwise to full or limited recourse against the debtor or a secondary obligor based on the nonpayment or other default of an account debtor or other obligor on the collateral; and

(2) subsections b. and c. of this section do not apply.

Additional duties of secured party having control of collateral.

12A:9-209. Additional Duties of Secured Party Having Control of Collateral.

a. Applicability of section. This section applies to cases in which there is no outstanding secured obligation and the secured party is not committed to make advances, incur obligations, or otherwise give value.

b. Duties of secured party after receiving demand from debtor. Within 10 days after receiving an authenticated demand by the debtor:

(1) a secured party having control of a deposit account under 12A:9-104a.(2) shall send to the bank with which the deposit account is maintained an authenticated statement that releases the bank from any further obligation to comply with instructions originated by the secured party;

(2) a secured party having control of a deposit account under 12A:9-104a.(3) shall:

(a) pay the debtor the balance on deposit in the deposit account; or

(b) transfer the balance on deposit into a deposit account in the debtor's name;

(3) a secured party, other than a buyer, having control of electronic chattel paper under 12A:9-105 shall:

(a) communicate the authoritative copy of the electronic chattel paper to the debtor or its designated custodian;

(b) if the debtor designates a custodian that is the designated custodian with which the authoritative copy of the electronic chattel paper is maintained for the secured party, communicate to the custodian an authenticated record releasing the designated custodian from any further obligation to comply with instructions originated by the secured party and instructing the custodian to comply with instructions originated by the debtor; and

(c) take appropriate action to enable the debtor or its designated custodian to make copies of or revisions to the authoritative copy which add or change an identified assignee of the authoritative copy without the consent of the secured party;

(4) a secured party having control of investment property under 12A:8-106d.(2) or 12A:9-106b. shall send to the securities intermediary or commodity intermediary with which the security entitlement or commodity contract is maintained an authenticated record that releases the securities intermediary or commodity intermediary from any further obligation to comply with entitlement orders or directions originated by the secured party; and

(5) a secured party having control of a letter-of-credit right under 12A:9-107 shall send to each person having an unfulfilled obligation to pay or deliver proceeds of the letter of credit to the secured party an authenticated release from any further obligation to pay or deliver proceeds of the letter of credit to the secured party.

Duties of secured party if account debtor has been notified of assignment.

12A:9-210. Duties of Secured Party If Account Debtor Has Been Notified of Assignment.

a. Applicability of section. Except as otherwise provided in subsection c., this section applies if:

- (1) there is no outstanding secured obligation; and
- (2) the secured party is not committed to make advances, incur obligations, or otherwise give value.

b. Duties of secured party after receiving demand from debtor. Within 10 days after receiving an authenticated demand by the debtor, a secured party shall send to an account debtor that has received notification of an assignment to the secured party as assignee under 12A:9-406a. an authenticated record that releases the account debtor from any further obligation to the secured party.

c. Inapplicability to sales. This section does not apply to an assignment constituting the sale of an account, chattel paper, or payment intangible.

Request for accounting; request regarding list of collateral or statement of account.

12A:9-211. Request for Accounting; Request Regarding List of Collateral or Statement of Account.

a. Definitions. In this section:

(1) "Request" means a record of a type described in paragraph (2), (3), or (4) of this subsection.

(2) "Request for an accounting" means a record authenticated by a debtor requesting that the recipient provide an accounting of the unpaid obligations secured by collateral and reasonably identifying the transaction or relationship that is the subject of the request.

(3) "Request regarding a list of collateral" means a record authenticated by a debtor requesting that the recipient approve or correct a list of what the debtor believes to be the collateral securing an obligation and reasonably identifying the transaction or relationship that is the subject of the request.

(4) "Request regarding a statement of account" means a record authenticated by a debtor requesting that the recipient approve or correct a statement indicating what the debtor believes to be the aggregate amount of unpaid obligations secured by collateral as of a specified date and reasonably identifying the transaction or relationship that is the subject of the request.

b. Duty to respond to requests. Subject to subsections c., d., e., and f. of this section, a secured party, other than a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor, shall comply with a request within 14 days after receipt:

(1) in the case of a request for an accounting, by authenticating and sending to the debtor an accounting; and

(2) in the case of a request regarding a list of collateral or a request regarding a statement of account, by authenticating and sending to the debtor an approval or correction.

c. Request regarding list of collateral; statement concerning type of collateral. A secured party that claims a security interest in all of a particular type of collateral owned by the debtor may comply with a request regarding a list of collateral by sending to the debtor an authenticated record including a statement to that effect within 14 days after receipt.

d. Request regarding list of collateral; no interest claimed. A person who receives a request regarding a list of collateral, claims no interest in the collateral when it receives the request, and claimed an interest in the collateral at an earlier time shall comply with the request within 14 days after receipt by sending to the debtor an authenticated record:

(1) disclaiming any interest in the collateral; and

(2) if known to the person, providing the name and mailing address of any assignee of or successor to the person's interest in the collateral.

e. Request for accounting or regarding statement of account; no interest in obligation claimed. A person who receives a request for an accounting or a request regarding a statement of account, claims no interest in the obligations when it receives the request, and claimed an interest in the obligations at an earlier time shall comply with the request within 14 days after receipt by sending to the debtor an authenticated record:

(1) disclaiming any interest in the obligations; and

(2) if known to the person, providing the name and mailing address of any assignee of or successor to the person's interest in the obligations.

f. Charges for responses. A debtor is entitled without charge to one response to a request under this section during any six-month period. The secured party may require payment of a charge not exceeding \$25 for each additional response.

PART 3 PERFECTION AND PRIORITY

SUBPART 1. LAW GOVERNING PERFECTION AND PRIORITY

Law governing perfection and priority of security interests.**12A:9-301. Law Governing Perfection and Priority of Security Interests.**

Except as otherwise provided in sections 12A:9-303 through 12A:9-306, the following rules determine the law governing perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral:

a. Except as otherwise provided in this section, while a debtor is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral.

b. While collateral is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a possessory security interest in that collateral.

c. Except as otherwise provided in subsection d. of this section, while negotiable documents, goods, instruments, money, or tangible chattel paper are located in a jurisdiction, the local law of that jurisdiction governs:

(1) the perfection of a security interest in the goods by filing a fixture filing;

(2) the perfection of a security interest in timber to be cut; and

(3) the effect of perfection or nonperfection and the priority of a nonpossessory security interest in the collateral.

d. The local law of the jurisdiction in which the wellhead or minehead is located governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in as-extracted collateral.

e. Notwithstanding subsection a. of this section, the local law of this State shall govern the perfection, the effect of perfection or nonperfection, and the priority of a security interest in bondable transition property.

Law governing perfection and priority of agricultural liens.**12A:9-302. Law Governing Perfection and Priority of Agricultural Liens.**

While farm products are located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of an agricultural lien on the farm products.

Law governing perfection and priority of security interests in goods covered by a certificate of title.**12A:9-303. Law Governing Perfection and Priority of Security Interests in Goods Covered by a Certificate of Title.**

a. Applicability of section. This section applies to goods covered by a certificate of title, even if there is no other relationship between the

jurisdiction under whose certificate of title the goods are covered and the goods or the debtor.

b. When goods covered by certificate of title. Goods become covered by a certificate of title when a valid application for the certificate of title and the applicable fee are delivered to the appropriate authority. Goods cease to be covered by a certificate of title at the earlier of the time the certificate of title ceases to be effective under the law of the issuing jurisdiction and the time the goods become covered subsequently by a certificate of title issued by another jurisdiction.

c. Applicable law. The local law of the jurisdiction under whose certificate of title the goods are covered governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in goods covered by a certificate of title from the time the goods become covered by the certificate of title until the goods cease to be covered by the certificate of title.

Law governing perfection and priority of security interests in deposit accounts.

12A:9-304. Law Governing Perfection and Priority of Security Interests in Deposit Accounts.

a. Law of bank's jurisdiction governs. The local law of a bank's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a deposit account maintained with that bank.

b. Bank's jurisdiction. The following rules determine a bank's jurisdiction for purposes of this part:

(1) If an agreement between the bank and the debtor governing the deposit account expressly provides that a particular jurisdiction is the bank's jurisdiction for purposes of this part, this chapter, or the Uniform Commercial Code, that jurisdiction is the bank's jurisdiction.

(2) If paragraph (1) of this subsection does not apply and an agreement between the bank and its customer governing the deposit account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the bank's jurisdiction.

(3) If neither paragraph (1) nor paragraph (2) of this subsection applies and an agreement between the bank and its customer governing the deposit account expressly provides that the deposit account is maintained at an office in a particular jurisdiction, that jurisdiction is the bank's jurisdiction.

(4) If none of paragraphs (1) through (3) of this subsection applies, the bank's jurisdiction is the jurisdiction in which the office identified in an account statement as the office serving the customer's account is located.

(5) If none of paragraphs (1) through (4) of this subsection applies, the bank's jurisdiction is the jurisdiction in which the chief executive office of the bank is located.

Law governing perfection and priority of security interests in investment property.

12A:9-305. Law Governing Perfection and Priority of Security Interests in Investment Property.

a. Governing law: general rules. Except as otherwise provided in subsection c. of this section, the following rules apply:

(1) While a security certificate is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in the certificated security represented thereby.

(2) The local law of the issuer's jurisdiction as specified in 12A:8-110d. governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in an uncertificated security.

(3) The local law of the securities intermediary's jurisdiction as specified in 12A:8-110e. governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a security entitlement or securities account.

(4) The local law of the commodity intermediary's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a commodity contract or commodity account.

b. Commodity intermediary's jurisdiction. The following rules determine a commodity intermediary's jurisdiction for purposes of this part:

(1) If an agreement between the commodity intermediary and commodity customer governing the commodity account expressly provides that a particular jurisdiction is the commodity intermediary's jurisdiction for purposes of this part, this chapter, or the Uniform Commercial Code, that jurisdiction is the commodity intermediary's jurisdiction.

(2) If paragraph (1) of this subsection does not apply and an agreement between the commodity intermediary and commodity customer governing the commodity account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the commodity intermediary's jurisdiction.

(3) If neither paragraph (1) nor paragraph (2) of this subsection applies and an agreement between the commodity intermediary and commodity customer governing the commodity account expressly provides that the commodity account is maintained at an office in a particular jurisdiction, that jurisdiction is the commodity intermediary's jurisdiction.

(4) If none of paragraphs (1) through (3) of this subsection applies, the commodity intermediary's jurisdiction is the jurisdiction in which the office

identified in an account statement as the office serving the commodity customer's account is located.

(5) If none of paragraphs (1) through (4) of this subsection applies, the commodity intermediary's jurisdiction is the jurisdiction in which the chief executive office of the commodity intermediary is located.

c. When perfection governed by law of jurisdiction where debtor located. The local law of the jurisdiction in which the debtor is located governs:

- (1) perfection of a security interest in investment property by filing;
- (2) automatic perfection of a security interest in investment property created by a broker or securities intermediary; and
- (3) automatic perfection of a security interest in a commodity contract or commodity account created by a commodity intermediary.

Law governing perfection and priority of security interests in letter-of-credit rights.

12A:9-306. Law Governing Perfection and Priority of Security Interests in Letter-of-Credit Rights.

a. Governing law: issuer's or nominated person's jurisdiction. Subject to subsection c. of this section, the local law of the issuer's jurisdiction or a nominated person's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a letter-of-credit right if the issuer's jurisdiction or nominated person's jurisdiction is a state.

b. Issuer's or nominated person's jurisdiction. For purposes of this part, an issuer's jurisdiction or nominated person's jurisdiction is the jurisdiction whose law governs the liability of the issuer or nominated person with respect to the letter-of-credit right as provided in 12A:5-116.

c. When section not applicable. This section does not apply to a security interest that is perfected only under 12A:9-308d.

Location of debtor.

12A:9-307. Location of Debtor.

a. "Place of business." In this section, "place of business" means a place where a debtor conducts its affairs.

b. Debtor's location: general rules. Except as otherwise provided in this section, the following rules determine a debtor's location:

(1) A debtor who is an individual is located at the individual's principal residence.

(2) A debtor that is an organization and has only one place of business is located at its place of business.

(3) A debtor that is an organization and has more than one place of business is located at its chief executive office.

c. Limitation of applicability of subsection b. Subsection b. of this section applies only if a debtor's residence, place of business, or chief

executive office, as applicable, is located in a jurisdiction whose law generally requires information concerning the existence of a nonpossessory security interest to be made generally available in a filing, recording, or registration system as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral. If subsection b. does not apply, the debtor is located in the District of Columbia.

d. Continuation of location: cessation of existence, etc. A person who ceases to exist, have a residence, or have a place of business continues to be located in the jurisdiction specified by subsections b. and c of this section.

e. Location of registered organization organized under State law. A registered organization that is organized under the law of a state is located in that state.

f. Location of registered organization organized under federal law; bank branches and agencies. Except as otherwise provided in subsection i. of this section, a registered organization that is organized under the law of the United States and a branch or agency of a bank that is not organized under the law of the United States or a state are located:

(1) in the State that the law of the United States designates, if the law designates a state of location;

(2) in the state that the registered organization, branch, or agency designates, if the law of the United States authorizes the registered organization, branch, or agency to designate its state of location; or

(3) in the District of Columbia, if neither paragraph (1) nor paragraph (2) of this subsection applies.

g. Continuation of location: change in status of registered organization. A registered organization continues to be located in the jurisdiction specified by subsection e. or f. of this section notwithstanding:

(1) the suspension, revocation, forfeiture, or lapse of the registered organization's status as such in its jurisdiction of organization; or

(2) the dissolution, winding up, or cancellation of the existence of the registered organization.

h. Location of United States. The United States is located in the District of Columbia.

i. Location of foreign bank branch or agency if licensed in only one state. A branch or agency of a bank that is not organized under the law of the United States or a state is located in the state in which the branch or agency is licensed, if all branches and agencies of the bank are licensed in only one state.

j. Location of foreign air carrier. A foreign air carrier covered under the Federal Aviation Act of 1958, as amended (49 U.S.C. s.1301 et seq.), is

located at the designated office of the agent upon which service of process may be made on behalf of the carrier.

k. Section applies only to this part. This section applies only for purposes of this part.

SUBPART 2. PERFECTION

When security interest or agricultural lien is perfected; continuity of perfection.

12A:9-308. When Security Interest or Agricultural Lien Is Perfected; Continuity of Perfection.

a. Perfection of security interest. Except as otherwise provided in this section and 12A:9-309, a security interest is perfected if it has attached and all of the applicable requirements for perfection in 12A:9-310 through 12A:9-316 have been satisfied. A security interest is perfected when it attaches if the applicable requirements are satisfied before the security interest attaches.

b. Perfection of agricultural lien. An agricultural lien is perfected if it has become effective and all of the applicable requirements for perfection in 12A:9-310 have been satisfied. An agricultural lien is perfected when it becomes effective if the applicable requirements are satisfied before the agricultural lien becomes effective.

c. Continuous perfection; perfection by different methods. A security interest or agricultural lien is perfected continuously if it is originally perfected by one method under this chapter and is later perfected by another method under this chapter, without an intermediate period when it was unperfected.

d. Supporting obligation. Perfection of a security interest in collateral also perfects a security interest in a supporting obligation for the collateral.

e. Lien securing right to payment. Perfection of a security interest in a right to payment or performance also perfects a security interest in a security interest, mortgage, or other lien on personal or real property securing the right.

f. Security entitlement carried in securities account. Perfection of a security interest in a securities account also perfects a security interest in the security entitlements carried in the securities account.

g. Commodity contract carried in commodity account. Perfection of a security interest in a commodity account also perfects a security interest in the commodity contracts carried in the commodity account.

Security interest perfected upon attachment.

12A:9-309. Security Interest Perfected upon Attachment.

The following security interests are perfected when they attach:

- a. a purchase-money security interest in consumer goods, except as otherwise provided in 12A:9-311b. with respect to consumer goods that are subject to a statute or treaty described in 12A:9-311a.;
- b. an assignment of accounts or payment intangibles which does not by itself or in conjunction with other assignments to the same assignee transfer a significant part of the assignor's outstanding accounts or payment intangibles;
- c. a sale of a payment intangible;
- d. a sale of a promissory note;
- e. a security interest created by the assignment of a health-care-insurance receivable to the provider of the health-care goods or services;
- f. a security interest arising under 12A:2-401, 12A:2-505, 12A:2-711(3), 12A:2A-508(5), until the debtor obtains possession of the collateral;
- g. security interest of a collecting bank arising under 12A:4-210;
- h. a security interest arising in the delivery of a financial asset under 12A:9-206c.;
- i. a security interest in investment property created by a broker or securities intermediary;
- j. a security interest in a commodity contract or a commodity account created by a commodity intermediary;
- k. An assignment for the benefit of all creditors of the transferor and subsequent transfers by the assignee thereunder; and
- l. A security interest created by an assignment of a beneficial interest in a decedent's estate.

When filing required to perfect security interest or agricultural lien; security interests and agricultural liens to which filing provisions do not apply.

12A:9-310. When Filing Required to Perfect Security Interest or Agricultural Lien; Security Interests and Agricultural Liens to Which Filing Provisions Do Not Apply.

- a. General rule: perfection by filing. Except as otherwise provided in subsection b. of this section and 12A:9-312b., a financing statement shall be filed to perfect all security interests and agricultural liens.
- b. Exceptions: filing not necessary. The filing of a financing statement is not necessary to perfect a security interest:
 - (1) that is perfected under subsections d., e., f. or g. of 12A:9-308;
 - (2) that is perfected under 12A:9-309 when it attaches;
 - (3) in property subject to a statute, regulation, or treaty described in of 12A:9-311a.;
 - (4) in goods in possession of a bailee which is perfected under 12A:9-312d.(1) or (2);

(5) in certificated securities, documents, goods, or instruments which is perfected without filing or possession under subsection e., f. or g. of 12A:9-312;

(6) in collateral in the secured party's possession under 12A:9-313;

(7) in a certificated security which is perfected by delivery of the security certificate to the secured party under 12A:9-313;

(8) in deposit accounts, electronic chattel paper, investment property, or letter-of-credit rights which is perfected by control under 12A:9-314;

(9) in proceeds which is perfected under 12A:9-315; or

(10) that is perfected under 12A:9-316.

c. Assignment of perfected security interest. If a secured party assigns a perfected security interest or agricultural lien, a filing under this chapter is not required to continue the perfected status of the security interest against creditors of and transferees from the original debtor.

Perfection of security interests in property subject to certain statutes, regulations, and treaties.

12A:9-311. Perfection of Security Interests in Property Subject to Certain Statutes, Regulations, and Treaties.

a. Security interest subject to other law. Except as otherwise provided in subsection d. of this section, the filing of a financing statement is not necessary or effective to perfect a security interest in property subject to:

(1) a statute, regulation, or treaty of the United States whose requirements for a security interest's obtaining priority over the rights of a lien creditor with respect to the property preempt 12A:9-310a.

(2) the "motor vehicle certificate of ownership law," R.S. 39:10-1 et seq. and the "Boat Ownership Certificate Act," P.L. 1984, c.152 (C.12:7A-1 et seq.); or

(3) a certificate-of-title statute of another jurisdiction which provides for a security interest to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the property.

b. Compliance with other law. Compliance with the requirements of a statute, regulation, or treaty described in subsection a. of this section for obtaining priority over the rights of a lien creditor is equivalent to the filing of a financing statement under this chapter. Except as otherwise provided in subsection d. of this section, 12A:9-313 and subsections d. and e. of 12A:9-316 for goods covered by a certificate of title, a security interest in property subject to a statute, regulation, or treaty described in subsection a. of this section may be perfected only by compliance with those requirements, and a security interest so perfected remains perfected notwithstanding a change in the use or transfer of possession of the collateral.

c. Duration and renewal of perfection. Except as otherwise provided in subsection d. of this section and subsections d. and e. of 12A:9-316, duration and renewal of perfection of a security interest perfected by compliance with the requirements prescribed by a statute, regulation, or treaty described in subsection a. are governed by the statute, regulation, or treaty. In other respects, the security interest is subject to this chapter.

d. Inapplicability to certain inventory. During any period in which collateral is inventory held for sale or lease by a person or leased by that person as lessor and that person is in the business of selling or leasing goods of that kind, this section does not apply to a security interest in that collateral created by that person as debtor.

Perfection of security interests in chattel paper, deposit accounts, documents, goods covered by documents, instruments, investment property, letter-of-credit rights, and money; perfection by permissive filing; temporary perfection without filing or transfer of possession.

12A:9-312. Perfection of Security Interests in Chattel Paper, Deposit Accounts, Documents, Goods Covered by Documents, Instruments, Investment Property, Letter-of-credit Rights, and Money; Perfection by Permissive Filing; Temporary Perfection Without Filing or Transfer of Possession.

a. Perfection by filing permitted. A security interest in chattel paper, negotiable documents, instruments, or investment property may be perfected by filing.

b. Control or possession of certain collateral. Except as otherwise provided in subsections c. and d. of 12A:9-315 for proceeds:

(1) a security interest in a deposit account may be perfected only by control under 12A:9-314;

(2) and except as otherwise provided in 12A:9-308d., a security interest in a letter-of-credit right may be perfected only by control under 12A:9-314; and

(3) a security interest in money may be perfected only by the secured party's taking possession under 12A:9-313.

c. Goods covered by negotiable document. While goods are in the possession of a bailee that has issued a negotiable document covering the goods:

(1) a security interest in the goods may be perfected by perfecting a security interest in the document; and

(2) a security interest perfected in the document has priority over any security interest that becomes perfected in the goods by another method during that time.

d. Goods covered by nonnegotiable document. While goods are in the possession of a bailee that has issued a nonnegotiable document covering the goods, a security interest in the goods may be perfected by:

- (1) issuance of a document in the name of the secured party;
- (2) the bailee's receipt of notification of the secured party's interest; or
- (3) filing as to the goods.

e. Temporary perfection: new value. A security interest in certificated securities, negotiable documents, or instruments is perfected without filing or the taking of possession for a period of 20 days from the time it attaches to the extent that it arises for new value given under an authenticated security agreement.

f. Temporary perfection: goods or documents made available to debtor. A perfected security interest in a negotiable document or goods in possession of a bailee, other than one that has issued a negotiable document for the goods, remains perfected for 20 days without filing if the secured party makes available to the debtor the goods or documents representing the goods for the purpose of:

- (1) ultimate sale or exchange; or

(2) loading, unloading, storing, shipping, transshipping, manufacturing, processing, or otherwise dealing with them in a manner preliminary to their sale or exchange.

g. Temporary perfection: delivery of security certificate or instrument to debtor. A perfected security interest in a certificated security or instrument remains perfected for 20 days without filing if the secured party delivers the security certificate or instrument to the debtor for the purpose of:

- (1) ultimate sale or exchange; or

(2) presentation, collection, enforcement, renewal, or registration of transfer.

h. Expiration of temporary perfection. After the 20-day period specified in subsection e., f. or g. of this section expires, perfection depends upon compliance with this chapter.

When possession by or delivery to secured party perfects security interest without filing.

12A:9-313. When Possession by or Delivery to Secured Party Perfects Security Interest Without Filing.

a. Perfection by possession or delivery. Except as otherwise provided in subsection b., a secured party may perfect a security interest in negotiable documents, goods, instruments, money, or tangible chattel paper by taking possession of the collateral. A secured party may perfect a security interest in certificated securities by taking delivery of the certificated securities under 12A:8-301.

b. Goods covered by certificate of title. With respect to goods covered by a certificate of title issued by this State, a secured party may perfect a

security interest in the goods by taking possession of the goods only in the circumstances described in 12A:9-316d.

c. Collateral in possession of person other than debtor. With respect to collateral other than certificated securities and goods covered by a document, a secured party takes possession of collateral in the possession of a person other than the debtor, the secured party, or a lessee of the collateral from the debtor in the ordinary course of the debtor's business, when:

(1) the person in possession authenticates a record acknowledging that it holds possession of the collateral for the secured party's benefit; or

(2) the person takes possession of the collateral after having authenticated a record acknowledging that it will hold possession of collateral for the secured party's benefit.

d. Time of perfection by possession; continuation of perfection. If perfection of a security interest depends upon possession of the collateral by a secured party, perfection occurs no earlier than the time the secured party takes possession and continues only while the secured party retains possession.

e. Time of perfection by delivery; continuation of perfection. A security interest in a certificated security in registered form is perfected by delivery when delivery of the certificated security occurs under 12A:8-301 and remains perfected by delivery until the debtor obtains possession of the security certificate.

f. Acknowledgment not required. A person in possession of collateral is not required to acknowledge that it holds possession for a secured party's benefit.

g. Effectiveness of acknowledgment; no duties or confirmation. If a person acknowledges that it holds possession for the secured party's benefit:

(1) the acknowledgment is effective under subsection c. of this section or subsection a. of 12A:8-301, even if the acknowledgment violates the rights of a debtor; and

(2) unless the person otherwise agrees or law other than this chapter otherwise provides, the person does not owe any duty to the secured party and is not required to confirm the acknowledgment to another person.

h. Secured party's delivery to person other than debtor. A secured party having possession of collateral does not relinquish possession by delivering the collateral to a person other than the debtor or a lessee of the collateral from the debtor in the ordinary course of the debtor's business if the person was instructed before the delivery or is instructed contemporaneously with the delivery:

(1) to hold possession of the collateral for the secured party's benefit; or

(2) to redeliver the collateral to the secured party.

i. Effect of delivery under subsection h.; no duties or confirmation. A secured party does not relinquish possession, even if a delivery under subsection h. of this section violates the rights of a debtor. A person to which collateral is delivered under subsection h. does not owe any duty to the secured party and is not required to confirm the delivery to another person unless the person otherwise agrees or law other than this chapter otherwise provides.

Perfection by control.

12A:9-314. Perfection by Control.

a. Perfection by control. A security interest in investment property, deposit accounts, letter-of-credit rights, or electronic chattel paper may be perfected by control of the collateral under 12A:9-104, 12A:9-105, 12A:9-106 or 12A:9-107.

b. Specified collateral: time of perfection by control; continuation of perfection. A security interest in deposit accounts, electronic chattel paper, or letter-of-credit rights is perfected by control under 12A:9-104, 12A:9-105 or 12A:9-107 when the secured party obtains control and remains perfected by control only while the secured party retains control.

c. Investment property: time of perfection by control; continuation of perfection. A security interest in investment property is perfected by control under 12A:9-106 from the time the secured party obtains control and remains perfected by control until:

(1) the secured party does not have control; and

(2) one of the following occurs:

(a) if the collateral is a certificated security, the debtor has or acquires possession of the security certificate;

(b) if the collateral is an uncertificated security, the issuer has registered or registers the debtor as the registered owner; or

(c) if the collateral is a security entitlement, the debtor is or becomes the entitlement holder.

Secured party's rights on disposition of collateral and in proceeds.

12A:9-315. Secured Party's Rights on Disposition of Collateral and in Proceeds.

a. Disposition of collateral: continuation of security interest or agricultural lien; proceeds. Except as otherwise provided in this chapter and in 12A:2-403(2):

(1) a security interest or agricultural lien continues in collateral notwithstanding sale, lease, license, exchange, or other disposition thereof unless the secured party authorized the disposition free of the security interest or agricultural lien; and

(2) a security interest attaches to any identifiable proceeds of collateral.

b. When commingled proceeds identifiable. Proceeds that are commingled with other property are identifiable proceeds:

- (1) if the proceeds are goods, to the extent provided by 12A:9-336; and
- (2) if the proceeds are not goods, to the extent that the secured party identifies the proceeds by a method of tracing, including application of equitable principles, that is permitted under law other than this chapter with respect to commingled property of the type involved.

c. Perfection of security interest in proceeds. A security interest in proceeds is a perfected security interest if the security interest in the original collateral was perfected.

d. Continuation of perfection. A perfected security interest in proceeds becomes unperfected on the 21st day after the security interest attaches to the proceeds unless:

- (1) the following conditions are satisfied:
 - (a) a filed financing statement covers the original collateral;
 - (b) the proceeds are collateral in which a security interest may be perfected by filing in the office in which the financing statement has been filed; and
 - (c) the proceeds are not acquired with cash proceeds;
- (2) the proceeds are identifiable cash proceeds; or
- (3) the security interest in the proceeds is perfected other than under subsection c. of this section when the security interest attaches to the proceeds or within 20 days thereafter.

e. When perfected security interest in proceeds becomes unperfected. If a filed financing statement covers the original collateral, a security interest in proceeds which remains perfected under paragraph (1) of subsection d. of this section becomes unperfected at the later of:

- (1) when the effectiveness of the filed financing statement lapses under 12A:9-515 or is terminated under 12A:9-513; or
- (2) the 21st day after the security interest attaches to the proceeds.

Continued perfection of security interest following change in governing law.

12A:9-316. Continued Perfection of Security Interest Following Change in Governing Law.

a. General rule: effect on perfection of change in governing law. A security interest perfected pursuant to the law of the jurisdiction designated in 12A:9-301a. or 12A:9-305c. remains perfected until the earliest of:

- (1) the time perfection would have ceased under the law of that jurisdiction;
- (2) the expiration of four months after a change of the debtor's location to another jurisdiction; or

(3) the expiration of one year after a transfer of collateral to a person who thereby becomes a debtor and is located in another jurisdiction.

b. Security interest perfected or unperfected under law of new jurisdiction. If a security interest described in subsection a. of this section becomes perfected under the law of the other jurisdiction before the earliest time or event described in that subsection, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earliest time or event, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

c. Possessory security interest in collateral moved to new jurisdiction. A possessory security interest in collateral, other than goods covered by a certificate of title and as-extracted collateral consisting of goods, remains continuously perfected if:

(1) the collateral is located in one jurisdiction and subject to a security interest perfected under the law of that jurisdiction;

(2) thereafter the collateral is brought into another jurisdiction; and

(3) upon entry into the other jurisdiction, the security interest is perfected under the law of the other jurisdiction.

d. Goods covered by certificate of title from this State. Except as otherwise provided in subsection e. of this section, a security interest in goods covered by a certificate of title which is perfected by any method under the law of another jurisdiction when the goods become covered by a certificate of title from this State remains perfected until the security interest would have become unperfected under the law of the other jurisdiction had the goods not become so covered.

e. When subsection d. security interest becomes unperfected against purchasers. A security interest described in subsection d. of this section becomes unperfected as against a purchaser of the goods for value and is deemed never to have been perfected as against a purchaser of the goods for value if the applicable requirements for perfection under 12A:9-311b. or 12A:9-313 are not satisfied before the earlier of:

(1) the time the security interest would have become unperfected under the law of the other jurisdiction had the goods not become covered by a certificate of title from this State; or

(2) the expiration of four months after the goods had become so covered.

f. Change in jurisdiction of bank, issuer, nominated person, securities intermediary, or commodity intermediary. A security interest in deposit accounts, letter-of-credit rights, or investment property which is perfected under the law of the bank's jurisdiction, the issuer's jurisdiction, a nominated person's jurisdiction, the securities intermediary's jurisdiction, or the

commodity intermediary's jurisdiction, as applicable, remains perfected until the earlier of:

(1) the time the security interest would have become unperfected under the law of that jurisdiction; or

(2) the expiration of four months after a change of the applicable jurisdiction to another jurisdiction.

g. Subsection f. security interest perfected or unperfected under law of new jurisdiction. If a security interest described in subsection f. of this section becomes perfected under the law of the other jurisdiction before the earlier of the time or the end of the period described in that subsection, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earlier of that time or the end of that period, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

SUBPART 3. PRIORITY

Interests that take priority over or take free of security interest or agricultural lien.

12A:9-317. Interests That Take Priority Over or Take Free of Security Interest or Agricultural Lien.

a. Conflicting security interests and rights of lien creditors. A security interest or agricultural lien is subordinate to the rights of:

(1) a person entitled to priority under 12A:9-322; and

(2) except as otherwise provided in subsection e. of this section, a person who becomes a lien creditor before the earlier of the time the security interest or agricultural lien is perfected or a financing statement covering the collateral is filed.

b. Buyers that receive delivery. Except as otherwise provided in subsection e. of this section, a buyer, other than a secured party, of tangible chattel paper, documents, goods, instruments, or a security certificate takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

c. Lessees that receive delivery. Except as otherwise provided in subsection e. of this section, a lessee of goods takes free of a security interest or agricultural lien if the lessee gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

d. Licensees and buyers of certain collateral. A licensee of a general intangible or a buyer, other than a secured party, of accounts, electronic chattel paper, general intangibles, or investment property other than a certificated security takes free of a security interest if the licensee or buyer

gives value without knowledge of the security interest and before it is perfected.

e. Purchase-money security interest. Except as otherwise provided in 12A:9-320 and 12A:9-321, if a person files a financing statement with respect to a purchase-money security interest before or within 20 days after the debtor receives delivery of the collateral, the security interest takes priority over the rights of a buyer, lessee, or lien creditor which arise between the time the security interest attaches and the time of filing.

No interest retained in right to payment that is sold; rights and title of seller of account or chattel paper with respect to creditors and purchasers.

12A:9-318. No Interest Retained in Right to Payment That Is Sold; Rights and Title of Seller of Account or Chattel Paper with Respect to Creditors and Purchasers.

a. Seller retains no interest. A debtor that has sold an account, chattel paper, payment intangible, or promissory note does not retain a legal or equitable interest in the collateral sold.

b. Deemed rights of debtor if buyer's security interest unperfected. For purposes of determining the rights of creditors of, and purchasers for value of an account or chattel paper from, a debtor that has sold an account or chattel paper, while the buyer's security interest is unperfected, the debtor is deemed to have rights and title to the account or chattel paper identical to those the debtor sold.

Rights and title of consignee with respect to creditors and purchasers.

12A:9-319. Rights and Title of Consignee with Respect to Creditors and Purchasers.

a. Consignee has consignor's rights. Except as otherwise provided in subsection b., for purposes of determining the rights of creditors of, and purchasers for value of goods from, a consignee, while the goods are in the possession of the consignee, the consignee is deemed to have rights and title to the goods identical to those the consignor had or had power to transfer.

b. Applicability of other law. For purposes of determining the rights of a creditor of a consignee, law other than this chapter determines the rights and title of a consignee while goods are in the consignee's possession if, under this part, a perfected security interest held by the consignor would have priority over the rights of the creditor.

Buyer of goods.

12A:9-320. Buyer of Goods.

a. Buyer in ordinary course of business. Except as otherwise provided in subsection e. of this section, a buyer in ordinary course of business, other than a person buying farm products from a person engaged in farming

operations, takes free of a security interest created by the buyer's seller, even if the security interest is perfected and the buyer knows of its existence.

b. Buyer of consumer goods. Except as otherwise provided in subsection e., a buyer of goods from a person who used or bought the goods for use primarily for personal, family, or household purposes takes free of a security interest, even if perfected, if the buyer buys:

- (1) without knowledge of the security interest;
- (2) for value;
- (3) primarily for the buyer's personal, family, or household purposes;

and

- (4) before the filing of a financing statement covering the goods.

c. Effectiveness of filing for subsection b. To the extent that it affects the priority of a security interest over a buyer of goods under subsection b. of this section, the period of effectiveness of a filing made in the jurisdiction in which the seller is located is governed by 12A:9-316a. and b.

d. Buyer in ordinary course of business at wellhead or minehead. A buyer in ordinary course of business buying oil, gas, or other minerals at the wellhead or minehead or after extraction takes free of an interest arising out of an encumbrance.

e. Possessory security interest not affected. Subsections a. and b. of this section do not affect a security interest in goods in the possession of the secured party under 12A:9-313.

Licensee of general intangible and lessee of goods in ordinary course of business.

12A:9-321. Licensee of General Intangible and Lessee of Goods in Ordinary Course of Business.

a. "Licensee in ordinary course of business." In this section, "licensee in ordinary course of business" means a person who becomes a licensee of a general intangible in good faith, without knowledge that the license violates the rights of another person in the general intangible, and in the ordinary course from a person in the business of licensing general intangibles of that kind. A person becomes a licensee in the ordinary course if the license to the person comports with the usual or customary practices in the kind of business in which the licensor is engaged or with the licensor's own usual or customary practices.

b. Rights of licensee in ordinary course of business. A licensee in ordinary course of business takes its rights under a nonexclusive license free of a security interest in the general intangible created by the licensor, even if the security interest is perfected and the licensee knows of its existence.

c. Rights of lessee in ordinary course of business. A lessee in ordinary course of business takes its leasehold interest free of a security interest in the

goods created by the lessor, even if the security interest is perfected and the lessee knows of its existence.

Priorities among conflicting security interests in and agricultural liens on same collateral.

12A:9-322. Priorities Among Conflicting Security Interests in and Agricultural Liens on Same Collateral.

a. General priority rules. Except as otherwise provided in this section, priority among conflicting security interests and agricultural liens in the same collateral is determined according to the following rules:

(1) Conflicting perfected security interests and agricultural liens rank according to priority in time of filing or perfection. Priority dates from the earlier of the time a filing covering the collateral is first made or the security interest or agricultural lien is first perfected, if there is no period thereafter when there is neither filing nor perfection.

(2) A perfected security interest or agricultural lien has priority over a conflicting unperfected security interest or agricultural lien.

(3) The first security interest or agricultural lien to attach or become effective has priority if conflicting security interests and agricultural liens are unperfected.

b. Time of perfection: proceeds and supporting obligations. For the purposes of paragraph (1) of subsection a. of this section:

(1) the time of filing or perfection as to a security interest in collateral is also the time of filing or perfection as to a security interest in proceeds; and

(2) the time of filing or perfection as to a security interest in collateral supported by a supporting obligation is also the time of filing or perfection as to a security interest in the supporting obligation.

c. Special priority rules: proceeds and supporting obligations. Except as otherwise provided in subsection f. of this section, a security interest in collateral which qualifies for priority over a conflicting security interest under 12A:9-327, 12A:9-328, 12A:9-329, 12A:9-330, or 12A:9-331 also has priority over a conflicting security interest in:

(1) any supporting obligation for the collateral; and

(2) proceeds of the collateral if:

(a) the security interest in proceeds is perfected;

(b) the proceeds are cash proceeds or of the same type as the collateral;

and

(c) in the case of proceeds that are proceeds of proceeds, all intervening proceeds are cash proceeds, proceeds of the same type as the collateral, or an account relating to the collateral.

d. First-to-file priority rule for certain collateral. Subject to subsection e. and except as otherwise provided in subsection f. of this section, if a

security interest in chattel paper, deposit accounts, negotiable documents, instruments, investment property, or letter-of-credit rights is perfected by a method other than filing, conflicting perfected security interests in proceeds of the collateral rank according to priority in time of filing.

e. Applicability of subsection d. Subsection d. of this section applies only if the proceeds of the collateral are not cash proceeds, chattel paper, negotiable documents, instruments, investment property, or letter-of-credit rights.

f. Limitations on subsections a. through e. Subsections a. through e. of this section are subject to:

(1) subsection g. and the other provisions of this part;

(2) 12A:4-210 with respect to a security interest of a collecting bank; and

(3) 12A:9-110 with respect to a security interest arising under Chapter 2 or 2A.

g. Priority under agricultural lien statute. A perfected agricultural lien on collateral has priority over a conflicting security interest in or agricultural lien on the same collateral if the statute creating the agricultural lien so provides.

Future advances.

12A:9-323. Future Advances.

a. When priority based on time of advance. Except as otherwise provided in subsection c. of this section, for purposes of determining the priority of a perfected security interest under 12A:9-322a.(1), perfection of the security interest dates from the time an advance is made to the extent that the security interest secures an advance that:

(1) is made while the security interest is perfected only:

(a) under 12A:9-309 when it attaches; or

(b) temporarily under 12A:9-312e., f., or g.; and

(2) is not made pursuant to a commitment entered into before or while the security interest is perfected by a method other than under 12A:9-309 or 12A:9-312e., f., or g.

b. Lien creditor. Except as otherwise provided in subsection c. of this section, a security interest is subordinate to the rights of a person who becomes a lien creditor to the extent that the security interest secures an advance made more than 45 days after the person becomes a lien creditor unless the advance is made:

(1) without knowledge of the lien; or

(2) pursuant to a commitment entered into without knowledge of the lien.

c. Buyer of receivables. Subsections a. and b. of this section do not apply to a security interest held by a secured party that is a buyer of accounts, chattel paper, payment intangibles, or promissory notes, or a consignor.

d. Buyer of goods. Except as otherwise provided in subsection e. of this section, a buyer of goods other than a buyer in ordinary course of business takes free of a security interest to the extent that it secures advances made after the earlier of:

(1) the time the secured party acquires knowledge of the buyer's purchase; or

(2) 45 days after the purchase.

e. Advances made pursuant to commitment: priority of buyer of goods. Subsection d. of this section does not apply if the advance is made pursuant to a commitment entered into without knowledge of the buyer's purchase and before the expiration of the 45-day period.

f. Lessee of goods. Except as otherwise provided in subsection g. of this section, a lessee of goods, other than a lessee in ordinary course of business, takes the leasehold interest free of a security interest to the extent that it secures advances made after the earlier of:

(1) the time the secured party acquires knowledge of the lease; or

(2) 45 days after the lease contract becomes enforceable.

g. Advances made pursuant to commitment: priority of lessee of goods. Subsection f. of this section does not apply if the advance is made pursuant to a commitment entered into without knowledge of the lease and before the expiration of the 45-day period.

Priority of purchase-money security interests.

12A:9-324. Priority of Purchase-Money Security Interests.

a. General rule: purchase-money priority. Except as otherwise provided in subsection g. of this section, a perfected purchase-money security interest in goods other than inventory or livestock has priority over a conflicting security interest in the same goods, and, except as otherwise provided in 12A:9-327, a perfected security interest in its identifiable proceeds also has priority, if the purchase-money security interest is perfected when the debtor receives possession of the collateral or within 20 days thereafter.

b. Inventory purchase-money priority. Subject to subsection c. and except as otherwise provided in subsection g. of this section, a perfected purchase-money security interest in inventory has priority over a conflicting security interest in the same inventory, has priority over a conflicting security interest in chattel paper or an instrument constituting proceeds of the inventory and in proceeds of the chattel paper, if so provided in

12A:9-330, and, except as otherwise provided in 12A:9-327, also has priority in identifiable cash proceeds of the inventory to the extent the identifiable cash proceeds are received on or before the delivery of the inventory to a buyer, if:

- (1) the purchase-money security interest is perfected when the debtor receives possession of the inventory;
- (2) the purchase-money secured party sends an authenticated notification to the holder of the conflicting security interest;
- (3) the holder of the conflicting security interest receives the notification within five years before the debtor receives possession of the inventory; and
- (4) the notification states that the person sending the notification has or expects to acquire a purchase-money security interest in inventory of the debtor and describes the inventory.

c. Holders of conflicting inventory security interests to be notified. Paragraphs 2 through 4 of subsection b. of this section apply only if the holder of the conflicting security interest had filed a financing statement covering the same types of inventory:

- (1) if the purchase-money security interest is perfected by filing, before the date of the filing; or
- (2) if the purchase-money security interest is temporarily perfected without filing or possession under 12A:9-312f., before the beginning of the 20-day period thereunder.

d. Livestock purchase-money priority. Subject to subsection e. and except as otherwise provided in subsection g. of this section, a perfected purchase-money security interest in livestock that are farm products has priority over a conflicting security interest in the same livestock, and, except as otherwise provided in 12A:9-327, a perfected security interest in their identifiable proceeds and identifiable products in their unmanufactured states also has priority, if:

- (1) the purchase-money security interest is perfected when the debtor receives possession of the livestock;
- (2) the purchase-money secured party sends an authenticated notification to the holder of the conflicting security interest;
- (3) the holder of the conflicting security interest receives the notification within six months before the debtor receives possession of the livestock; and
- (4) the notification states that the person sending the notification has or expects to acquire a purchase-money security interest in livestock of the debtor and describes the livestock.

e. Holders of conflicting livestock security interests to be notified. Paragraphs 2 through 4 of subsection d. of this section apply only if the

holder of the conflicting security interest had filed a financing statement covering the same types of livestock:

(1) if the purchase-money security interest is perfected by filing, before the date of the filing; or

(2) if the purchase-money security interest is temporarily perfected without filing or possession under 12A:9-312f., before the beginning of the 20-day period thereunder.

f. Software purchase-money priority. Except as otherwise provided in subsection g. of this section, a perfected purchase-money security interest in software has priority over a conflicting security interest in the same collateral, and, except as otherwise provided in 12A:9-327, a perfected security interest in its identifiable proceeds also has priority, to the extent that the purchase-money security interest in the goods in which the software was acquired for use has priority in the goods and proceeds of the goods under this section.

g. Conflicting purchase-money security interests. If more than one security interest qualifies for priority in the same collateral under subsection a., b., d., or f. of this section:

(1) a security interest securing an obligation incurred as all or part of the price of the collateral has priority over a security interest securing an obligation incurred for value given to enable the debtor to acquire rights in or the use of collateral; and

(2) in all other cases, 12A:9-322a. applies to the qualifying security interests.

Priority of security interests in transferred collateral.

12A:9-325. Priority of Security Interests in Transferred Collateral.

a. Subordination of security interest in transferred collateral. Except as otherwise provided in subsection b. of this section, a security interest created by a debtor is subordinate to a security interest in the same collateral created by another person if:

(1) the debtor acquired the collateral subject to the security interest created by the other person;

(2) the security interest created by the other person was perfected when the debtor acquired the collateral; and

(3) there is no period thereafter when the security interest is unperfected.

b. Limitation of subsection a. subordination. Subsection a. of this section subordinates a security interest only if the security interest:

(1) otherwise would have priority solely under 12A:9-322a. or 12A:9-324; or

(2) arose solely under 12A:2-711(3) or 2A-508(5).

Priority of security interests created by new debtor.

12A:9-326. Priority of Security Interests Created by New Debtor.

a. Subordination of security interest created by new debtor. Subject to subsection b. of this section, a security interest created by a new debtor which is perfected by a filed financing statement that is effective solely under 12A:9-508 in collateral in which a new debtor has or acquires rights is subordinate to a security interest in the same collateral which is perfected other than by a filed financing statement that is effective solely under 12A:9-508.

b. Priority under other provisions; multiple original debtors. The other provisions of this part determine the priority among conflicting security interests in the same collateral perfected by filed financing statements that are effective solely under 12A:9-508. However, if the security agreements to which a new debtor became bound as debtor were not entered into by the same original debtor, the conflicting security interests rank according to priority in time of the new debtor's having become bound.

Priority of security interests in deposit account.

12A:9-327. Priority of Security Interests in Deposit Account.

The following rules govern priority among conflicting security interests in the same deposit account:

a. A security interest held by a secured party having control of the deposit account under 12A:9-104 has priority over a conflicting security interest held by a secured party that does not have control.

b. Except as otherwise provided in subsections c. and d. of this section, security interests perfected by control under 12A:9-314 rank according to priority in time of obtaining control.

c. Except as otherwise provided in subsection d. of this section, a security interest held by the bank with which the deposit account is maintained has priority over a conflicting security interest held by another secured party.

d. A security interest perfected by control under 12A:9-104a.(3) has priority over a security interest held by the bank with which the deposit account is maintained.

Priority of security interests in investment property.

12A:9-328. Priority of Security Interests in Investment Property.

The following rules govern priority among conflicting security interests in the same investment property:

a. A security interest held by a secured party having control of investment property under 12A:9-106 has priority over a security interest

held by a secured party that does not have control of the investment property.

b. Except as otherwise provided in sections c. and d. of this section, conflicting security interests held by secured parties each of which has control under 12A:9-106 rank according to priority in time of:

(1) if the collateral is a security, obtaining control;

(2) if the collateral is a security entitlement carried in a securities account and:

(a) if the secured party obtained control under 12A:8-106d.(1), the secured party's becoming the person for which the securities account is maintained;

(b) if the secured party obtained control under 12A:8-106d.(2), the securities intermediary's agreement to comply with the secured party's entitlement orders with respect to security entitlements carried or to be carried in the securities account; or

(c) if the secured party obtained control through another person under 12A:8-106d.(3), the time on which priority would be based under this paragraph if the other person were the secured party; or

(3) if the collateral is a commodity contract carried with a commodity intermediary, the satisfaction of the requirement for control specified in 12A:9-106b.(2) with respect to commodity contracts carried or to be carried with the commodity intermediary.

c. A security interest held by a securities intermediary in a security entitlement or a securities account maintained with the securities intermediary has priority over a conflicting security interest held by another secured party.

d. A security interest held by a commodity intermediary in a commodity contract or a commodity account maintained with the commodity intermediary has priority over a conflicting security interest held by another secured party.

e. A security interest in a certificated security in registered form which is perfected by taking delivery under 12A:9-313a. and not by control under 12A:9-314 has priority over a conflicting security interest perfected by a method other than control.

f. Conflicting security interests created by a broker, securities intermediary, or commodity intermediary which are perfected without control under 12A:9-106 rank equally.

g. In all other cases, priority among conflicting security interests in investment property is governed by 12A:9-322 and 12A:9-323.

Priority of security interests in letter-of-credit right.

12A:9-329. Priority of Security Interests in Letter-of-Credit Right.

The following rules govern priority among conflicting security interests in the same letter-of-credit right:

a. A security interest held by a secured party having control of the letter-of-credit right under 12A:9-107 has priority to the extent of its control over a conflicting security interest held by a secured party that does not have control.

b. Security interests perfected by control under 12A:9-314 rank according to priority in time of obtaining control.

Priority of purchaser of chattel paper or instrument.

12A:9-330. Priority of Purchaser of Chattel Paper or Instrument.

a. Purchaser's priority: security interest claimed merely as proceeds. A purchaser of chattel paper has priority over a security interest in the chattel paper which is claimed merely as proceeds of inventory subject to a security interest if:

(1) in good faith and in the ordinary course of the purchaser's business, the purchaser gives new value and takes possession of the chattel paper or obtains control of the chattel paper under 12A:9-105; and

(2) the chattel paper does not indicate that it has been assigned to an identified assignee other than the purchaser.

b. Purchaser's priority: other security interests. A purchaser of chattel paper has priority over a security interest in the chattel paper which is claimed other than merely as proceeds of inventory subject to a security interest if the purchaser gives new value and takes possession of the chattel paper or obtains control of the chattel paper under 12A:9-105 in good faith, in the ordinary course of the purchaser's business, and without knowledge that the purchase violates the rights of the secured party.

c. Chattel paper purchaser's priority in proceeds. Except as otherwise provided in 12A:9-327, a purchaser having priority in chattel paper under subsection a. or b. of this section also has priority in proceeds of the chattel paper to the extent that:

(1) 12A:9-322 provides for priority in the proceeds; or

(2) the proceeds consist of the specific goods covered by the chattel paper or cash proceeds of the specific goods, even if the purchaser's security interest in the proceeds is unperfected.

d. Instrument purchaser's priority. Except as otherwise provided in 12A:9-331 subsection a., a purchaser of an instrument has priority over a security interest in the instrument perfected by a method other than possession if the purchaser gives value and takes possession of the instrument in good faith and without knowledge that the purchase violates the rights of the secured party.

e. Holder of purchase-money security interest gives new value. For purposes of subsections a. and b. of this section, the holder of a purchase-money security interest in inventory gives new value for chattel paper constituting proceeds of the inventory.

f. Indication of assignment gives knowledge. For purposes of subsections b. and d. of this section, if chattel paper or an instrument indicates that it has been assigned to an identified secured party other than the purchaser, a purchaser of the chattel paper or instrument has knowledge that the purchase violates the rights of the secured party.

Priority of rights of purchasers of instruments, documents, and securities under other chapters; priority of interests in financial assets and security entitlements under Chapter 8.

12A:9-331. Priority of Rights of Purchasers of Instruments, Documents, and Securities Under Other Chapters; Priority of Interests in Financial Assets and Security Entitlements Under Chapter 8.

a. Rights under Chapters 3, 7, and 8 not limited. This chapter does not limit the rights of a holder in due course of a negotiable instrument, a holder to which a negotiable document of title has been duly negotiated, or a protected purchaser of a security. These holders or purchasers take priority over an earlier security interest, even if perfected, to the extent provided in Chapters 3, 7, and 8.

b. Protection under Chapter 8. This chapter does not limit the rights of or impose liability on a person to the extent that the person is protected against the assertion of a claim under Chapter 8.

c. Filing not notice. Filing under this chapter does not constitute notice of a claim or defense to the holders, or purchasers, or persons described in subsections a. and b of this section.

Transfer of money; transfer of funds from deposit account.

12A:9-332. Transfer of Money; Transfer of Funds from Deposit Account.

a. Transferee of money. A transferee of money takes the money free of a security interest unless the transferee acts in collusion with the debtor in violating the rights of the secured party.

b. Transferee of funds from deposit account. A transferee of funds from a deposit account takes the funds free of a security interest in the deposit account unless the transferee acts in collusion with the debtor in violating the rights of the secured party.

Priority of certain liens arising by operation of law.

12A:9-333. Priority of Certain Liens Arising by Operation of Law.

a. "Possessory lien." In this section, "possessory lien" means an interest, other than a security interest or an agricultural lien:

(1) which secures payment or performance of an obligation for services or materials furnished with respect to goods by a person in the ordinary course of the person's business;

(2) which is created by statute or rule of law in favor of the person; and

(3) whose effectiveness depends on the person's possession of the goods.

b. Priority of possessory lien. A possessory lien on goods has priority over a security interest in the goods unless the lien is created by a statute that expressly provides otherwise.

Priority of security interests in fixtures and crops.

12A:9-334. Priority of Security Interests in Fixtures and Crops.

a. Security interest in fixtures under this chapter. A security interest under this chapter may be created in goods that are fixtures or may continue in goods that become fixtures. A security interest does not exist under this chapter in ordinary building materials incorporated into an improvement on land.

b. Security interest in fixtures under real-property law. This chapter does not prevent creation of an encumbrance upon fixtures under real property law.

c. General rule: subordination of security interest in fixtures. In cases not governed by subsections d. through h. of this section, a security interest in fixtures is subordinate to a conflicting interest of an encumbrancer or owner of the related real property other than the debtor.

d. Fixtures purchase-money priority. Except as otherwise provided in subsection h. of this section, a perfected security interest in fixtures has priority over a conflicting interest of an encumbrancer or owner of the real property if the debtor has an interest of record in or is in possession of the real property and:

(1) the security interest is a purchase-money security interest;

(2) the interest of the encumbrancer or owner arises before the goods become fixtures; and

(3) the security interest is perfected by a fixture filing before the goods become fixtures or within 20 days thereafter.

e. Priority of security interest in fixtures over interests in real property. A perfected security interest in fixtures has priority over a conflicting interest of an encumbrancer or owner of the real property or a lien on real property obtained by legal or equitable proceedings if:

(1) the debtor has an interest of record in the real property or is in possession of the real property and the security interest:

(a) is perfected by a fixture filing before the interest of the encumbrancer or the owner is of record; and

(b) has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner;

(2) before the goods become fixtures, the security interest is perfected and the fixtures are readily removable:

(a) factory or office machines;

(b) equipment that is not primarily used or leased for use in the operation of the real property; or

(c) replacements of domestic appliances that are consumer goods;

(3) the security interest is:

(a) created in a manufactured home in a manufactured-home transaction; and

(b) perfected pursuant to a statute described in 12A:9-311a.(2).

f. Priority based on consent, disclaimer, or right to remove. A security interest in fixtures, whether or not perfected, has priority over a conflicting interest of an encumbrancer or owner of the real property if:

(1) the encumbrancer or owner has, in an authenticated record, consented to the security interest or disclaimed an interest in the goods as fixtures; or

(2) the debtor has a right to remove the goods as against the encumbrancer or owner.

g. Continuation of paragraph (2) of subsection f. of this section priority. The priority of the security interest under paragraph (2) of subsection f. of this section continues for a reasonable time if the debtor's right to remove the goods as against the encumbrancer or owner terminates.

h. Priority of construction mortgage. A mortgage is a construction mortgage to the extent that it secures an obligation incurred for the construction of an improvement on land, including the acquisition cost of the land, if a recorded record of the mortgage so indicates. Except as otherwise provided in subsections e. and f. of this section, a security interest in fixtures is subordinate to a construction mortgage if a record of the mortgage is recorded before the goods become fixtures and the goods become fixtures before the completion of the construction. A mortgage has this priority to the same extent as a construction mortgage to the extent that it is given to refinance a construction mortgage.

i. Priority of security interest in crops. A perfected security interest in crops growing on real property has priority over a conflicting interest of an encumbrancer or owner of the real property if the debtor has an interest of record in or is in possession of the real property.

j. Subsection i. prevails. Subsection i. of this section prevails over any inconsistent provisions of state law.

Accessions.

12A:9-335. Accessions.

a. Creation of security interest in accession. A security interest may be created in an accession and continues in collateral that becomes an accession.

b. Perfection of security interest. If a security interest is perfected when the collateral becomes an accession, the security interest remains perfected in the collateral.

c. Priority of security interest. Except as otherwise provided in subsection d. of this section, the other provisions of this part determine the priority of a security interest in an accession.

d. Compliance with certificate-of-title statute. A security interest in an accession is subordinate to a security interest in the whole which is perfected by compliance with the requirements of a certificate-of-title statute under 12A:9-311b.

e. Removal of accession after default. After default, subject to Part 6 of this chapter, a secured party may remove an accession from other goods if the security interest in the accession has priority over the claims of every person having an interest in the whole.

f. Reimbursement following removal. A secured party that removes an accession from other goods under subsection e. of this section shall promptly reimburse any holder of a security interest or other lien on, or owner of, the whole or of the other goods, other than the debtor, for the cost of repair of any physical injury to the whole or the other goods. The secured party need not reimburse the holder or owner for any diminution in value of the whole or the other goods caused by the absence of the accession removed or by any necessity for replacing it. A person entitled to reimbursement may refuse permission to remove until the secured party gives adequate assurance for the performance of the obligation to reimburse.

Commingled goods.

12A:9-336. Commingled Goods.

a. "Commingled goods." In this section, "commingled goods" means goods that are physically united with other goods in such a manner that their identity is lost in a product or mass.

b. No security interest in commingled goods as such. A security interest does not exist in commingled goods as such. However, a security interest may attach to a product or mass that results when goods become commingled goods.

c. Attachment of security interest to product or mass. If collateral becomes commingled goods, a security interest attaches to the product or mass.

d. Perfection of security interest. If a security interest in collateral is perfected before the collateral becomes commingled goods, the security interest that attaches to the product or mass under subsection c. of this section is perfected.

e. Priority of security interest. Except as otherwise provided in subsection f., the other provisions of this part determine the priority of a security interest that attaches to the product or mass under subsection c. of this section

f. Conflicting security interests in product or mass. If more than one security interest attaches to the product or mass under subsection c. of this section, the following rules determine priority:

(1) A security interest that is perfected under subsection d. has priority over a security interest that is unperfected at the time the collateral becomes commingled goods.

(2) If more than one security interest is perfected under subsection d., the security interests rank equally in proportion to the value of the collateral at the time it became commingled goods.

Priority of security interests in goods covered by certificate of title.

12A:9-337. Priority of Security Interests in Goods Covered by Certificate of Title.

If, while a security interest in goods is perfected by any method under the law of another jurisdiction, this State issues a certificate of title that does not show that the goods are subject to the security interest or contain a statement that they may be subject to security interests not shown on the certificate:

a. a buyer of the goods, other than a person in the business of selling goods of that kind, takes free of the security interest if the buyer gives value and receives delivery of the goods after issuance of the certificate and without knowledge of the security interest; and

b. the security interest is subordinate to a conflicting security interest in the goods that attaches, and is perfected under 12A:9-311b., after issuance of the certificate and without the conflicting secured party's knowledge of the security interest.

Priority of security interest or agricultural lien perfected by filed financing statement providing certain incorrect information.

12A:9-338. Priority of Security Interest or Agricultural Lien Perfected by Filed Financing Statement Providing Certain Incorrect Information.

If a security interest or agricultural lien is perfected by a filed financing statement providing information described in 12A:9-516b.(5) which is incorrect at the time the financing statement is filed:

a. the security interest or agricultural lien is subordinate to a conflicting perfected security interest in the collateral to the extent that the holder of the conflicting security interest gives value in reasonable reliance upon the incorrect information; and

b. a purchaser, other than a secured party, of the collateral takes free of the security interest or agricultural lien to the extent that, in reasonable reliance upon the incorrect information, the purchaser gives value and, in the case of chattel paper, documents, goods, instruments, or a security certificate, receives delivery of the collateral.

Priority subject to subordination.

12A:9-339. Priority Subject to Subordination.

This chapter does not preclude subordination by agreement by a person entitled to priority.

SUBPART 4. RIGHTS OF BANK

Effectiveness of right of recoupment or set-off against deposit account.

12A:9-340. Effectiveness of Right of Recoupment or Set-off Against Deposit Account.

a. Exercise of recoupment or set-off. Except as otherwise provided in subsection c. of this section, a bank with which a deposit account is maintained may exercise any right of recoupment or set-off against a secured party that holds a security interest in the deposit account.

b. Recoupment or set-off not affected by security interest. Except as otherwise provided in subsection c. of this section, the application of this chapter to a security interest in a deposit account does not affect a right of recoupment or set-off of the secured party as to a deposit account maintained with the secured party.

c. When set-off ineffective. The exercise by a bank of a set-off against a deposit account is ineffective against a secured party that holds a security interest in the deposit account which is perfected by control under 12A:9-104(3), if the set-off is based on a claim against the debtor.

Bank's rights and duties with respect to deposit account.

12A:9-341. Bank's Rights and Duties with Respect to Deposit Account.

Except as otherwise provided in 12A:9-340c., and unless the bank otherwise agrees in an authenticated record, a bank's rights and duties with respect to a deposit account maintained with the bank are not terminated, suspended, or modified by:

a. the creation, attachment, or perfection of a security interest in the deposit account;

b. the bank's knowledge of the security interest; or

- c. the bank's receipt of instructions from the secured party.

Bank's right to refuse to enter into or disclose existence of control agreement.

12A:9-342. Bank's Right to Refuse to Enter into or Disclose Existence of Control Agreement.

This chapter does not require a bank to enter into an agreement of the kind described in 12A:9-104a.(2), even if its customer so requests or directs. A bank that has entered into such an agreement is not required to confirm the existence of the agreement to another person unless requested to do so by its customer.

PART 4
RIGHTS OF THIRD PARTIES

Alienability of debtor's rights.

12A:9-401. Alienability of Debtor's Rights.

a. Other law governs alienability; exceptions. Except as otherwise provided in subsection b. of this section and 12A:9-406, 12A:9-407, 12A:9-408 and 12A:9-409, whether a debtor's rights in collateral may be voluntarily or involuntarily transferred is governed by law other than this chapter.

b. Agreement does not prevent transfer. An agreement between the debtor and secured party which prohibits a transfer of the debtor's rights in collateral or makes the transfer a default does not prevent the transfer from taking effect.

Secured party not obligated on contract of debtor or in tort.

12A:9-402. Secured Party Not Obligated on Contract of Debtor or in Tort.

The existence of a security interest, agricultural lien, or authority given to a debtor to dispose of or use collateral, without more, does not subject a secured party to liability in contract or tort for the debtor's acts or omissions.

Agreement not to assert defenses against assignee.

12A:9-403. Agreement Not to Assert Defenses Against Assignee.

a. "Value." In this section, "value" has the meaning provided in 12A:3-303a.

b. Agreement not to assert claim or defense. Except as otherwise provided in this section, an agreement between an account debtor and an assignor not to assert against an assignee any claim or defense that the account debtor may have against the assignor is enforceable by an assignee that takes an assignment:

- (1) for value;
- (2) in good faith;

(3) without notice of a claim of a property or possessory right to the property assigned; and

(4) without notice of a defense or claim in recoupment of the type that may be asserted against a person entitled to enforce a negotiable instrument under 12A:3-305a.

c. When subsection b. not applicable. Subsection b. of this section does not apply to defenses of a type that may be asserted against a holder in due course of a negotiable instrument under 12A:3-305b.

d. Omission of required statement in consumer transaction. In a consumer transaction, if a record evidences the account debtor's obligation, law other than this chapter requires that the record include a statement to the effect that the rights of an assignee are subject to claims or defenses that the account debtor could assert against the original obligee, and the record does not include such a statement:

(1) the record has the same effect as if the record included such a statement; and

(2) the account debtor may assert against an assignee those claims and defenses that would have been available if the record included such a statement.

e. Rule for individual under other law. This section is subject to law other than this chapter which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

f. Other law not displaced. Except as otherwise provided in subsection d. of this section, this section does not displace law other than this chapter which gives effect to an agreement by an account debtor not to assert a claim or defense against an assignee.

Rights acquired by assignee; claims and defenses against assignee.

12A:9-404. Rights Acquired by Assignee; Claims and Defenses Against Assignee.

a. Assignee's rights subject to terms, claims, and defenses; exceptions. Unless an account debtor has made an enforceable agreement not to assert defenses or claims, and subject to subsections b. through e. of this section, the rights of an assignee are subject to:

(1) all terms of the agreement between the account debtor and assignor and any defense or claim in recoupment arising from the transaction that gave rise to the contract; and

(2) any other defense or claim of the account debtor against the assignor which accrues before the account debtor receives a notification of the assignment authenticated by the assignor or the assignee.

b. Account debtor's claim reduces amount owed to assignee. Subject to subsection c. and except as otherwise provided in subsection d. of this section, the claim of an account debtor against an assignor may be asserted against an assignee under subsection a. only to reduce the amount the account debtor owes.

c. Rule for individual under other law. This section is subject to law other than this chapter which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

d. Omission of required statement in consumer transaction. In a consumer transaction, if a record evidences the account debtor's obligation, law other than this chapter requires that the record include a statement to the effect that the account debtor's recovery against an assignee with respect to claims and defenses against the assignor may not exceed amounts paid by the account debtor under the record, and the record does not include such a statement, the extent to which a claim of an account debtor against the assignor may be asserted against an assignee is determined as if the record included such a statement.

e. Inapplicability to health-care-insurance receivable. This section does not apply to an assignment of a health-care-insurance receivable.

Modification of assigned contract.

12A:9-405. Modification of Assigned Contract.

a. Effect of modification on assignee. A modification of or substitution for an assigned contract is effective against an assignee if made in good faith. The assignee acquires corresponding rights under the modified or substituted contract. The assignment may provide that the modification or substitution is a breach of contract by the assignor. This subsection is subject to subsections b. through d. of this section

b. Applicability of subsection a. Subsection a. of this section applies to the extent that:

(1) the right to payment or a part thereof under an assigned contract has not been fully earned by performance; or

(2) the right to payment or a part thereof has been fully earned by performance and the account debtor has not received notification of the assignment under 12A:9-406a.

c. Rule for individual under other law. This section is subject to law other than this chapter which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

d. Inapplicability to health-care-insurance receivable. This section does not apply to an assignment of a health-care-insurance receivable.

Discharge of account debtor; notification of assignment; identification and proof of assignment; restrictions on assignment of accounts, chattel paper, payment intangibles, and promissory notes ineffective.

12A:9-406. Discharge of Account Debtor; Notification of Assignment; Identification and Proof of Assignment; Restrictions on Assignment of Accounts, Chattel Paper, Payment Intangibles, and Promissory Notes Ineffective.

a. Discharge of account debtor; effect of notification. Subject to subsections b. through i. of this section, an account debtor on an account, chattel paper, or a payment intangible may discharge its obligation by paying the assignor until, but not after, the account debtor receives a notification, authenticated by the assignor or the assignee, that the amount due or to become due has been assigned and that payment is to be made to the assignee. After receipt of the notification, the account debtor may discharge its obligation by paying the assignee and may not discharge the obligation by paying the assignor.

b. When notification ineffective. Subject to subsection h., notification is ineffective under subsection a. of this section:

(1) if it does not reasonably identify the rights assigned;

(2) to the extent that an agreement between an account debtor and a seller of a payment intangible limits the account debtor's duty to pay a person other than the seller and the limitation is effective under law other than this chapter; or

(3) at the option of an account debtor, if the notification notifies the account debtor to make less than the full amount of any installment or other periodic payment to the assignee, even if:

(a) only a portion of the account, chattel paper, or general intangible has been assigned to that assignee;

(b) a portion has been assigned to another assignee; or

(c) the account debtor knows that the assignment to that assignee is limited.

c. Proof of assignment. Subject to subsection h. of this section, if requested by the account debtor, an assignee shall seasonably furnish reasonable proof that the assignment has been made. Unless the assignee complies, the account debtor may discharge its obligation by paying the assignor, even if the account debtor has received a notification under subsection a. of this section.

d. Term restricting assignment generally ineffective. Except as otherwise provided in subsection e. of this section, 12A:2A-303 and 12A:9-407, and subject to subsection h. of this section, a term in an agreement between an account debtor and an assignor or in a promissory note is ineffective to the extent that it:

(1) prohibits, restricts, or requires the consent of the account debtor or person obligated on the promissory note to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in, the account, chattel paper, payment intangible, or promissory note; or

(2) provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the account, chattel paper, payment intangible, or promissory note.

e. Inapplicability of subsection d. to certain sales. Subsection d. of this section does not apply to the sale of a payment intangible or promissory note.

f. Legal restrictions on assignment generally ineffective. Except as otherwise provided in subsection j. of this section, 12A:2A-303 and 12A:9-407 and subject to subsections h. and i. of this section, a rule of law, statute, or regulation that prohibits, restricts, or requires the consent of a government, governmental body or official, or account debtor to the assignment or transfer of, or creation of a security interest in, an account or chattel paper is ineffective to the extent that the rule of law, statute, or regulation:

(1) prohibits, restricts, or requires the consent of the government, governmental body or official, or account debtor to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in the account or chattel paper; or

(2) provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the account or chattel paper.

g. Subsection b. paragraph (3) not waivable. Subject to subsection h., an account debtor may not waive or vary its option under subsection b.(3) of this section

h. Rule for individual under other law. This section is subject to law other than this chapter which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

i. Inapplicability to health-care-insurance receivable. This section does not apply to an assignment of a health-care-insurance receivable.

j. Section prevails over specified inconsistent law. This section prevails over any inconsistent provisions of State statutes, rules, and regulations, other than R.S.34:15-29 and section 13 of P.L.1970, c.13 (C.5:9-13).

Restrictions on creation or enforcement of security interest in leasehold interest or in lessor's residual interest.

12A:9-407. Restrictions on Creation or Enforcement of Security Interest in Leasehold Interest or in Lessor's Residual Interest.

a. Term restricting assignment generally ineffective. Except as otherwise provided in subsection b. of this section, a term in a lease agreement is ineffective to the extent that it:

(1) prohibits, restricts, or requires the consent of a party to the lease to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in, an interest of a party under the lease contract or in the lessor's residual interest in the goods; or

(2) provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the lease.

b. Effectiveness of certain terms. Except as otherwise provided in 12A:2A-303g., a term described in paragraph (2) of subsection a. of this section is effective to the extent that there is:

(1) a transfer by the lessee of the lessee's right of possession or use of the goods in violation of the term; or

(2) a delegation of a material performance of either party to the lease contract in violation of the term.

c. Security interest not material impairment. The creation, attachment, perfection, or enforcement of a security interest in the lessor's interest under the lease contract or the lessor's residual interest in the goods is not a transfer that materially impairs the lessee's prospect of obtaining return performance or materially changes the duty of or materially increases the burden or risk imposed on the lessee within the purview of 12A:2A-303d. unless, and then only to the extent that, enforcement actually results in a delegation of material performance of the lessor.

Restrictions on assignment of promissory notes, health-care-insurance receivables, and certain general intangibles ineffective.

12A:9-408. Restrictions on Assignment of Promissory Notes, Health-care-insurance Receivables, and Certain General Intangibles Ineffective.

a. Term restricting assignment generally ineffective. Except as otherwise provided in subsection b. of this section, a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health-care-insurance receivable or a general intangible, including a contract, permit, license, or franchise, and which term prohibits, restricts, or requires the consent of the person obligated on the promissory note or the account debtor to, the assignment or transfer of, or creation,

attachment, or perfection of a security interest in, the promissory note, health-care-insurance receivable, or general intangible, is ineffective to the extent that the term:

(1) would impair the creation, attachment, or perfection of a security interest; or

(2) provides that the assignment or transfer or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the promissory note, health-care-insurance receivable, or general intangible.

b. Applicability of subsection a. to sales of certain rights to payment. Subsection a. of this section applies to a security interest in a payment intangible or promissory note only if the security interest arises out of a sale of the payment intangible or promissory note.

c. Legal restrictions on assignment generally ineffective. Except as provided in subsection e. of this section, a rule of law, statute, or regulation that prohibits, restricts, or requires the consent of a government, governmental body or official, person obligated on a promissory note, or account debtor to the assignment or transfer of, or creation of a security interest in, a promissory note, health-care-insurance receivable, or general intangible, including a contract, permit, license, or franchise between an account debtor and a debtor, is ineffective to the extent that the rule of law, statute, or regulation:

(1) would impair the creation, attachment, or perfection of a security interest; or

(2) provides that the assignment or transfer or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the promissory note, health-care-insurance receivable, or general intangible.

d. Limitation on ineffectiveness under subsections a. and c. To the extent that a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health-care-insurance receivable or general intangible or a rule of law, statute, or regulation described in subsection c. would be effective under law other than this chapter but is ineffective under subsection a. or c. of this section, the creation, attachment, or perfection of a security interest in the promissory note, health-care-insurance receivable, or general intangible:

(1) is not enforceable against the person obligated on the promissory note or the account debtor;

(2) does not impose a duty or obligation on the person obligated on the promissory note or the account debtor;

(3) does not require the person obligated on the promissory note or the account debtor to recognize the security interest, pay or render performance to the secured party, or accept payment or performance from the secured party;

(4) does not entitle the secured party to use or assign the debtor's rights under the promissory note, health-care-insurance receivable, or general intangible, including any related information or materials furnished to the debtor in the transaction giving rise to the promissory note, health-care-insurance receivable, or general intangible;

(5) does not entitle the secured party to use, assign, possess, or have access to any trade secrets or confidential information of the person obligated on the promissory note or the account debtor; and

(6) does not entitle the secured party to enforce the security interest in the promissory note, health-care-insurance receivable, or general intangible.

e. Section prevails over specified inconsistent law. This section prevails over any inconsistent provisions of State statutes, rules, and regulations, other than R.S.34:15-29 and section 13 of P.L.1970, c.13 (C.5:9-13).

Restrictions on assignment of letter-of-credit rights ineffective.

12A:9-409. Restrictions on Assignment of Letter-of-credit Rights Ineffective.

a. Term or law restricting assignment generally ineffective. A term in a letter of credit or a rule of law, statute, regulation, custom, or practice applicable to the letter of credit which prohibits, restricts, or requires the consent of an applicant, issuer, or nominated person to a beneficiary's assignment of or creation of a security interest in a letter-of-credit right is ineffective to the extent that the term or rule of law, statute, regulation, custom, or practice:

(1) would impair the creation, attachment, or perfection of a security interest in the letter-of-credit right; or

(2) provides that the assignment or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the letter-of-credit right.

b. Limitation on ineffectiveness under subsection a. To the extent that a term in a letter of credit is ineffective under subsection a. but would be effective under law other than this chapter or a custom or practice applicable to the letter of credit, to the transfer of a right to draw or otherwise demand performance under the letter of credit, or to the assignment of a right to proceeds of the letter of credit, the creation, attachment, or perfection of a security interest in the letter-of-credit right:

(1) is not enforceable against the applicant, issuer, nominated person, or transferee beneficiary;

(2) imposes no duties or obligations on the applicant, issuer, nominated person, or transferee beneficiary; and

(3) does not require the applicant, issuer, nominated person, or transferee beneficiary to recognize the security interest, pay or render performance to the secured party, or accept payment or other performance from the secured party.

PART 5 FILING

SUBPART 1. FILING OFFICE; CONTENTS AND EFFECTIVENESS OF FINANCING STATEMENT

Filing office.

12A:9-501. Filing Office.

Filing offices. a. Except as otherwise provided in subsection b. of this section, if the local law of this State governs perfection of a security interest or agricultural lien, the office in which to file a financing statement to perfect the security interest or agricultural lien is:

(1) the office designated for the filing or recording of a record of a mortgage on the related real property, if:

(a) the collateral is as-extracted collateral or timber to be cut; or

(b) the financing statement is filed as a fixture filing and the collateral is goods that are or are to become fixtures; or

(2) the Division of Commercial Recording or other office designated by Executive Order, in all other cases, including a case in which the collateral is goods that are or are to become fixtures and the financing statement is not filed as a fixture filing.

b. Filing office for transmitting utilities. The office in which to file a financing statement to perfect a security interest in collateral, including fixtures, of a transmitting utility is the Division of Commercial Recording or other office designated by Executive Order. The financing statement also constitutes a fixture filing as to the collateral indicated in the financing statement which is or is to become fixtures.

Contents of financing statement; record of mortgage as financing statement; time of filing financing statement.

12A:9-502. Contents of Financing Statement; Record of Mortgage as Financing Statement; Time of Filing Financing Statement.

a. Sufficiency of financing statement. Subject to subsection b. of this section, a financing statement is sufficient only if it:

- (1) provides the name of the debtor;
- (2) provides the name of the secured party or a representative of the secured party; and
- (3) indicates the collateral covered by the financing statement.
 - b. Real-property-related financing statements. Except as otherwise provided in 12A:9-501 b., to be sufficient, a financing statement that covers as-extracted collateral or timber to be cut, or which is filed as a fixture filing and covers goods that are or are to become fixtures, shall satisfy subsection a. of this section and also:
 - (1) indicate that it covers this type of collateral;
 - (2) indicate that it is to be filed in the real property records;
 - (3) provide a description of the real property to which the collateral is related sufficient to identify the real property; and
 - (4) if the debtor does not have an interest of record in the real property, provide the name of a record owner.
 - c. Record of mortgage as financing statement. A record of a mortgage is effective, from the date of recording, as a filed financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut or fixtures only if:
 - (1) the record indicates the goods or accounts that it covers;
 - (2) the goods are or are to become fixtures related to the real property described in the record or the collateral is related to the real property described in the record and is as-extracted collateral or timber to be cut;
 - (3) the record satisfies the requirements for a financing statement in this section other than an indication that it is to be filed in the real property records; and
 - (4) the record is recorded.
 - d. Filing before security agreement or attachment. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches.

Name of debtor and secured party.

12A:9-503. Name of Debtor and Secured Party.

- a. Sufficiency of debtor's name. A financing statement sufficiently provides the name of the debtor:
 - (1) if the debtor is a registered organization, only if the financing statement provides the name of the debtor indicated on the public record of the debtor's jurisdiction of organization which shows the debtor to have been organized;
 - (2) if the debtor is a decedent's estate, only if the financing statement provides the name of the decedent and indicates that the debtor is an estate;

(3) if the debtor is a trust or a trustee acting with respect to property held in trust, only if the financing statement:

(a) provides the name specified for the trust in its organic documents or, if no name is specified, provides the name of the settlor and additional information sufficient to distinguish the debtor from other trusts having one or more of the same settlors; and

(b) indicates, in the debtor's name or otherwise, that the debtor is a trust or is a trustee acting with respect to property held in trust; and

(4) in other cases:

(a) if the debtor has a name, only if it provides the individual or organizational name of the debtor; and

(b) if the debtor does not have a name, only if it provides the names of the partners, members, associates, or other persons comprising the debtor.

b. Additional debtor-related information. A financing statement that provides the name of the debtor in accordance with subsection a. of this section is not rendered ineffective by the absence of:

(1) a trade name or other name of the debtor; or

(2) unless required under paragraph (4)(b) of subsection a. of this section, names of partners, members, associates, or other persons comprising the debtor.

c. Debtor's trade name insufficient. A financing statement that provides only the debtor's trade name does not sufficiently provide the name of the debtor.

d. Representative capacity. Failure to indicate the representative capacity of a secured party or representative of a secured party does not affect the sufficiency of a financing statement.

e. Multiple debtors and secured parties. A financing statement may provide the name of more than one debtor and the name of more than one secured party.

Indication of collateral.

12A:9-504. Indication of Collateral.

A financing statement sufficiently indicates the collateral that it covers if the financing statement provides:

a. a description of the collateral pursuant to 12A:9-108; or

b. an indication that the financing statement covers all assets or all personal property.

Filing and compliance with other statutes and treaties for consignments, leases, other bailments, and other transactions.

12A:9-505. Filing and Compliance with Other Statutes and Treaties for Consignments, Leases, Other Bailments, and Other Transactions.

a. Use of terms other than "debtor" and "secured party." A consignor, lessor, or other bailor of goods, a licensor, or a buyer of a payment intangible or promissory note may file a financing statement, or may comply with a statute or treaty described in 12A:9-311a., using the terms "consignor," "consignee," "lessor," "lessee," "bailor," "bailee," "licensor," "licensee," "owner," "registered owner," "buyer," "seller," or words of similar import, instead of the terms "secured party" and "debtor".

b. Effect of financing statement under subsection a. This part applies to the filing of a financing statement under subsection a. of this section and, as appropriate, to compliance that is equivalent to filing a financing statement under 12A:9-311b., but the filing or compliance is not of itself a factor in determining whether the collateral secures an obligation. If it is determined for another reason that the collateral secures an obligation, a security interest held by the consignor, lessor, bailor, licensor, owner, or buyer which attaches to the collateral is perfected by the filing or compliance.

Effect of errors or omissions.

12A:9-506. Effect of Errors or Omissions.

a. Minor errors and omissions. A financing statement substantially satisfying the requirements of this part is effective, even if it has minor errors or omissions, unless the errors or omissions make the financing statement seriously misleading.

b. Financing statement seriously misleading. Except as otherwise provided in subsection c. of this section, a financing statement that fails sufficiently to provide the name of the debtor in accordance with 12A:9-503a. is seriously misleading.

c. Financing statement not seriously misleading. If a search of the records of the filing office under the debtor's correct name, using the filing office's standard search logic, if any, would disclose a financing statement that fails sufficiently to provide the name of the debtor in accordance with 12A:9-503a., the name provided does not make the financing statement seriously misleading.

d. "Debtor's correct name." For purposes of 12A:9-508b., the "debtor's correct name" in subsection c. of this section means the correct name of the new debtor.

Effect of certain events on effectiveness of financing statement.

12A:9-507. Effect of Certain Events on Effectiveness of Financing Statement.

a. Disposition. A filed financing statement remains effective with respect to collateral that is sold, exchanged, leased, licensed, or otherwise

disposed of and in which a security interest or agricultural lien continues, even if the secured party knows of or consents to the disposition.

b. Information becoming seriously misleading. Except as otherwise provided in subsection c. of this section and 12A:9-508, a financing statement is not rendered ineffective if, after the financing statement is filed, the information provided in the financing statement becomes seriously misleading under 12A:9-506.

c. Change in debtor's name. If a debtor so changes its name that a filed financing statement becomes seriously misleading under 12A:9-506:

(1) the financing statement is effective to perfect a security interest in collateral acquired by the debtor before, or within four months after, the change; and

(2) the financing statement is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the change, unless an amendment to the financing statement which renders the financing statement not seriously misleading is filed within four months after the change.

Effectiveness of financing statement if new debtor becomes bound by security agreement.

12A:9-508. Effectiveness of Financing Statement If New Debtor Becomes Bound by Security Agreement.

a. Financing statement naming original debtor. Except as otherwise provided in this section, a filed financing statement naming an original debtor is effective to perfect a security interest in collateral in which a new debtor has or acquires rights to the extent that the financing statement would have been effective had the original debtor acquired rights in the collateral.

b. Financing statement becoming seriously misleading. If the difference between the name of the original debtor and that of the new debtor causes a filed financing statement that is effective under subsection a. of this section to be seriously misleading under 12A:9-506:

(1) the financing statement is effective to perfect a security interest in collateral acquired by the new debtor before, and within four months after, the new debtor becomes bound under 12A:9-203d.; and

(2) the financing statement is not effective to perfect a security interest in collateral acquired by the new debtor more than four months after the new debtor becomes bound under 12A:9-203d. unless an initial financing statement providing the name of the new debtor is filed before the expiration of that time.

c. When section not applicable. This section does not apply to collateral as to which a filed financing statement remains effective against the new debtor under 12A:9-507a.

Persons entitled to file a record.

12A:9-509. Persons Entitled to File a Record.

a. Person entitled to file record. A person may file an initial financing statement, amendment that adds collateral covered by a financing statement, or amendment that adds a debtor to a financing statement only if:

- (1) the debtor authorizes the filing in an authenticated record; or
- (2) the person holds an agricultural lien that has become effective at the time of filing and the financing statement covers only collateral in which the person holds an agricultural lien.

b. Security agreement as authorization. By authenticating or becoming bound as debtor by a security agreement, a debtor or new debtor authorizes the filing of an initial financing statement, and an amendment, covering:

- (1) the collateral described in the security agreement; and
- (2) property that becomes collateral under 12A:9-315a.(2), whether or not the security agreement expressly covers proceeds.

c. Acquisition of collateral as authorization. By acquiring collateral in which a security interest or agricultural lien continues under 12A:9-315a.(1), a debtor authorizes the filing of an initial financing statement, and an amendment, covering the collateral and property that becomes collateral under 12A:9-315a.(2).

d. Person entitled to file certain amendments. A person may file an amendment other than an amendment that adds collateral covered by a financing statement or an amendment that adds a debtor to a financing statement only if:

- (1) the secured party of record authorizes the filing; or
- (2) the amendment is a termination statement for a financing statement as to which the secured party of record has failed to file or send a termination statement as required by 12A:9-513a. or c., the debtor authorizes the filing, and the termination statement indicates that the debtor authorized it to be filed.

e. Multiple secured parties of record. If there is more than one secured party of record for a financing statement, each secured party of record may authorize the filing of an amendment under subsection d. of this section.

Effectiveness of filed record.

12A:9-510. Effectiveness of Filed Record.

a. Filed record effective if authorized. A filed record is effective only to the extent that it was filed by a person who may file it under 12A:9-509.

b. Authorization by one secured party of record. A record authorized by one secured party of record does not affect the financing statement with respect to another secured party of record.

c. Continuation statement not timely filed. A continuation statement that is not filed within the six-month period prescribed by 12A:9-515d. is ineffective.

Secured party of record.

12A:9-511. Secured Party of Record.

a. Secured party of record. A secured party of record with respect to a financing statement is a person whose name is provided as the name of the secured party or a representative of the secured party in an initial financing statement that has been filed. If an initial financing statement is filed under 12A:9-514a., the assignee named in the initial financing statement is the secured party of record with respect to the financing statement.

b. Amendment naming secured party of record. If an amendment of a financing statement which provides the name of a person as a secured party or a representative of a secured party is filed, the person named in the amendment is a secured party of record. If an amendment is filed under 12A:9-514b., the assignee named in the amendment is a secured party of record.

c. Amendment deleting secured party of record. A person remains a secured party of record until the filing of an amendment of the financing statement which deletes the person.

Amendment of financing statement.

12A:9-512. Amendment of Financing Statement.

a. Amendment of information in financing statement. Subject to 12A:9-509, a person may add or delete collateral covered by, continue or terminate the effectiveness of, or, subject to subsection e. of this section, otherwise amend the information provided in, a financing statement by filing an amendment that:

(1) identifies, by its file number, the initial financing statement to which the amendment relates; and

(2) if the amendment relates to an initial financing statement filed in a filing office described in 12A:9-501 a. (1), provides the information specified in 12A:9-502 b.

b. Period of effectiveness not affected. Except as otherwise provided in 12A:9-515, the filing of an amendment does not extend the period of effectiveness of the financing statement.

c. Effectiveness of amendment adding collateral. A financing statement that is amended by an amendment that adds collateral is effective as to the added collateral only from the date of the filing of the amendment.

d. Effectiveness of amendment adding debtor. A financing statement that is amended by an amendment that adds a debtor is effective as to the added debtor only from the date of the filing of the amendment.

e. Certain amendments ineffective. An amendment is ineffective to the extent it:

(1) purports to delete all debtors and fails to provide the name of a debtor to be covered by the financing statement; or

(2) purports to delete all secured parties of record and fails to provide the name of a new secured party of record.

Termination statement.

12A:9-513. Termination Statement.

a. Consumer goods. A secured party shall cause the secured party of record for a financing statement to file a termination statement for the financing statement if the financing statement covers consumer goods and:

(1) there is no obligation secured by the collateral covered by the financing statement and no commitment to make an advance, incur an obligation, or otherwise give value; or

(2) the debtor did not authorize the filing of the initial financing statement.

b. Time for compliance with subsection a. To comply with subsection a. of this section, a secured party shall cause the secured party of record to file the termination statement:

(1) within one month after there is no obligation secured by the collateral covered by the financing statement and no commitment to make an advance, incur an obligation, or otherwise give value; or

(2) if earlier, within 20 days after the secured party receives an authenticated demand from a debtor.

c. Other collateral. In cases not governed by subsection a. of this section, within 20 days after a secured party receives an authenticated demand from a debtor, the secured party shall cause the secured party of record for a financing statement to send to the debtor a termination statement for the financing statement or file the termination statement in the filing office if:

(1) except in the case of a financing statement covering accounts or chattel paper that has been sold or goods that are the subject of a consignment, there is no obligation secured by the collateral covered by the financing statement and no commitment to make an advance, incur an obligation, or otherwise give value;

(2) the financing statement covers accounts or chattel paper that have been sold but as to which the account debtor or other person obligated has discharged its obligation;

(3) the financing statement covers goods that were the subject of a consignment to the debtor but are not in the debtor's possession; or

(4) the debtor did not authorize the filing of the initial financing statement.

d. Effect of filing termination statement. Except as otherwise provided in 12A:9-510, upon the filing of a termination statement with the filing office, the financing statement to which the termination statement relates ceases to be effective.

Assignment of powers of secured party of record.

12A:9-514. Assignment of Powers of Secured Party of Record.

a. Assignment reflected on initial financing statement. Except as otherwise provided in this chapter, an initial financing statement may reflect an assignment of all of the secured party's power to authorize an amendment to the financing statement by providing the name and mailing address of the assignee as the name and address of the secured party.

b. Assignment of filed financing statement. Except as otherwise provided in this chapter, a secured party of record may assign of record all or part of its power to authorize an amendment to a financing statement by filing in the filing office an amendment of the financing statement which:

(1) identifies, by its file number, the initial financing statement to which it relates;

(2) provides the name of the assignor; and

(3) provides the name and mailing address of the assignee.

c. Assignment of record of mortgage. An assignment of record of a security interest in a fixture covered by a record of a mortgage which is effective as a filed financing statement filed as a fixture filing under 12A:9-502 c. may be made only by an assignment of record of the mortgage in the manner provided by law of this State other than the Uniform Commercial Code.

Duration and effectiveness of financing statement; effect of lapsed financing statement.

12A:9-515. Duration and Effectiveness of Financing Statement; Effect of Lapsed Financing Statement.

a. Five-year effectiveness. Except as otherwise provided in subsections b., e., f. and g., a filed financing statement is effective for a period of five years after the date of filing.

b. Public-finance or manufactured-home transaction. Except as otherwise provided in subsections e., f. and g. of this section, an initial financing statement filed in connection with a public-finance transaction or manufactured-home transaction is effective for a period of 30 years after the date of filing if it indicates that it is filed in connection with a public-finance transaction or manufactured-home transaction.

c. Bondable transition property. If a filed financing statement relates to a security interest in bondable transition property and the financing statement so states, it is effective until a termination statement is filed.

d. Lapse and continuation of financing statement. The effectiveness of a filed financing statement lapses on the expiration of the period of its effectiveness unless before the lapse a continuation statement is filed pursuant to subsection e. of this section. Upon lapse, a financing statement ceases to be effective and any security interest or agricultural lien that was perfected by the financing statement becomes unperfected, unless the security interest is perfected otherwise. If the security interest or agricultural lien becomes unperfected upon lapse, it is deemed never to have been perfected as against a purchaser of the collateral for value.

e. When continuation statement may be filed. A continuation statement may be filed only within six months before the expiration of the five-year period specified in subsection a. or the 30-year period specified in subsection b. of this section, whichever is applicable.

f. Effect of filing continuation statement. Except as otherwise provided in 12A:9-510, upon timely filing of a continuation statement, the effectiveness of the initial financing statement continues for a period of five years commencing on the day on which the financing statement would have become ineffective in the absence of the filing. Upon the expiration of the five-year period, the financing statement lapses in the same manner as provided in subsection d., unless, before the lapse, another continuation statement is filed pursuant to subsection e. of this section. Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the initial financing statement.

g. Transmitting utility financing statement. If a debtor is a transmitting utility and a filed financing statement so indicates, the financing statement is effective until a termination statement is filed.

h. Record of mortgage as financing statement. A record of mortgage that is effective as a filed financing statement filed as a fixture filing under 12A:9-502 c. remains effective as a filed financing statement filed as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real property.

What constitutes filing; effectiveness of filing.

12A:9-516. What Constitutes Filing; Effectiveness of Filing.

a. What constitutes filing. Except as otherwise provided in subsection b. of this section, communication of a record to a filing office and tender of the filing fee or acceptance of the record by the filing office constitutes filing.

b. Refusal to accept record; filing does not occur. Filing does not occur with respect to a record that a filing office refuses to accept because:

(1) the record is not communicated by a method or medium of communication authorized by the filing office;

(2) an amount equal to or greater than the applicable filing fee is not tendered;

(3) the filing office is unable to index the record because:

(a) in the case of an initial financing statement, the record does not provide a name for the debtor;

(b) in the case of an amendment or correction statement, the record:

(i) does not identify the initial financing statement as required by 12A:9-512 or 12A:9-518, as applicable; or

(ii) identifies an initial financing statement whose effectiveness has lapsed under 12A:9-515;

(c) in the case of an initial financing statement that provides the name of a debtor identified as an individual or an amendment that provides a name of a debtor identified as an individual which was not previously provided in the financing statement to which the record relates, the record does not identify the debtor's last name; or

(d) in the case of a record filed or recorded in the filing office described in 12A:9-501, the record does not provide a sufficient description of the real property to which it relates;

(4) in the case of an initial financing statement or an amendment that adds a secured party of record, the record does not provide a name and mailing address for the secured party of record;

(5) in the case of an initial financing statement or an amendment that provides a name of a debtor which was not previously provided in the financing statement to which the amendment relates, the record does not:

(a) provide a mailing address for the debtor;

(b) indicate whether the debtor is an individual or an organization; or

(c) if the financing statement indicates that the debtor is an organization, provide:

(i) a type of organization for the debtor;

(ii) a jurisdiction of organization for the debtor; or

(iii) an organizational identification number for the debtor or indicate that the debtor has none;

(6) in the case of an assignment reflected in an initial financing statement under 12A:9-514a. or an amendment filed under 12A:9-514b., the record does not provide a name and mailing address for the assignee; or

(7) in the case of a continuation statement, the record is not filed within the six-month period prescribed by 12A:9-515e.

c. Rules applicable to subsection b. For purposes of subsection b. of this section:

(1) a record does not provide information if the filing office is unable to read or decipher the information; and

(2) a record that does not indicate that it is an amendment or identify an initial financing statement to which it relates, as required by 12A:9-512, 12A:9-514, or 12A:9-518, is an initial financing statement.

d. Refusal to accept record; record effective as filed record. A record that is communicated to the filing office with tender of the filing fee, but which the filing office refuses to accept for a reason other than one set forth in subsection b. of this section, is effective as a filed record except as against a purchaser of the collateral which gives value in reasonable reliance upon the absence of the record from the files.

Effect of indexing errors.

12A:9-517. Effect of Indexing Errors.

The failure of the filing office to index a record correctly does not affect the effectiveness of the filed record.

Claim concerning inaccurate or wrongfully filed record.

12A:9-518. Claim Concerning Inaccurate or Wrongfully Filed Record.

a. Correction statement. A person may file in the filing office a correction statement with respect to a record indexed there under the person's name if the person believes that the record is inaccurate or was wrongfully filed.

b. Sufficiency of correction statement. A correction statement shall:

(1) identify the record to which it relates by the file number assigned to the initial financing statement to which the record relates;

(2) indicate that it is a correction statement; and

(3) provide the basis for the person's belief that the record is inaccurate and indicate the manner in which the person believes the record should be amended to cure any inaccuracy or provide the basis for the person's belief that the record was wrongfully filed.

c. Record not affected by correction statement. The filing of a correction statement does not affect the effectiveness of an initial financing statement or other filed record.

SUBPART 2. DUTIES AND OPERATION OF FILING OFFICE

Numbering, maintaining, and indexing records; communicating information provided in records.

12A:9-519. Numbering, Maintaining, and Indexing Records; Communicating Information Provided in Records.

a. Filing office duties. For each record filed in a filing office, the filing office shall:

- (1) assign a unique number to the filed record;
- (2) create a record that bears the number assigned to the filed record and the date and time of filing;
- (3) maintain the filed record for public inspection; and
- (4) index the filed record in accordance with subsections c., d., and e. of this section.

b. File number. A file number assigned after January 1, 2002, shall include a digit that:

- (1) is mathematically derived from or related to the other digits of the file number; and
- (2) aids the filing office in determining whether a number communicated as the file number includes a single-digit or transpositional error.

c. Indexing: general. Except as otherwise provided in subsections d. and e. of this section, the filing office shall:

- (1) index an initial financing statement according to the name of the debtor and index all filed records relating to the initial financing statement in a manner that associates with one another an initial financing statement and all filed records relating to the initial financing statement; and
- (2) index a record that provides a name of a debtor which was not previously provided in the financing statement to which the record relates also according to the name that was not previously provided.

d. Indexing: real-property-related financing statement. If a financing statement is filed as a fixture filing or covers as-extracted collateral or timber to be cut, the filing office shall index it:

- (1) under the names of the debtor and of each owner of record shown on the financing statement as if they were the mortgagors under a mortgage of the real property described; and
- (2) to the extent that the law of this State provides for indexing of records or mortgages under the name of the mortgagees, under the name of the secured party as if the secured party were the mortgagee thereunder, or, if the indexing is by description, as if the financing statement were a record of a mortgage of the real property described.

e. Indexing: real-property-related assignment. If a financing statement is filed as a fixture filing or covers as-extracted collateral or timber to be cut, the filing office shall index an assignment filed under 12A:9-514a. or an amendment filed under 12A:9-514b.:

- (1) under the name of the assignor as grantor; and
- (2) to the extent that the law of this State provides for indexing a record of the assignment of a mortgage under the name of the assignee, under the name of the assignee.

f. Retrieval and association capability. The filing office shall maintain a capability:

- (1) to retrieve a record by the name of the debtor and by the file number assigned to the initial financing statement to which the record relates; and
- (2) to associate and retrieve with one another an initial financing statement and each filed record relating to the initial financing statement.

g. Removal of debtor's name. The filing office may not remove a debtor's name from the index until one year after the effectiveness of a financing statement naming the debtor lapses under 12A:9-515 with respect to all secured parties of record.

h. Timeliness of filing office performance. The filing office shall perform the acts required by subsections a. through e. of this section at the time and in the manner prescribed by filing-office rule, but not later than two business days after the filing office receives the record in question.

i. Inapplicability to real property related filing office. Subsections b. and h. of this section do not apply to a filing office described in 12A:9-501 a. (1).

Acceptance and refusal to accept record.

12A:9-520. Acceptance and Refusal to Accept Record.

a. Mandatory refusal to accept record. A filing office shall refuse to accept a record for filing for a reason set forth in 12A:9-516b. and may refuse to accept a record for filing only for a reason set forth in 12A:9-516b.

b. Communication concerning refusal. If a filing office refuses to accept a record for filing, it shall communicate to the person who presented the record the fact of and reason for the refusal and the date and time the record would have been filed had the filing office accepted it. The communication shall be made at the time and in the manner prescribed by filing-office rule but in no event more than two business days after the filing office receives the record.

c. When filed financing statement effective. A filed financing statement satisfying 12A:9-502a. and b. is effective, even if the filing office is required to refuse to accept it for filing under subsection a. of this section. However, 12A:9-338 applies to a filed financing statement providing information described in 12A:9-516b.(5) which is incorrect at the time the financing statement is filed.

d. Separate application to multiple debtors. If a record communicated to a filing office provides information that relates to more than one debtor, this part applies as to each debtor separately.

Uniform form of written financing statement and amendment.

12A:9-521. Uniform Form of Written Financing Statement and Amendment.

a. Initial financing statement form. A filing office that accepts written records may not refuse to accept a written initial financing statement in the following form and format except for a reason set forth in 12A:9-516b.:

(Please refer to the Filing Office Copy - National UCC Financing Statement (Form UCC1) (REV. 04/23/98) and to the Filing Office Copy - National UCC Financing Statement Addendum (Form UCC1Ad) (REV. 04/23/98).

b. Amendment form. A filing office that accepts written records may not refuse to accept a written record in the following form and format except for a reason set forth in 12A:9-516b.:

(Please refer to the Filing Office Copy - National UCC Financing Statement Amendment (Form UCC3) (REV. 04/23/98) and to the Filing Office Copy - National UCC Financing Statement Amendment Addendum (Form UCC3Ad) (REV. 04/23/98).

Maintenance and destruction of records.

12A:9-522. Maintenance and Destruction of Records.

a. Post-lapse maintenance and retrieval of information. The filing office shall maintain a record of the information provided in a filed financing statement for at least one year after the effectiveness of the financing statement has lapsed under 12A:9-515 with respect to all secured parties of record. The record shall be retrievable by using the name of the debtor and:

(1) if the record was filed in the filing office described in 12A:9-501 a. (1), by using the file number assigned to the initial financing statement to which the record relates and the date that record was filed; or

(2) if the record was filed in the office described in 12A:9-501 a. (2), by using the file number assigned to the initial financing statement to which the record relates.

b. Destruction of written records. Except to the extent that a statute governing disposition of public records provides otherwise, the filing office immediately may destroy any written record evidencing a financing statement. However, if the filing office destroys a written record, it shall maintain another record of the financing statement which complies with subsection a. of this section.

Information from filing office; sale or license of records.

12A:9-523. Information from Filing Office; Sale or License of Records.

a. Acknowledgment of filing written record. If a person who files a written record requests an acknowledgment of the filing, the filing office shall send to the person an image of the record showing the number assigned to the record pursuant to 12A:9-519a.(1) and the date and time of the filing of the record. However, if the person furnishes a copy of the record to the filing office, the filing office may instead:

- (1) note upon the copy the number assigned to the record pursuant to 12A:9-519a.(1) and the date and time of the filing of the record; and
- (2) send the copy to the person.

b. Acknowledgment of filing other record. If a person files a record other than a written record, the filing office shall communicate to the person an acknowledgment that provides:

- (1) the information in the record;
- (2) the number assigned to the record pursuant to 12A:9-519a.(1); and
- (3) the date and time of the filing of the record.

c. Communication of requested information. The filing office shall communicate or otherwise make available in a record the following information to any person who requests it:

(1) whether there is on file on a date and time specified by the filing office, but not a date earlier than three business days before the filing office receives the request, any financing statement that:

(a) designates a particular debtor or, if the request so states, designates a particular debtor at the address specified in the request;

(b) has not lapsed under 12A:9-515 with respect to all secured parties of record; and

(c) if the request so states, has lapsed under 12A:9-515 and a record of which is maintained by the filing office under 12A:9-522a.;

(2) the date and time of filing of each financing statement; and

(3) the information provided in each financing statement.

d. Medium for communicating information. In complying with its duty under subsection c. of this section, the filing office may communicate information in any medium. However, if requested, the filing office shall communicate information by issuing its written certificate as a record that can be admitted into evidence in the courts of this State without extrinsic evidence of its authenticity.

e. Timeliness of filing office performance. The filing office shall perform the acts required by subsections a. through d. of this section at the time and in the manner prescribed by filing-office rule, but not later than two business days after the filing office receives the request.

f. Public availability of records. At least weekly, the Secretary of State shall offer to sell or license to the public on a nonexclusive basis, in

bulk, copies of all records filed in it under this part, in every medium from time to time available to the filing office.

Delay by filing office.

12A:9-524. Delay by Filing Office.

Delay by the filing office beyond a time limit prescribed by this part is excused if:

- a. the delay is caused by interruption of communication or computer facilities, war, emergency conditions, failure of equipment, or other circumstances beyond control of the filing office; and
- b. the filing office exercises reasonable diligence under the circumstances.

Fees.

12A:9-525. Fees.

a. Initial financing statement: general rule. The fees for filing and indexing records under this part are:

- (1) \$25 for financing statement;
- (2) \$25 for continuation statement;
- (3) \$25 for amendment statement;
- (4) \$25 for partial release;
- (5) \$25 for assignment;
- (6) \$25 termination statement; and
- (7) \$1 for copy of any filed financing statement.

b. Number of names. The number of names required to be indexed does not affect the amount of the fee in subsection a. of this section

c. Response to information request. The fee for responding to a request for information from the filing office, including for issuing a certificate of search showing whether there is on file any financing statement naming a particular debtor, is \$25.

d. Record of mortgage. This section does not require a fee with respect to a record of mortgage which is effective as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut under 12A:9-502 c. However, the recording and satisfaction fees that otherwise would be applicable to the record of the mortgage apply.

Filing-office rules.

12A:9-526. Filing-Office Rules.

a. Adoption of filing-office rules. The Division of Commercial Recording or other office designated by Executive Order may adopt and publish rules to implement this chapter. The filing-office rules shall be:

- (1) consistent with this chapter; and

(2) adopted and published in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

b. Harmonization of rules. To keep the filing-office rules and practices of the filing office in harmony with the rules and practices of filing offices in other jurisdictions that enact substantially this part, and to keep the technology used by the filing office compatible with the technology used by filing offices in other jurisdictions that enact substantially this part, the Division of Commercial Recording, so far as is consistent with the purposes, policies, and provisions of this chapter, in adopting, amending, and repealing filing-office rules, shall:

(1) consult with filing offices in other jurisdictions that enact substantially this part; and

(2) consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators or any successor organization; and

(3) take into consideration the rules and practices of, and the technology used by, filing offices in other jurisdictions that enact substantially this part.

PART 6 DEFAULT

SUBPART 1. DEFAULT AND ENFORCEMENT OF SECURITY INTEREST

Rights after default; judicial enforcement; consignor or buyer of accounts, chattel paper, payment intangibles, or promissory notes.

12A:9-601. Rights After Default; Judicial Enforcement; Consignor or Buyer of Accounts, Chattel Paper, Payment Intangibles, or Promissory Notes.

a. Rights of secured party after default. After default, a secured party has the rights provided in this part and, except as otherwise provided in 12A:9-602, those provided by agreement of the parties. A secured party:

(1) may reduce a claim to judgment, foreclose, or otherwise enforce the claim, security interest, or agricultural lien by any available judicial procedure; and

(2) if the collateral is documents, may proceed either as to the documents or as to the goods they cover.

b. Rights and duties of secured party in possession or control. A secured party in possession of collateral or control of collateral under 12A:9-104, 12A:9-105, 12A:9-106 or 12A:9-107 has the rights and duties provided in 12A:9-208.

c. Rights cumulative; simultaneous exercise. The rights under subsections a. and b. of this section are cumulative and may be exercised simultaneously.

d. Rights of debtor and obligor. Except as otherwise provided in subsection g. of this section and 12A:9-605, after default, a debtor and an obligor have the rights provided in this part and by agreement of the parties.

e. Lien of levy after judgment. If a secured party has reduced its claim to judgment, the lien of any levy that may be made upon the collateral by virtue of an execution based upon the judgment relates back to the earliest of:

- (1) the date of perfection of the security interest or agricultural lien in the collateral;
- (2) the date of filing a financing statement covering the collateral; or
- (3) any date specified in a statute under which the agricultural lien was created.

f. Execution sale. A sale pursuant to an execution is a foreclosure of the security interest or agricultural lien by judicial procedure within the meaning of this section. A secured party may purchase at the sale and thereafter hold the collateral free of any other requirements of this chapter.

g. Consignor or buyer of certain rights to payment. Except as otherwise provided in 12A:9-607c., this part imposes no duties upon a secured party that is a consignor or is a buyer of accounts, chattel paper, payment intangibles, or promissory notes.

Waiver and variance of rights and duties.

12A:9-602. Waiver and Variance of Rights and Duties.

Except as otherwise provided in 12A:9-624, to the extent that they give rights to a debtor or obligor and impose duties on a secured party, the debtor or obligor may not waive or vary the rules stated in the following listed sections:

- (1) 12A:9-208b.(4)(c), which deals with use and operation of the collateral by the secured party;
- (2) 12A:9-211, which deals with requests for an accounting and requests concerning a list of collateral and statement of account;
- (3) 12A:9-607c., which deals with collection and enforcement of collateral;
- (4) 12A:9-608a., and 12A:9-615c. to the extent that they deal with application or payment of noncash proceeds of collection, enforcement, or disposition;
- (5) 12A:9-608a. and 12A:9-615d. to the extent that they require accounting for or payment of surplus proceeds of collateral;

(6) 12A:9-609 to the extent that it imposes upon a secured party that takes possession of collateral without judicial process the duty to do so without breach of the peace;

(7) 12A:9-610b., 12A:9-611, 12A:9-613 and 12A:9-614, which deal with disposition of collateral;

(8) 12A:9-615f., which deals with calculation of a deficiency or surplus when a disposition is made to the secured party, a person related to the secured party, or a secondary obligor;

(9) 12A:9-616, which deals with explanation of the calculation of a surplus or deficiency;

(10) 12A:9-620, 12A:9-621 and 12A:9-622, which deal with acceptance of collateral in satisfaction of obligation;

(11) 12A:9-623, which deals with redemption of collateral;

(12) 12A:9-624, which deals with permissible waivers; and

(13) 12A:9-625 and 12A:9-626, which deal with the secured party's liability for failure to comply with this chapter.

Agreement on standards concerning rights and duties.

12A:9-603. Agreement on Standards Concerning Rights and Duties.

a. Agreed standards. The parties may determine by agreement the standards measuring the fulfillment of the rights of a debtor or obligor and the duties of a secured party under a rule stated in 12A:9-602 if the standards are not manifestly unreasonable.

b. Agreed standards inapplicable to breach of peace. Subsection a. of this section does not apply to the duty under 12A:9-609 to refrain from breaching the peace.

Procedure if security agreement covers real property or fixtures.

12A:9-604. Procedure If Security Agreement Covers Real Property or Fixtures.

a. Enforcement: personal and real property. If a security agreement covers both personal and real property, a secured party may proceed:

(1) under this part as to the personal property without prejudicing any rights with respect to the real property; or

(2) as to both the personal property and the real property in accordance with the rights with respect to the real property, in which case the other provisions of this part do not apply.

b. Enforcement: fixtures. Subject to subsection c. of this section, if a security agreement covers goods that are or become fixtures, a secured party may proceed:

(1) under this part; or

(2) in accordance with the rights with respect to real property, in which case the other provisions of this part do not apply.

c. Removal of fixtures. Subject to the other provisions of this part, if a secured party holding a security interest in fixtures has priority over all owners and encumbrancers of the real property, the secured party, after default, may remove the collateral from the real property.

d. Injury caused by removal. A secured party that removes collateral shall promptly reimburse any encumbrancer or owner of the real property, other than the debtor, for the cost of repair of any physical injury caused by the removal. The secured party need not reimburse the encumbrancer or owner for any diminution in value of the real property caused by the absence of the goods removed or by any necessity of replacing them. A person entitled to reimbursement may refuse permission to remove until the secured party gives adequate assurance for the performance of the obligation to reimburse.

Unknown debtor or secondary obligor.

12A:9-605. Unknown Debtor or Secondary Obligor.

A secured party does not owe a duty based on its status as secured party:

a. to a person who is a debtor or obligor, unless the secured party knows:

- (1) that the person is a debtor or obligor;
- (2) the identity of the person; and
- (3) how to communicate with the person; or

b. to a secured party or lienholder that has filed a financing statement against a person, unless the secured party knows:

- (1) that the person is a debtor; and
- (2) the identity of the person.

Time of default for agricultural lien.

12A:9-606. Time of Default for Agricultural Lien.

For purposes of this part, a default occurs in connection with an agricultural lien at the time the secured party becomes entitled to enforce the lien in accordance with the statute under which it was created.

Collection and enforcement by secured party.

12A:9-607. Collection and Enforcement by Secured Party.

a. Collection and enforcement generally. If so agreed, and in any event after default, a secured party:

(1) may notify an account debtor or other person obligated on collateral to make payment or otherwise render performance to or for the benefit of the secured party;

(2) may take any proceeds to which the secured party is entitled under 12A:9-315;

(3) may enforce the obligations of an account debtor or other person obligated on collateral and exercise the rights of the debtor with respect to the obligation of the account debtor or other person obligated on collateral to make payment or otherwise render performance to the debtor, and with respect to any property that secures the obligation of the account debtor or other person obligated on the collateral;

(4) if it holds a security interest in a deposit account perfected by control under 12A:9-104a.(1), may apply the balance of the deposit account to the obligation secured by the deposit account; and

(5) if it holds a security interest in a deposit account perfected by control under 12A:9-104a.(2) or (3), may instruct the bank to pay the balance of the deposit account to or for the benefit of the secured party.

b. Nonjudicial enforcement of mortgage. If necessary to enable a secured party to exercise the right of a debtor to enforce a mortgage nonjudicially under paragraph (3) of subsection a. of this section, the secured party may record in the office in which a record of the mortgage is recorded:

(1) a copy of the security agreement that creates or provides for a security interest in the obligation secured by the mortgage; and

(2) the secured party's sworn affidavit in recordable form stating that:

(a) a default has occurred; and

(b) the secured party is entitled to enforce the mortgage nonjudicially.

c. Commercially reasonable collection and enforcement. A secured party shall proceed in a commercially reasonable manner if the secured party:

(1) undertakes to collect from or enforce an obligation of an account debtor or other person obligated on collateral; and

(2) is entitled to charge back uncollected collateral or otherwise to full or limited recourse against the debtor or a secondary obligor.

d. Expenses of collection and enforcement. A secured party may deduct from the collections made pursuant to subsection c. of this section, reasonable expenses of collection and enforcement, including reasonable attorney's fees and legal expenses incurred by the secured party.

e. Duties to secured party not affected. This section does not determine whether an account debtor, bank, or other person obligated on collateral owes a duty to a secured party.

Application of proceeds of collection or enforcement; liability for deficiency and right to surplus.

12A:9-608. Application of Proceeds of Collection or Enforcement; Liability for Deficiency and Right to Surplus.

a. Application of proceeds, surplus, and deficiency if obligation secured. If a security interest or agricultural lien secures payment or performance of an obligation, the following rules apply:

(1) A secured party shall apply or pay over for application the cash proceeds of collection or enforcement under this section in the following order to:

(a) the reasonable expenses of collection and enforcement and, to the extent provided for by agreement and not prohibited by law, reasonable attorney's fees and legal expenses incurred by the secured party;

(b) the satisfaction of obligations secured by the security interest or agricultural lien under which the collection or enforcement is made; and

(c) the satisfaction of obligations secured by any subordinate security interest in or other lien on the collateral subject to the security interest or agricultural lien under which the collection or enforcement is made if the secured party receives an authenticated demand for proceeds before distribution of the proceeds is completed.

(2) If requested by a secured party, a holder of a subordinate security interest or other lien shall furnish reasonable proof of the interest or lien within a reasonable time. Unless the holder complies, the secured party need not comply with the holder's demand under subparagraph (c) of paragraph (1) of this subsection.

(3) A secured party need not apply or pay over for application noncash proceeds of collection and enforcement under this section unless the failure to do so would be commercially unreasonable. A secured party that applies or pays over for application noncash proceeds shall do so in a commercially reasonable manner.

(4) A secured party shall account to and pay a debtor for any surplus, and the obligor is liable for any deficiency.

b. No surplus or deficiency in sales of certain rights to payment. If the underlying transaction is a sale of accounts, chattel paper, payment intangibles, or promissory notes, the debtor is not entitled to any surplus, and the obligor is not liable for any deficiency.

Secured party's right to take possession after default.

12A:9-609. Secured Party's Right to Take Possession after Default.

a. Possession; rendering equipment unusable; disposition on debtor's premises. After default, a secured party:

(1) may take possession of the collateral; and

(2) without removal, may render equipment unusable and dispose of collateral on a debtor's premises under 12A:9-610.

b. Judicial and nonjudicial process. A secured party may proceed under subsection a.:

- (1) pursuant to judicial process; or
- (2) without judicial process, if it proceeds without breach of the peace.

c. Assembly of collateral. If so agreed, and in any event after default, a secured party may require the debtor to assemble the collateral and make it available to the secured party at a place to be designated by the secured party which is reasonably convenient to both parties.

Disposition of collateral after default.

12A:9-610. Disposition of Collateral after Default.

a. Disposition after default. After default, a secured party may sell, lease, license, or otherwise dispose of any or all of the collateral in its present condition or following any commercially reasonable preparation or processing.

b. Commercially reasonable disposition. Every aspect of a disposition of collateral, including the method, manner, time, place, and other terms, shall be commercially reasonable. If commercially reasonable, a secured party may dispose of collateral by public or private proceedings, by one or more contracts, as a unit or in parcels, and at any time and place and on any terms.

c. Purchase by secured party. A secured party may purchase collateral:

- (1) at a public disposition; or

- (2) at a private disposition only if the collateral is of a kind that is customarily sold on a recognized market or the subject of widely distributed standard price quotations.

d. Warranties on disposition. A contract for sale, lease, license, or other disposition includes the warranties relating to title, possession, quiet enjoyment, and the like which by operation of law accompany a voluntary disposition of property of the kind subject to the contract.

e. Disclaimer of warranties. A secured party may disclaim or modify warranties under subsection d. of this section:

- (1) in a manner that would be effective to disclaim or modify the warranties in a voluntary disposition of property of the kind subject to the contract of disposition; or

- (2) by communicating to the purchaser a record evidencing the contract for disposition and including an express disclaimer or modification of the warranties.

f. Record sufficient to disclaim warranties. A record is sufficient to disclaim warranties under subsection e. of this section if it indicates "There is no warranty relating to title, possession, quiet enjoyment, or the like in this disposition" or uses words of similar import.

Notification before disposition of collateral.

12A:9-611. Notification Before Disposition of Collateral.

a. "Notification date." In this section, "notification date" means the earlier of the date on which:

(1) a secured party sends to the debtor and any secondary obligor an authenticated notification of disposition; or

(2) the debtor and any secondary obligor waive the right to notification.

b. Notification of disposition required. Except as otherwise provided in subsection d. of this section, a secured party that disposes of collateral under 12A:9-610 shall send to the persons specified in subsection c. of this section a reasonable authenticated notification of disposition.

c. Persons to be notified. To comply with subsection b. of this section, the secured party shall send an authenticated notification of disposition to:

(1) the debtor;

(2) any secondary obligor; and

(3) if the collateral is other than consumer goods:

(a) any other person from which the secured party has received, before the notification date, an authenticated notification of a claim of an interest in the collateral;

(b) any other secured party or lienholder that, 10 days before the notification date, held a security interest in or other lien on the collateral perfected by the filing of a financing statement that:

(i) identified the collateral;

(ii) was indexed under the debtor's name as of that date; and

(iii) was filed in the office in which to file a financing statement against the debtor covering the collateral as of that date; and

(c) any other secured party that, 10 days before the notification date, held a security interest in the collateral perfected by compliance with a statute, regulation, or treaty described in 12A:9-311a.

d. Subsection b. inapplicable: perishable collateral; recognized market. Subsection b. of this section does not apply if the collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market.

e. Compliance with subsection c. paragraph (3) subparagraph (b). A secured party complies with the requirement for notification prescribed by subsection c. paragraph (3) subparagraph (b) of this section if:

(1) not later than 20 days or earlier than 30 days before the notification date, the secured party requests, in a commercially reasonable manner, information concerning financing statements indexed under the debtor's

name in the office indicated in that subsection c. paragraph (3) subparagraph (b); and

(2) before the notification date, the secured party:

(a) did not receive a response to the request for information; or

(b) received a response to the request for information and sent an authenticated notification of disposition to each secured party or other lienholder named in that response whose financing statement covered the collateral.

Timeliness of notification before disposition of collateral.

12A:9-612. Timeliness of Notification Before Disposition of Collateral.

a. Reasonable time is question of fact. Except as otherwise provided in subsection b. of this section, whether a notification is sent within a reasonable time is a question of fact.

b. 10-day period sufficient in non-consumer transaction. In a transaction other than a consumer transaction, a notification of disposition sent after default and 10 days or more before the earliest time of disposition set forth in the notification is sent within a reasonable time before the disposition.

Contents and form of notification before disposition of collateral: general.

12A:9-613. Contents and Form of Notification Before Disposition of Collateral: General.

Except in a consumer-goods transaction, the following rules apply:

a. The contents of a notification of disposition are sufficient if the notification:

(1) describes the debtor and the secured party;

(2) describes the collateral that is the subject of the intended disposition;

(3) states the method of intended disposition;

(4) states that the debtor is entitled to an accounting of the unpaid indebtedness and states the charge, if any, for an accounting; and

(5) states the time and place of a public sale or the time after which any other disposition is to be made.

b. Whether the contents of a notification that lacks any of the information specified in subsection a. of this section are nevertheless sufficient is a question of fact.

c. The contents of a notification providing substantially the information specified in subsection a. are sufficient, even if the notification includes:

(1) information not specified by that paragraph; or

(2) minor errors that are not seriously misleading.

- d. A particular phrasing of the notification is not required.
- e. The following form of notification and the form appearing in 12A:9-614c., when completed, each provides sufficient information:

NOTIFICATION OF DISPOSITION OF COLLATERAL

To: Name of debtor, obligor, or other person to which the notification is sent

From: (Name, address, and telephone number of secured party)

Name of Debtor(s):

(Include only if debtor(s) are not an addressee)

For a public disposition:

We will sell or lease or license, as applicable the (describe collateral) to the highest qualified bidder in public as follows:

Day and Date:

Time:

Place:

For a private disposition:

We will sell or lease or license, as applicable the (describe collateral) privately sometime after (day and date).

You are entitled to an accounting of the unpaid indebtedness secured by the property that we intend to sell or lease or license, as applicable for a charge of \$ _____ You may request an accounting by calling us at (telephone number)

End of Form

Contents and form of notification before disposition of collateral: consumer-goods transaction.

12A:9-614. Contents and Form of Notification Before Disposition of Collateral: Consumer-goods Transaction.

In a consumer-goods transaction, the following rules apply:

a. A notification of disposition shall provide the following information:

- (1) the information specified in 12A:9-613a.;
- (2) a description of any liability for a deficiency of the person to which the notification is sent;
- (3) a telephone number from which the amount that shall be paid to the secured party to redeem the collateral under 12A:9-623 is available; and
- (4) a telephone number or mailing address from which additional information concerning the disposition and the obligation secured is available.

b. A particular phrasing of the notification is not required.

c. The following form of notification, when completed, provides sufficient information:

Name and address of secured party

Date

NOTICE OF OUR PLAN TO SELL PROPERTY

Name and address of any obligor who is also a debtor

Subject: Identification of Transaction

We have your (describe collateral), because you broke promises in our agreement.

For a public disposition:

We will sell (describe collateral) at public sale. A sale could include a lease or license. The sale will be held as follows:

Date:

Time:

Place:

You may attend the sale and bring bidders if you want.

For a private disposition:

We will sell (describe collateral) at private sale sometime after (date). A sale could include a lease or license.

The money that we get from the sale after paying our costs will reduce the amount you owe. If we get less money than you owe, you (will or will not, as applicable) still owe us the difference. If we get more money than you owe, you will get the extra money, unless we must pay it to someone else. You can get the property back at any time before we sell it by paying us the full amount you owe not just the past due payments, including our expenses. To learn the exact amount you must pay, call us at (telephone number).

If you want us to explain to you in writing how we have figured the amount that you owe us, you may call us at (telephone number) or write us at (secured party's address) and request a written explanation. We will charge you \$ _____ for the explanation if we sent you another written explanation of the amount you owe us within the last six months.

If you need more information about the sale call us at (telephone number) or write us at (secured party's address).

We are sending this notice to the following other people who have an interest in (describe collateral) or who owe money under your agreement: Names of all other debtors and obligors, if any.

End of Form

d. A notification in the form of subsection c. of this section is sufficient, even if additional information appears at the end of the form.

e. A notification in the form of subsection c. is sufficient, even if it includes errors in information not required by subsection a. of this section, unless the error is misleading with respect to rights arising under this chapter.

f. If a notification under this section is not in the form of subsection c., law other than this chapter determines the effect of including information not required by subsection a. of this section.

Application of proceeds of disposition; liability for deficiency and right to surplus.

12A:9-615. Application of Proceeds of Disposition; Liability for Deficiency and Right to Surplus.

a. Application of proceeds. A secured party shall apply or pay over for application the cash proceeds of disposition in the following order:

(1) the reasonable expenses of retaking, holding, preparing for disposition, processing, and disposing, and, to the extent provided for by agreement and not prohibited by law, reasonable attorney's fees and legal expenses incurred by the secured party;

(2) the satisfaction of obligations secured by the security interest or agricultural lien under which the disposition is made;

(3) the satisfaction of obligations secured by any subordinate security interest in or other subordinate lien on the collateral if:

(a) the secured party receives from the holder of the subordinate security interest or other lien an authenticated demand for proceeds before distribution of the proceeds is completed; and

(b) in a case in which a consignor has an interest in the collateral, the subordinate security interest or other lien is senior to the interest of the consignor; and

(4) a secured party that is a consignor of the collateral if the secured party receives from the consignor an authenticated demand for proceeds before distribution of the proceeds is completed.

b. Proof of subordinate interest. If requested by a secured party, a holder of a subordinate security interest or other lien shall furnish reasonable proof of the interest or lien within a reasonable time. Unless the holder does so, the secured party need not comply with the holder's demand under paragraph (3) of subsection a. of this section.

c. Application of noncash proceeds. A secured party need not apply or pay over for application noncash proceeds of disposition under this section unless the failure to do so would be commercially unreasonable. A secured party that applies or pays over for application noncash proceeds shall do so in a commercially reasonable manner.

d. Surplus or deficiency if obligation secured. If the security interest under which a disposition is made secures payment or performance of an

obligation, after making the payments and applications required by subsection a. and permitted by subsection c. of this section:

(1) unless paragraph (4) of subsection a. requires the secured party to apply or pay over cash proceeds to a consignor, the secured party shall account to and pay a debtor for any surplus; and

(2) the obligor is liable for any deficiency.

e. No surplus or deficiency in sales of certain rights to payment. If the underlying transaction is a sale of accounts, chattel paper, payment intangibles, or promissory notes:

(1) the debtor is not entitled to any surplus; and

(2) the obligor is not liable for any deficiency.

f. Calculation of surplus or deficiency in disposition to person related to secured party. The surplus or deficiency following a disposition is calculated based on the amount of proceeds that would have been realized in a disposition complying with this part to a transferee other than the secured party, a person related to the secured party, or a secondary obligor if:

(1) the transferee in the disposition is the secured party, a person related to the secured party, or a secondary obligor; and

(2) the amount of proceeds of the disposition is significantly below the range of proceeds that a complying disposition to a person other than the secured party, a person related to the secured party, or a secondary obligor would have brought.

g. Cash proceeds received by junior secured party. A secured party that receives cash proceeds of a disposition in good faith and without knowledge that the receipt violates the rights of the holder of a security interest or other lien that is not subordinate to the security interest or agricultural lien under which the disposition is made:

(1) takes the cash proceeds free of the security interest or other lien;

(2) is not obligated to apply the proceeds of the disposition to the satisfaction of obligations secured by the security interest or other lien; and

(3) is not obligated to account to or pay the holder of the security interest or other lien for any surplus.

Explanation of calculation of surplus or deficiency.

12A:9-616. Explanation of Calculation of Surplus or Deficiency.

a. Definitions. In this section:

(1) "Explanation" means a writing that:

(a) states the amount of the surplus or deficiency;

(b) provides an explanation, in accordance with subsection c. of this section of how the secured party calculated the surplus or deficiency;

(c) states, if applicable, that future debits, credits, charges, including additional credit service charges or interest, rebates, and expenses may affect the amount of the surplus or deficiency; and

(d) provides a telephone number or mailing address from which additional information concerning the transaction is available.

(2) "Request" means a record:

(a) authenticated by a debtor or consumer obligor;

(b) requesting that the recipient provide an explanation; and

(c) sent after disposition of the collateral under 12A:9-610.

b. Explanation of calculation. In a consumer-goods transaction in which the debtor is entitled to a surplus or a consumer obligor is liable for a deficiency under 12A:9-615, the secured party shall:

(1) send an explanation to the debtor or consumer obligor, as applicable, after the disposition and:

(a) before or when the secured party accounts to the debtor and pays any surplus or first makes written demand on the consumer obligor after the disposition for payment of the deficiency; and

(b) within 14 days after receipt of a request; or

(2) in the case of a consumer obligor who is liable for a deficiency, within 14 days after receipt of a request, send to the consumer obligor a record waiving the secured party's right to a deficiency.

c. Required information. To comply with subsection a. paragraph (1) subparagraph (b), a writing shall provide the following information in the following order:

(1) the aggregate amount of obligations secured by the security interest under which the disposition was made, and, if the amount reflects a rebate of unearned interest or credit service charge, an indication of that fact, calculated as of a specified date:

(a) if the secured party takes or receives possession of the collateral after default, not more than 35 days before the secured party takes or receives possession; or

(b) if the secured party takes or receives possession of the collateral before default or does not take possession of the collateral, not more than 35 days before the disposition;

(2) the amount of proceeds of the disposition;

(3) the aggregate amount of the obligations after deducting the amount of proceeds;

(4) the amount, in the aggregate or by type, and types of expenses, including expenses of retaking, holding, preparing for disposition, processing, and disposing of the collateral, and attorney's fees secured by the collateral which are known to the secured party and relate to the current disposition;

(5) the amount, in the aggregate or by type, and types of credits, including rebates of interest or credit service charges, to which the obligor is known to be entitled and which are not reflected in the amount in paragraph (1); and

(6) the amount of the surplus or deficiency.

d. Substantial compliance. A particular phrasing of the explanation is not required. An explanation complying substantially with the requirements of subsection a. of this section is sufficient, even if it includes minor errors that are not seriously misleading.

e. Charges for responses. A debtor or consumer obligor is entitled without charge to one response to a request under this section during any six-month period in which the secured party did not send to the debtor or consumer obligor an explanation pursuant to paragraph (1) of subsection b. The secured party may require payment of a charge not exceeding \$25 for each additional response.

Rights of transferee of collateral.

12A:9-617. Rights of Transferee of Collateral.

a. Effects of disposition. A secured party's disposition of collateral after default:

(1) transfers to a transferee for value all of the debtor's rights in the collateral;

(2) discharges the security interest under which the disposition is made; and

(3) discharges any subordinate security interest or other subordinate lien.

b. Rights of good-faith transferee. A transferee that acts in good faith takes free of the rights and interests described in subsection a. of this section, even if the secured party fails to comply with this chapter or the requirements of any judicial proceeding.

c. Rights of other transferee. If a transferee does not take free of the rights and interests described in subsection a. of this section, the transferee takes the collateral subject to:

(1) the debtor's rights in the collateral;

(2) the security interest or agricultural lien under which the disposition is made; and

(3) any other security interest or other lien.

Rights and duties of certain secondary obligors.

12A:9-618. Rights and Duties of Certain Secondary Obligor.

a. Rights and duties of secondary obligor. A secondary obligor acquires the rights and becomes obligated to perform the duties of the secured party after the secondary obligor:

(1) receives an assignment of a secured obligation from the secured party;

(2) receives a transfer of collateral from the secured party and agrees to accept the rights and assume the duties of the secured party; or

(3) is subrogated to the rights of a secured party with respect to collateral.

b. Effect of assignment, transfer, or subrogation. An assignment, transfer, or subrogation described in subsection a. of this section:

(1) is not a disposition of collateral under 12A:9-610; and

(2) relieves the secured party of further duties under this chapter.

Transfer of record or legal title.

12A:9-619. Transfer of Record or Legal Title.

a. "Transfer statement." In this section, "transfer statement" means a record authenticated by a secured party stating:

(1) that the debtor has defaulted in connection with an obligation secured by specified collateral;

(2) that the secured party has exercised its post-default remedies with respect to the collateral;

(3) that, by reason of the exercise, a transferee has acquired the rights of the debtor in the collateral; and

(4) the name and mailing address of the secured party, debtor, and transferee.

b. Effect of transfer statement. A transfer statement entitles the transferee to the transfer of record of all rights of the debtor in the collateral specified in the statement in any official filing, recording, registration, or certificate-of-title system covering the collateral. If a transfer statement is presented with the applicable fee and request form to the official or office responsible for maintaining the system, the official or office shall:

(1) accept the transfer statement;

(2) promptly amend its records to reflect the transfer; and

(3) if applicable, issue a new appropriate certificate of title in the name of the transferee.

c. Transfer not a disposition; no relief of secured party's duties. A transfer of the record or legal title to collateral to a secured party under subsection b. of this section or otherwise is not of itself a disposition of collateral under this chapter and does not of itself relieve the secured party of its duties under this chapter.

Acceptance of collateral in full or partial satisfaction of obligation; compulsory disposition of collateral.

12A:9-620. Acceptance of Collateral in Full or Partial Satisfaction of Obligation; Compulsory Disposition of Collateral.

a. Conditions to acceptance in satisfaction. Except as otherwise provided in subsection g. of this section, a secured party may accept collateral in full or partial satisfaction of the obligation it secures only if:

(1) the debtor consents to the acceptance under subsection c. of this section;

(2) the secured party does not receive, within the time set forth in subsection d. of this section, a notification of objection to the proposal authenticated by:

(a) a person to which the secured party was required to send a proposal under 12A:9-621; or

(b) any other person, other than the debtor, holding an interest in the collateral subordinate to the security interest that is the subject of the proposal;

(3) if the collateral is consumer goods, the collateral is not in the possession of the debtor when the debtor consents to the acceptance; and

(4) subsection e. of this section does not require the secured party to dispose of the collateral or the debtor waives the requirement pursuant to 12A:9-624.

b. Purported acceptance ineffective. A purported or apparent acceptance of collateral under this section is ineffective unless:

(1) the secured party consents to the acceptance in an authenticated record or sends a proposal to the debtor; and

(2) the conditions of subsection a. are met.

c. Debtor's consent. For purposes of this section:

(1) a debtor consents to an acceptance of collateral in partial satisfaction of the obligation it secures only if the debtor agrees to the terms of the acceptance in a record authenticated after default; and

(2) a debtor consents to an acceptance of collateral in full satisfaction of the obligation it secures only if the debtor agrees to the terms of the acceptance in a record authenticated after default or the secured party:

(a) sends to the debtor after default a proposal that is unconditional or subject only to a condition that collateral not in the possession of the secured party be preserved or maintained;

(b) in the proposal, proposes to accept collateral in full satisfaction of the obligation it secures; and

(c) does not receive a notification of objection authenticated by the debtor within 20 days after the proposal is sent.

d. Effectiveness of notification. To be effective under paragraph (2) of subsection a. of this section, a notification of objection shall be received by the secured party:

(1) in the case of a person to which the proposal was sent pursuant to 12A:9-621, within 20 days after notification was sent to that person; and

(2) in other cases:

(a) within 20 days after the last notification was sent pursuant to 12A:9-621; or

(b) if a notification was not sent, before the debtor consents to the acceptance under subsection c. of this section.

e. Mandatory disposition of consumer goods. A secured party that has taken possession of collateral shall dispose of the collateral pursuant to 12A:9-610 within the time specified in subsection f. of this section if:

(1) 60 percent of the cash price has been paid in the case of a purchase-money security interest in consumer goods; or

(2) 60 percent of the principal amount of the obligation secured has been paid in the case of a non-purchase-money security interest in consumer goods.

f. Compliance with mandatory disposition requirement. To comply with subsection e. of this section, the secured party shall dispose of the collateral:

(1) within 90 days after taking possession; or

(2) within any longer period to which the debtor and all secondary obligors have agreed in an agreement to that effect entered into and authenticated after default.

g. No partial satisfaction in consumer transaction. In a consumer transaction, a secured party may not accept collateral in partial satisfaction of the obligation it secures.

Notification of proposal to accept collateral.

12A:9-621. Notification of Proposal to Accept Collateral.

a. Persons to which proposal to be sent. A secured party that desires to accept collateral in full or partial satisfaction of the obligation it secures shall send its proposal to:

(1) any person from which the secured party has received, before the debtor consented to the acceptance, an authenticated notification of a claim of an interest in the collateral;

(2) any other secured party or lienholder that, 10 days before the debtor consented to the acceptance, held a security interest in or other lien on the collateral perfected by the filing of a financing statement that:

(a) identified the collateral;

(b) was indexed under the debtor's name as of that date; and

(c) was filed in the office or offices in which to file a financing statement against the debtor covering the collateral as of that date; and

(3) any other secured party that, 10 days before the debtor consented to the acceptance, held a security interest in the collateral perfected by compliance with a statute, regulation, or treaty described in 12A:9-311a.

b. Proposal to be sent to secondary obligor in partial satisfaction. A secured party that desires to accept collateral in partial satisfaction of the obligation it secures shall send its proposal to any secondary obligor in addition to the persons described in subsection a. of this section.

Effect of acceptance of collateral.

12A:9-622. Effect of Acceptance of Collateral.

a. Effect of acceptance. A secured party's acceptance of collateral in full or partial satisfaction of the obligation it secures:

- (1) discharges the obligation to the extent consented to by the debtor;
- (2) transfers to the secured party all of a debtor's rights in the collateral;
- (3) discharges the security interest or agricultural lien that is the subject of the debtor's consent and any subordinate security interest or other subordinate lien; and
- (4) terminates any other subordinate interest.

b. Discharge of subordinate interest notwithstanding noncompliance. A subordinate interest is discharged or terminated under subsection a. of this section, even if the secured party fails to comply with this chapter.

Right to redeem collateral.

12A:9-623. Right to Redeem Collateral.

a. Persons that may redeem. A debtor, any secondary obligor, or any other secured party or lienholder may redeem collateral.

b. Requirements for redemption. To redeem collateral, a person shall tender:

- (1) fulfillment of all obligations secured by the collateral; and
- (2) the reasonable expenses and attorney's fees described in 12A:9-615a.(1).

c. When redemption may occur. A redemption may occur at any time before a secured party:

- (1) has collected collateral under 12A:9-607;
- (2) has disposed of collateral or entered into a contract for its disposition under 12A:9-610; or
- (3) has accepted collateral in full or partial satisfaction of the obligation it secures under 12A:9-622.

Waiver.

12A:9-624. Waiver.

a. Waiver of disposition notification. A debtor or secondary obligor may waive the right to notification of disposition of collateral under 12A:9-611 only by an agreement to that effect entered into and authenticated after default.

b. Waiver of mandatory disposition. A debtor may waive the right to require disposition of collateral under 12A:9-620e. only by an agreement to that effect entered into and authenticated after default.

c. Waiver of redemption right. Except in a consumer-goods transaction, a debtor or secondary obligor may waive the right to redeem collateral under 12A:9-623 only by an agreement to that effect entered into and authenticated after default.

SUBPART 2. NONCOMPLIANCE WITH CHAPTER

Remedies for secured party's failure to comply with chapter.

12A:9-625. Remedies for Secured Party's Failure to Comply with Chapter.

a. Judicial orders concerning noncompliance. If it is established that a secured party is not proceeding in accordance with this chapter, a court may order or restrain collection, enforcement, or disposition of collateral on appropriate terms and conditions.

b. Damages for noncompliance. Subject to subsections c., d. and f. of this section, a person is liable for damages in the amount of any loss caused by a failure to comply with this chapter. Loss caused by a failure to comply with a request under 12A:9-211 may include loss resulting from the debtor's inability to obtain, or increased costs of, alternative financing.

c. Persons entitled to recover damages; statutory damages in consumer-goods transaction. Except as otherwise provided in 12A:9-628:

(1) a person who, at the time of the failure, was a debtor, was an obligor, or held a security interest in or other lien on the collateral may recover damages under subsection b. of this section for its loss; and

(2) if the collateral is consumer goods, a person who was a debtor or a secondary obligor at the time a secured party failed to comply with this part may recover for that failure in any event an amount not less than the credit service charge plus 10 percent of the principal amount of the obligation or the time-price differential plus 10 percent of the cash price.

d. Recovery when deficiency eliminated or reduced. A debtor whose deficiency is eliminated under 12A:9-626 may recover damages for the loss of any surplus. However, a debtor or secondary obligor whose deficiency is eliminated or reduced under 12A:9-626 may not otherwise recover under subsection b. of this section for noncompliance with the provisions of this part relating to collection, enforcement, disposition, or acceptance.

e. Statutory damages: noncompliance with specified provisions. In addition to any damages recoverable under subsection b. of this section, the debtor, consumer obligor, or person named as a debtor in a filed record, as applicable, may recover \$500 in each case from a person who:

- (1) fails to comply with 12A:9-208;
 - (2) fails to comply with 12A:9-209;
 - (3) fails to comply with 12A:9-210;
 - (4) files a record that the person is not entitled to file under 12A:9-509a.;
 - (5) fails to cause the secured party of record to file or send a termination statement as required by 12A:9-513a. or c.;
 - (6) fails to comply with 12A:9-616b.(1) and whose failure is part of a pattern, or consistent with a practice, of noncompliance; or
 - (7) fails to comply with 12A:9-616b.(2).
- f. Statutory damages: noncompliance with 12A:9-211. A debtor or consumer obligor may recover damages under subsection b. of this section and, in addition, \$500 in each case from a person who, without reasonable cause, fails to comply with a request under 12A:9-211. A recipient of a request under 12A:9-211 which never claimed an interest in the collateral or obligations that are the subject of a request under that section has a reasonable excuse for failure to comply with the request within the meaning of this subsection.
- g. Limitation of security interest: noncompliance with 12A:9-211. If a secured party fails to comply with a request regarding a list of collateral or a statement of account under 12A:9-211, the secured party may claim a security interest only as shown in the statement included in the request as against a person who is reasonably misled by the failure.

Action in which deficiency or surplus is in issue.

12A:9-626. Action in Which Deficiency or Surplus Is in Issue.

- a. Applicable rules if amount of deficiency or surplus in issue. In an action arising from a transaction in which the amount of a deficiency or surplus is in issue, the following rules apply:
- (1) A secured party need not prove compliance with the provisions of this part relating to collection, enforcement, disposition, or acceptance unless the debtor or a secondary obligor places the secured party's compliance in issue.
 - (2) If the secured party's compliance is placed in issue, the secured party has the burden of establishing that the collection, enforcement, disposition, or acceptance was conducted in accordance with this part.
 - (3) Except as otherwise provided in 12A:9-628, if a secured party fails to prove that the collection, enforcement, disposition, or acceptance was conducted in accordance with the provisions of this part relating to collection, enforcement, disposition, or acceptance, the liability of a debtor or a secondary obligor for a deficiency is limited to an amount by which the

sum of the secured obligation, expenses, and attorney's fees exceeds the greater of:

(a) the proceeds of the collection, enforcement, disposition, or acceptance; or

(b) the amount of proceeds that would have been realized had the noncomplying secured party proceeded in accordance with the provisions of this part relating to collection, enforcement, disposition, or acceptance.

(4) For purposes of subparagraph (b) of paragraph (3) of this section, the amount of proceeds that would have been realized is equal to the sum of the secured obligation, expenses, and attorney's fees unless the secured party proves that the amount is less than that sum.

(5) If a deficiency or surplus is calculated under 12A:9-615f., the debtor or obligor has the burden of establishing that the amount of proceeds of the disposition is significantly below the range of prices that a complying disposition to a person other than the secured party, a person related to the secured party, or a secondary obligor would have brought.

Determination of whether conduct was commercially reasonable.

12A:9-627. Determination of Whether Conduct Was Commercially Reasonable.

a. Greater amount obtainable under other circumstances; no preclusion of commercial reasonableness. The fact that a greater amount could have been obtained by a collection, enforcement, disposition, or acceptance at a different time or in a different method from that selected by the secured party is not of itself sufficient to preclude the secured party from establishing that the collection, enforcement, disposition, or acceptance was made in a commercially reasonable manner.

b. Dispositions that are commercially reasonable. A disposition of collateral is made in a commercially reasonable manner if the disposition is made:

(1) in the usual manner on any recognized market;

(2) at the price current in any recognized market at the time of the disposition; or

(3) otherwise in conformity with reasonable commercial practices among dealers in the type of property that was the subject of the disposition.

c. Approval by court or on behalf of creditors. A collection, enforcement, disposition, or acceptance is commercially reasonable if it has been approved:

(1) in a judicial proceeding;

(2) by a bona fide creditors' committee;

(3) by a representative of creditors; or

(4) by an assignee for the benefit of creditors.

d. Approval under subsection c. not necessary; absence of approval has no effect. Approval under subsection c. of this section need not be obtained, and lack of approval does not mean that the collection, enforcement, disposition, or acceptance is not commercially reasonable.

Nonliability and limitation on liability of secured party; liability of secondary obligor.

12A:9-628. Nonliability and Limitation on Liability of Secured Party; Liability of Secondary Obligor.

a. Limitation of liability of secured party for noncompliance with chapter. Unless a secured party knows that a person is a debtor or obligor, knows the identity of the person, and knows how to communicate with the person:

(1) the secured party is not liable to the person, or to a secured party or lienholder that has filed a financing statement against the person, for failure to comply with this chapter; and

(2) the secured party's failure to comply with this chapter does not affect the liability of the person for a deficiency.

b. Limitation of liability based on status as secured party. A secured party is not liable because of its status as secured party:

(1) to a person who is a debtor or obligor, unless the secured party knows:

(a) that the person is a debtor or obligor;

(b) the identity of the person; and

(c) how to communicate with the person; or

(2) to a secured party or lienholder that has filed a financing statement against a person, unless the secured party knows:

(a) that the person is a debtor; and

(b) the identity of the person.

c. Limitation of liability if reasonable belief that transaction not a consumer-goods transaction or consumer transaction. A secured party is not liable to any person, and a person's liability for a deficiency is not affected, because of any act or omission arising out of the secured party's reasonable belief that a transaction is not a consumer-goods transaction or a consumer transaction or that goods are not consumer goods, if the secured party's belief is based on its reasonable reliance on:

(1) a debtor's representation concerning the purpose for which collateral was to be used, acquired, or held; or

(2) an obligor's representation concerning the purpose for which a secured obligation was incurred.

d. Limitation of liability for statutory damages. A secured party is not liable to any person under 12A:9-625c.(2) for its failure to comply with 12A:9-616.

e. Limitation of multiple liability for statutory damages. A secured party is not liable under 12A:9-625c.(2) more than once with respect to any one secured obligation.

PART 7 TRANSITION

Effective date.

12A:9-701. Effective Date.

This chapter shall take effect on July 1, 2001.

Savings clause.

12A:9-702. Savings Clause.

a. Pre-effective-date transactions or liens. Except as otherwise provided in this part, this chapter applies to a transaction or lien within its scope, even if the transaction or lien was entered into or created before this chapter takes effect.

b. Continuing validity. Except as otherwise provided in subsection c. of this section and 12A:9-703 through 12A:9-708:

(1) transactions and liens that were not governed by former Chapter 9, were validly entered into or created before this chapter takes effect, and would be subject to this chapter if they had been entered into or created after this chapter takes effect, and the rights, duties, and interests flowing from those transactions and liens remain valid after this chapter takes effect; and

(2) the transactions and liens may be terminated, completed, consummated, and enforced as required or permitted by this chapter or by the law that otherwise would apply if this chapter had not taken effect.

c. Pre-effective-date proceedings. This chapter does not affect an action, case, or proceeding commenced before this chapter takes effect.

Security interest perfected before effective date.

12A:9-703. Security Interest Perfected Before Effective Date.

a. Continuing priority over lien creditor: perfection requirements satisfied. A security interest that is enforceable immediately before this chapter takes effect and would have priority over the rights of a person who becomes a lien creditor at that time is a perfected security interest under this chapter if, when this chapter takes effect, the applicable requirements for enforceability and perfection under this chapter are satisfied without further action.

b. Continuing priority over lien creditor: perfection requirements not satisfied. Except as otherwise provided in 12A:9-705, if, immediately before this chapter takes effect, a security interest is enforceable and would have priority over the rights of a person who becomes a lien creditor at that

time, but the applicable requirements for enforceability or perfection under this chapter are not satisfied when this chapter takes effect, the security interest:

- (1) is a perfected security interest for one year after this chapter takes effect;
- (2) remains enforceable thereafter only if the security interest becomes enforceable under 12A:9-203 before the year expires; and
- (3) remains perfected thereafter only if the applicable requirements for perfection under this chapter are satisfied before the year expires.

Security interest unperfected before effective date.

12A:9-704. Security Interest Unperfected Before Effective Date.

A security interest that is enforceable immediately before this chapter takes effect but which would be subordinate to the rights of a person who becomes a lien creditor at that time:

- a. remains an enforceable security interest for one year after this chapter takes effect;
- b. remains enforceable thereafter if the security interest becomes enforceable under 12A:9-203 when this chapter takes effect or within one year thereafter; and
- c. becomes perfected:
 - (1) without further action, when this chapter takes effect if the applicable requirements for perfection under this chapter are satisfied before or at that time; or
 - (2) when the applicable requirements for perfection are satisfied if the requirements are satisfied after that time.

Effectiveness of action taken before effective date.

12A:9-705. Effectiveness of Action Taken Before Effective Date.

a. Pre-effective-date action; one-year perfection period unless reperfected. If action, other than the filing of a financing statement, is taken before this chapter takes effect and the action would have resulted in priority of a security interest over the rights of a person who becomes a lien creditor had the security interest become enforceable before this chapter takes effect, the action is effective to perfect a security interest that attaches under this chapter within one year after this chapter takes effect. An attached security interest becomes unperfected one year after this chapter takes effect unless the security interest becomes a perfected security interest under this chapter before the expiration of that period.

b. Pre-effective-date filing. The filing of a financing statement before this chapter takes effect is effective to perfect a security interest to the extent the filing would satisfy the applicable requirements for perfection under this chapter.

c. Pre-effective-date filing in jurisdiction formerly governing perfection. This chapter does not render ineffective an effective financing statement that, before this chapter takes effect, is filed and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in former 12A:9-103. However, except as otherwise provided in subsections d. and e. of this section and 12A:9-706, the financing statement ceases to be effective at the earlier of:

- (1) the time the financing statement would have ceased to be effective under the law of the jurisdiction in which it is filed; or
- (2) June 30, 2006.

d. Continuation statement. The filing of a continuation statement after this chapter takes effect does not continue the effectiveness of the financing statement filed before this chapter takes effect. However, upon the timely filing of a continuation statement after this chapter takes effect and in accordance with the law of the jurisdiction governing perfection as provided in Part 3, the effectiveness of a financing statement filed in the same office in that jurisdiction before this chapter takes effect continues for the period provided by the law of that jurisdiction.

e. Application of subsection c. paragraph (2) to transmitting utility financing statement. Subsection c. paragraph (2) of this section applies to a financing statement that, before this chapter takes effect, is filed against a transmitting utility and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in former 12A:9-103 only to the extent that Part 3 provides that the law of a jurisdiction other than the jurisdiction in which the financing statement is filed governs perfection of a security interest in collateral covered by the financing statement.

f. Application of Part 5. A financing statement that includes a financing statement filed before this chapter takes effect and a continuation statement filed after this chapter takes effect is effective only to the extent that it satisfies the requirements of Part 5 for an initial financing statement.

When initial financing statement suffices to continue effectiveness of financing statement.

12A:9-706. When Initial Financing Statement Suffices to Continue Effectiveness of Financing Statement.

a. Initial financing statement in lieu of continuation statement. The filing of an initial financing statement in the office specified in 12A:9-501 continues the effectiveness of a financing statement filed before this chapter takes effect if:

- (1) the filing of an initial financing statement in that office would be effective to perfect a security interest under this chapter;

(2) the pre-effective-date financing statement was filed in an office in another state or another office in this State; and

(3) the initial financing statement satisfies subsection c. of this section.

b. Period of continued effectiveness. The filing of an initial financing statement under subsection a. of this section continues the effectiveness of the pre-effective-date financing statement:

(1) if the initial financing statement is filed before this chapter takes effect, for the period provided in former 12A:9-403 with respect to a financing statement; and

(2) if the initial financing statement is filed after this chapter takes effect, for the period provided in 12A:9-515 with respect to an initial financing statement.

c. Requirements for initial financing statement under subsection a. To be effective for purposes of subsection a. of this section, an initial financing statement shall:

(1) satisfy the requirements of Part 5 for an initial financing statement;

(2) identify the pre-effective-date financing statement by indicating the office in which the financing statement was filed and providing the dates of filing and file numbers, if any, of the financing statement and of the most recent continuation statement filed with respect to the financing statement; and

(3) indicate that the pre-effective-date financing statement remains effective.

Persons entitled to file initial financing statement or continuation statement.

12A:9-707. Persons Entitled to File Initial Financing Statement or Continuation Statement.

A person may file an initial financing statement or a continuation statement under this part if:

a. the secured party of record authorizes the filing; and

b. the filing is necessary under this part:

(1) to continue the effectiveness of a financing statement filed before this chapter takes effect; or

(2) to perfect or continue the perfection of a security interest.

Priority.

12A:9-708. Priority.

a. Law governing priority. This chapter determines the priority of conflicting claims to collateral. However, if the relative priorities of the claims were established before this chapter takes effect, former Chapter 9 determines priority.

b. Priority if security interest becomes enforceable under 12A:9-203. For purposes of 12A:9-322a., the priority of a security interest that becomes

enforceable under 12A:9-203 dates from the time this chapter takes effect if the security interest is perfected under this chapter by the filing of a financing statement before this chapter takes effect which would not have been effective to perfect the security interest under former Chapter 9. This subsection does not apply to conflicting security interests each of which is perfected by the filing of such a financing statement.

2. N.J.S.12A:1-105 is amended to read as follows:

Territorial application of the act; parties' power to choose applicable law.

12A:1-105. Territorial application of the act; parties' power to choose applicable law.

(1) Except as provided hereafter in this section, when a transaction bears a reasonable relation to this State and also to another state or nation the parties may agree that the law either of this State or of such other state or nation shall govern their rights and duties. Failing such agreement this act applies to transactions bearing an appropriate relation to this State.

(2) Where one of the following provisions of this act specifies the applicable law, that provision governs and a contrary agreement is effective only to the extent permitted by the law (including the conflict of laws rules) so specified:

Rights of seller's creditors against sold goods. 12A:2-402.

Applicability of the Chapter on Leases. 12A:2A-105 and 12A:2A-106.

Applicability of the Chapter on Bank Deposits and Collections.
12A:4-102.

Governing law in the Chapter on Funds Transfers. 12A:4A-507.

Governing law in the chapter on Letters of Credit. 12A:5-116.

Applicability of the Chapter on Investment Securities. 12A:8-110.

Law governing perfection, the effect of perfection or nonperfection, and the priority of security interests and agricultural liens. 12A:9-301 through 12A:9-307.

3. N.J.S.12A:1-201 is amended to read as follows:

General definitions.

12A:1-201. General definitions.

Subject to additional definitions contained in the subsequent chapters of this act which are applicable to specific chapters or subchapters thereof, and unless the context otherwise requires, in this act:

(1) "Action" in the sense of a judicial proceeding includes recoupment, counterclaim, set-off, suit in equity and any other proceedings in which rights are determined.

(2) "Aggrieved party" means a party entitled to resort to a remedy.

(3) "Agreement" means the bargain of the parties in fact as found in their language or by implication from other circumstances including course of dealing or usage of trade or course of performance as provided in this act (12A:1-205 and 2-208). Whether an agreement has legal consequences is determined by the provisions in this act, if applicable; otherwise by the law of contracts (12A:1-103). (Compare "Contract.")

(4) "Bank" means any person engaged in the business of banking.

(5) "Bearer" means the person in possession of an instrument, document of title, or certificated security payable to bearer or indorsed in blank.

(6) "Bill of lading" means a document evidencing the receipt of goods for shipment issued by a person engaged in the business of transporting or forwarding goods, and includes an airbill.

"Airbill" means a document serving for air transportation as a bill of lading does for marine or rail transportation, and includes an air consignment note or air waybill.

(7) "Branch" includes a separately incorporated foreign branch of a bank.

(8) "Burden of establishing" a fact means the burden of persuading the triers of fact that the existence of the fact is more probable than its nonexistence.

(9) "Buyer in ordinary course of business" means a person who buys goods in good faith, without knowledge that the sale violates the rights of another person in the goods, and in ordinary course from a person, other than a pawnbroker, in the business of selling goods of that kind. A person buys goods in ordinary course if the sale to the person comports with the usual or customary practices in the kind of business in which the seller is engaged or with the seller's own usual or customary practices. A person who sells oil, gas or other minerals at the wellhead or minehead is a person in the business of selling goods of that kind. A buyer in ordinary course of business may buy for cash, by exchange of other property or on secured or unsecured credit, and may acquire goods or documents of title under a pre-existing contract for sale. Only a buyer that takes possession of the goods or has a right to recover the goods from the seller under Chapter 2 may be a buyer in ordinary course of business. A person who acquires goods in a transfer in bulk or as security for or in total or partial satisfaction of a money debt is not a buyer in ordinary course of business.

(10) "Conspicuous": A term or cause is conspicuous when it is so written that a reasonable person against whom it is to operate ought to have noticed it. A printed heading in capitals (as: NON-NEGOTIABLE BILL OF LADING) is conspicuous. Language in the body of a form is "conspicuous" if it is in larger or other contrasting type or color. But in a telegram

any stated term is "conspicuous." Whether a term or clause is "conspicuous" or not is for decision by the court.

(11) "Contract" means the total legal obligation which results from the parties' agreement as affected by this act and any other applicable rules of law. (Compare "Agreement.")

(12) "Creditor" includes a general creditor, a secured creditor, a lien creditor and any representative of creditors, including an assignee for the benefit of creditors, a trustee in bankruptcy, a receiver in equity and an executor or administrator of an insolvent debtor's or assignor's estate.

(13) "Defendant" includes a person in the position of defendant in a cross-action or counterclaim.

(14) "Delivery" with respect to instruments, documents of title, chattel paper, or certificated securities means voluntary transfer of possession.

(15) "Document of title" includes bill of lading, dock warrant, dock receipt, warehouse receipt, or order for the delivery of goods, and also any other document which in the regular course of business or financing is treated as adequately evidencing that the person in possession of it is entitled to receive, hold and dispose of the document and the goods it covers. To be a document of title a document shall purport to be issued by or addressed to a bailee and purport to cover goods in the bailee's possession which are either identified or are fungible portions of an identified mass.

(16) "Fault" means wrongful act, omission or breach.

(17) "Fungible" with respect to goods or securities means goods or securities of which any unit is, by nature or usage of trade, the equivalent of any other like unit. Goods which are not fungible shall be deemed fungible for the purposes of this act to the extent that under a particular agreement or document unlike units are treated as equivalents.

(18) "Genuine" means free of forgery or counterfeiting.

(19) "Good faith" means honesty in fact in the conduct or transaction concerned.

(20) "Holder," with respect to a negotiable instrument, means the person in possession if the instrument is payable to bearer or, in the case of an instrument payable to an identified person, if the identified person is in possession. "Holder" with respect to a document of title means the person in possession if the goods are deliverable to bearer or to the order of the person in possession.

(21) To "honor" is to pay or accept and pay, where a credit so engages to purchase or discount a draft complying with the terms of the credit.

(22) "Insolvency proceedings" includes any assignment for the benefit of creditors or other proceedings intended to liquidate or rehabilitate the estate of the person involved.

(23) A person is "insolvent" who either has ceased to pay the person's debts in the ordinary course of business or cannot pay the person's debts as they become due or is insolvent within the meaning of the federal bankruptcy law.

(24) "Money" means a medium of exchange authorized or adopted by a domestic or foreign government and includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more nations.

(25) A person has "notice" of a fact when:

(a) The person has actual knowledge of it; or

(b) The person has received a notice or notification of it; or

(c) From all the facts and circumstances known to the person at the time in question the person has reason to know that it exists.

A person "knows" or has "knowledge" of a fact when the person has actual knowledge of it. "Discover" or "learn" or a word or phrase of similar import refers to knowledge rather than to reason to know. The time and circumstances under which a notice or notification may cease to be effective are not determined by this act.

(26) A person "notifies" or "gives" a notice or notification to another by taking such steps as may be reasonably required to inform the other in ordinary course whether or not the other actually comes to know of it. A person "receives" a notice or notification when:

(a) It comes to the person's attention; or

(b) It is duly delivered at the place of business through which the contract was made or at any other place held out by the person as the place for receipt of such communications.

(27) Notice, knowledge or a notice or notification received by an organization is effective for a particular transaction from the time when it is brought to the attention of the individual conducting that transaction, and in any event from the time when it would have been brought to the attention of the individual if the organization had exercised due diligence. An organization exercises due diligence if it maintains reasonable routines for communicating significant information to the person conducting the transaction and there is reasonable compliance with the routines. Due diligence does not require an individual acting for the organization to communicate information unless such communication is part of the individual's regular duties or unless the individual has reason to know of the transaction and that the transaction would be materially affected by the information.

(28) "Organization" includes a corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or

association, two or more persons having a joint or common interest, or any other legal or commercial entity.

(29) "Party," as distinct from "third party," means a person who has engaged in a transaction or made an agreement within this act.

(30) "Person" includes an individual or an organization (See 12A:1-102).

(31) "Presumption" or "presumed" means that the trier of fact shall find the existence of the fact presumed unless and until evidence is introduced which would support a finding of its nonexistence.

(32) "Purchase" includes taking by sale, discount, negotiation, mortgage, pledge, lien, security interest, issue or reissue, gift or any other voluntary transaction creating an interest in property.

(33) "Purchaser" means a person who takes by purchase.

(34) "Remedy" means any remedial right to which an aggrieved party is entitled with or without resort to a tribunal.

(35) "Representative" includes an agent, an officer of a corporation or association, and a trustee, executor or administrator of an estate, or any other person empowered to act for another.

(36) "Rights" includes remedies.

(37) "Security interest" means an interest in personal property or fixtures which secures payment or performance of an obligation. The term also includes any interest of a consignor and a buyer of accounts, chattel paper, a payment intangible, or a promissory note in a transaction that is subject to Chapter 9. The special property interest of a buyer of goods on identification of those goods to a contract for sale under 12A:2-401 is not a "security interest," but a buyer may also acquire a "security interest" by complying with Chapter 9. Except as otherwise provided in 12A:2-505, the right of a seller or lessor of goods under Chapter 2 or 2A to retain or acquire possession of the goods is not a "security interest," but a seller or lessor may also acquire a "security interest" by complying with Chapter 9. The retention or reservation of title by a seller of goods notwithstanding shipment or delivery to the buyer (12A:2-401) is limited in effect to a reservation of a "security interest." Whether a lease is intended as security is to be determined by the facts of each case; however, (a) the inclusion of an option to purchase does not of itself make the lease one intended for security, and (b) an agreement that upon compliance with the terms of the lease the lessee shall become or has the option to become the owner of the property for no additional consideration or for a nominal consideration does make the lease one intended for security.

Whether a transaction creates a lease or security interest is determined by the facts of each case; however, a transaction creates a security interest if the consideration the lessee is to pay the lessor for the right to possession

and use of the goods is an obligation for the term of the lease not subject to termination by the lessee, and

(a) the original term of the lease is equal to or greater than the remaining economic life of the goods,

(b) the lessee is bound to renew the lease for the remaining economic life of the goods or is bound to become the owner of the goods,

(c) the lessee has an option to renew the lease for the remaining economic life of the goods for no additional consideration or nominal additional consideration upon compliance with the lease agreement, or

(d) the lessee has an option to become the owner of the goods for no additional consideration or nominal additional consideration upon compliance with the lease agreement.

A transaction does not create a security interest merely because it provides that

(a) the present value of the consideration the lessee is obligated to pay the lessor for the right to possession and use of the goods is substantially equal to or is greater than the fair market value of the goods at the time the lease is entered into,

(b) the lessee assumes risk of loss of the goods, or agrees to pay taxes, insurance, filing, recording, or registration fees, or service or maintenance costs with respect to the goods,

(c) the lessee has an option to renew the lease or to become the owner of the goods,

(d) the lessee has an option to renew the lease for a fixed rent that is equal to or greater than the reasonably predictable fair market rent for the use of the goods for the term of the renewal at the time the option is to be performed, or

(e) the lessee has an option to become the owner of the goods for a fixed price that is equal to or greater than the reasonably predictable fair market value of the goods at the time the option is to be performed.

For purposes of this subsection (37):

Additional consideration is not nominal if (i) when the option to renew the lease is granted to the lessee the rent is stated to be the fair market rent for the use of the goods for the term of the renewal determined at the time the option is to be performed, or (ii) when the option to become the owner of the goods is granted to the lessee the option to become the owner of the goods is granted to the lessee the price is stated to be the fair market value of the goods determined at the time the option is to be performed. Additional consideration is nominal if it is less than the lessee's reasonably predictable cost of performing under the lease agreement if the option is not exercised;

"Reasonably predictable" and "remaining economic life of the goods" are to be determined with reference to the facts and circumstances at the time the transaction is entered into; and

"Present value" means the amount as of a date certain of one or more sums payable in the future, discounted to the date certain. The discount is determined by the interest rate specified by the parties if the rate is not manifestly unreasonable at the time the transaction is entered into; otherwise, the discount is determined by a commercially reasonable rate that takes into account the facts and circumstances of each case at the time the transaction was entered into.

(38) "Send" in connection with any writing or notice means to deposit in the mail or deliver for transmission by any other usual means of communication with postage or cost of transmission provided for and properly addressed and in the case of an instrument to an address specified thereon or otherwise agreed, or if there be none to any address reasonable under the circumstances. The receipt of any writing or notice within the time at which it would have arrived if properly sent has the effect of a proper sending.

(39) "Signed" includes any symbol executed or adopted by a party with present intention to authenticate a writing.

(40) "Surety" includes guarantor.

(41) "Telegram" includes a message transmitted by radio, teletype, cable, any mechanical method of transmission, or the like.

(42) "Term" means that portion of an agreement which relates to a particular matter.

(43) "Unauthorized" signature or indorsement means one made without actual, implied, or apparent authority and includes a forgery.

(44) "Value." Except as otherwise provided with respect to negotiable instruments and bank collections (12A:3-303, 12A:4-210 and 12A:4-211), a person gives "value" for rights if the person acquires them:

(a) In return for a binding commitment to extend credit or for the extension of immediately available credit whether or not drawn upon and whether or not a charge-back is provided for in the event of difficulties in collection; or

(b) As security for or in total or partial satisfaction of a pre-existing claim; or

(c) By accepting delivery pursuant to a pre-existing contract for purchase; or

(d) Generally, in return for any consideration sufficient to support a simple contract.

(45) "Warehouse receipt" means a receipt issued by a person engaged in the business of storing goods for hire.

(46) "Written" or "writing" includes printing, typewriting, or any other intentional reduction to tangible form.

4. N.J.S.12A:1-206 is amended to read as follows:

Statute of frauds for kinds of personal property not otherwise covered.

12A:1-206. Statute of Frauds for Kinds of Personal Property Not Otherwise Covered.

(1) Except in the cases described in subsection (2) of this section a contract for the sale of personal property is not enforceable by way of action or defense beyond five thousand dollars in amount or value of remedy unless there is some writing which indicates that a contract for sale has been made between the parties at a defined or stated price, reasonably identifies the subject matter, and is signed by the party against whom enforcement is sought or by his authorized agent.

(2) Subsection (1) of this section does not apply to contracts for the sale of goods (12A:2-201) nor of securities (12A:8-113) nor to security agreements (12A:9-201).

5. N.J.S.12A:2-103 is amended to read as follows:

Definitions and index of definitions.

12A:2-103. Definitions and index of definitions.

(1) In this chapter unless the context otherwise requires:

(a) "Buyer" means a person who buys or contracts to buy goods.

(b) "Good faith" in the case of a merchant means honesty in fact and the observance of reasonable commercial standards of fair dealing in the trade.

(c) "Receipt" of goods means taking physical possession of them.

(d) "Seller" means a person who sells or contracts to sell goods.

(2) Other definitions applying to this Chapter or to specified Subchapters thereof, and the sections in which they appear are:

"Acceptance"	12A:2-606.
"Banker's credit"	12A:2-325.
"Between merchants"	12A:2-104.
"Cancellation"	12A:2-106(4).
"Commercial unit"	12A:2-105.
"Confirmed credit"	12A:2-325.
"Conforming to contract"	12A:2-106.
"Contract for sale"	12A:2-106.
"Cover"	12A:2-712.
"Entrusting"	12A:2-403.
"Financing agency"	12A:2-104.
"Future goods"	12A:2-105.

"Goods"	12A:2-105.
"Identification"	12A:2-501.
"Installment contract"	12A:2-612.
"Letter of Credit"	12A:2-325.
"Lot"	12A:2-105.
"Merchant"	12A:2-104.
"Overseas"	12A:2-323.
"Person in position of seller"	12A:2-707.
"Present sale"	12A:2-106.
"Sale"	12A:2-106.
"Sale on approval"	12A:2-326.
"Sale or return"	12A:2-326.
"Termination"	12A:2-106.

(3) The following definitions in other Chapters apply to this Chapter:

"Check"	12A:3-104.
"Consignee"	12A:7-102.
"Consignor"	12A:7-102.
"Consumer goods"	12A:9-102.
"Dishonor"	12A:3-502.
"Draft"	12A:3-104.

(4) In addition Chapter 1 contains general definitions and principles of construction and interpretation applicable throughout this Chapter.

6. N.J.S.12A:2-210 is amended to read as follows:

Delegation of performance; assignment of rights.

12A:2-210. Delegation of performance; assignment of rights.

(1) A party may perform his duty through a delegate unless otherwise agreed or unless the other party has a substantial interest in having his original promisor perform or control the acts required by the contract. No delegation of performance relieves the party delegating of any duty to perform or any liability for breach.

(2) Except as otherwise provided in 12A:9-406, unless otherwise agreed, all rights of either seller or buyer can be assigned except where the assignment would materially change the duty of the other party, or increase materially the burden or risk imposed on him by his contract, or impair materially his chance of obtaining return performance. A right to damages for breach of the whole contract or a right arising out of the assignor's due performance of his entire obligation can be assigned despite agreement otherwise.

(3) Unless the circumstances indicate the contrary a prohibition of assignment of "the contract" is to be construed as barring only the delegation to the assignee of the assignor's performance.

The creation, attachment, perfection, or enforcement of a security interest in the seller's interest under a contract is not a transfer that materially changes the duty of or increases materially the burden or risk imposed on the buyer or impairs materially the buyer's chance of obtaining return performance within the purview of subsection (2) of this section unless, and then only to the extent that, enforcement actually results in a delegation of material performance of the seller. Even in that event, the creation, attachment, perfection, and enforcement of the security interest remain effective, but (a) the seller is liable to the buyer for damages caused by the delegation to the extent that the damages could not reasonably be prevented by the buyer, and (b) a court having jurisdiction may grant other appropriate relief, including cancellation of the contract for sale or an injunction against enforcement of the security interest or consummation of the enforcement.

(4) An assignment of "the contract" or of "all my rights under the contract" or an assignment in similar general terms is an assignment of rights and unless the language or the circumstances (as in an assignment for security) indicate the contrary, it is a delegation of performance of the duties of the assignor and its acceptance by the assignee constitutes a promise by him to perform those duties. This promise is enforceable by either the assignor or the other party to the original contract.

(5) The other party may treat any assignment which delegates performance as creating reasonable grounds for insecurity and may without prejudice to his rights against the assignor demand assurances from the assignee (12A:2-609).

7. N.J.S.12A:2-326 is amended to read as follows:

Sale on approval and sale or return; rights of creditors.

12A:2-326. Sale on Approval and Sale or Return; Rights of Creditors.

(1) Unless otherwise agreed, if delivered goods may be returned by the buyer even though they conform to the contract, the transaction is:

- (a) a "sale on approval" if the goods are delivered primarily for use, and
- (b) a "sale or return" if the goods are delivered primarily for resale.

(2) Goods held on approval are not subject to the claims of the buyer's creditors until acceptance; goods held on sale or return are subject to such claims while in the buyer's possession.

(3) Any "or return" term of a contract for sale is to be treated as a separate contract for sale within the statute of frauds section of this chapter

(12A:2-201) and as contradicting the sale aspect of the contract within the provisions of this Chapter on parol or extrinsic evidence (12A:2-202).

8. N.J.S.12A:2-502 is amended to read as follows:

Buyer's right to goods on seller's repudiation, failure to deliver, or insolvency.

12A:2-502. Buyer's Right to Goods on Seller's Repudiation, Failure to Deliver, or Insolvency.

(1) Subject to subsections (2) and (3) and even though the goods have not been shipped, a buyer who has paid a part or all of the price of goods in which he has a special property under the provisions of the immediately preceding section may on making and keeping good a tender of any unpaid portion of their price recover them from the seller if:

(a) in the case of goods bought for personal, family, or household purposes, the seller repudiates or fails to deliver as required by the contract; or

(b) in all cases, the seller becomes insolvent within ten days after receipt of the first installment on their price.

(2) The buyer's right to recover the goods under subsection (1)(a) of this section vests upon acquisition of a special property, even if the seller had not then repudiated or failed to deliver.

(3) If the identification creating his special property has been made by the buyer he acquires the right to recover the goods only if they conform to the contract for sale.

9. N.J.S.12A:2-716 is amended to read as follows:

Buyer's right to specific performance or replevin.

12A:2-716. Buyer's Right to Specific Performance or Replevin.

(1) Specific performance may be decreed where the goods are unique or in other proper circumstances.

(2) The decree for specific performance may include such terms and conditions as to payment of the price, damages, or other relief as the court may deem just.

(3) The buyer has a right of replevin for goods identified to the contract if after reasonable effort he is unable to effect cover for such goods or the circumstances reasonably indicate that such effort will be unavailing or if the goods have been shipped under reservation and satisfaction of the security interest in them has been made or tendered. In the case of goods bought for personal, family, or household purposes, the buyer's right of replevin vests upon acquisition of a special property, even if the seller had not then repudiated or failed to deliver.

10. N.J.S.12A:2A-103 is amended to read as follows:

Definitions and index of definitions.

12A:2A-103. Definitions and index of definitions.

(1) In this chapter unless the context otherwise requires:

(a) "Buyer in ordinary course of business" means a person who in good faith and without knowledge that the sale to the person is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods buys in ordinary course from a person in the business of selling goods of that kind but does not include a pawnbroker. "Buying" may be for cash or by exchange of other property or on secured or unsecured credit and includes receiving goods or documents of title under a pre-existing contract for sale but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(b) "Cancellation" occurs when either party puts an end to the lease contract for default by the other party.

(c) "Commercial unit" means such a unit of goods as by commercial usage is a single whole for purposes of lease and division of which materially impairs its character or value on the market or in use. A commercial unit may be a single chapter, as a machine, or a set of chapters, as a suite of furniture or a line of machinery, or a quantity, as a gross or carload, or any other unit treated in use or in the relevant market as a single whole.

(d) "Conforming" goods or performance under a lease contract means goods or performance that are in accordance with the obligations under the lease contract.

(e) "Consumer lease" means a lease that a lessor regularly engaged in the business of leasing or selling makes to a lessee who is a natural person and who takes under the lease primarily for a personal, family, or household purpose.

(f) "Fault" means wrongful act, omission, breach, or default.

(g) "Finance lease" means a lease with respect to which:

(i) the lessor does not select, manufacture, or supply the goods;

(ii) the lessor acquires the goods or the right to possession and use of the goods in connection with the lease; and

(iii) one of the following occurs:

(A) the lessee receives a copy of the contract by which the lessor acquired the goods or the right to possession and use of the goods before signing the lease contract;

(B) the lessee's approval of the contract by which the lessor acquired the goods or the right to possession and use of the goods is a condition to effectiveness of the lease contract;

(C) the lessee, before signing the lease contract, receives an accurate and complete statement designating the promises and warranties, and any disclaimers of warranties, limitations or modifications of remedies, or liquidated damages, including those of a third party, such as the manufacturer of the goods, provided to the lessor by the person supplying the goods in connection with or as part of the contract by which the lessor acquired the goods or the right to possession and use of the goods; or

(D) if the lease is not a consumer lease, the lessor, before the lessee signs the lease contract, informs the lessee in writing (a) of the identity of the person supplying the goods to the lessor, unless the lessee has selected that person and directed the lessor to acquire the goods or the right to possession and use of the goods from that person, (b) that the lessee is entitled under this chapter to the promises and warranties, including those of any third party, provided to the lessor by the person supplying the goods in connection with or as part of the contract by which the lessor acquired the goods or the right to possession and use of the goods, and (c) that the lessee may communicate with the person supplying the goods to the lessor and receive an accurate and complete statement of those promises and warranties, including any disclaimers and limitations of them or of remedies.

(h) "Goods" means all things that are movable at the time of identification to the lease contract, or are fixtures (12A:2A-309), but the term does not include money, documents, instruments, accounts, chattel paper, general intangibles, or minerals or the like, including oil and gas, before extraction. The term also includes the unborn young of animals.

(i) "Installment lease contract" means a lease contract that authorizes or requires the delivery of goods in separate lots to be separately accepted, even though the lease contract contains a clause "each delivery is a separate lease" or its equivalent.

(j) "Lease" means a transfer of the right to possession and use of goods for a term in return for consideration, but a sale, including a sale on approval or a sale or return, or retention or creation of a security interest is not a lease. Unless the context clearly indicates otherwise, the term includes a sublease.

(k) "Lease agreement" means the bargain, with respect to the lease, of the lessor and the lessee in fact as found in their language or by implication from other circumstances including course of dealing or usage of trade or course of performance as provided in this chapter. Unless the context clearly indicates otherwise, the term includes a sublease agreement.

(l) "Lease contract" means the total legal obligation that results from the lease agreement as affected by this chapter and any other applicable

rules of law. Unless the context clearly indicates otherwise, the term includes a sublease contract.

(m) "Leasehold interest" means the interest of the lessor or the lessee under a lease contract.

(n) "Lessee" means a person who acquires the right to possession and use of goods under a lease. Unless the context clearly indicates otherwise, the term includes a sublessee.

(o) "Lessee in ordinary course of business" means a person who in good faith and without knowledge that the lease to the person is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods leases in ordinary course from a person in the business of selling or leasing goods of that kind but does not include a pawnbroker. "Leasing" may be for cash or by exchange of other property or on secured or unsecured credit and includes receiving goods or documents of title under a pre-existing lease contract but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(p) "Lessor" means a person who transfers the right to possession and use of goods under a lease. Unless the context clearly indicates otherwise, the term includes a sublessor.

(q) "Lessor's residual interest" means the lessor's interest in the goods after expiration, termination, or cancellation of the lease contract.

(r) "Lien" means a charge against or interest in goods to secure payment of a debt or performance of an obligation, but the term does not include a security interest.

(s) "Lot" means a parcel or a single chapter that is the subject matter of a separate lease or delivery, whether or not it is sufficient to perform the lease contract.

(t) "Merchant lessee" means a lessee that is a merchant with respect to goods of the kind subject to the lease.

(u) "Present value" means the amount as of a date certain of one or more sums payable in the future, discounted to the date certain. The discount is determined by the interest rate specified by the parties if the rate was not manifestly unreasonable at the time the transaction was entered into; otherwise, the discount is determined by a commercially reasonable rate that takes into account the facts and circumstances of each case at the time the transaction was entered into.

(v) "Purchase" includes taking by sale, lease, mortgage, security interest, pledge, gift, or any other voluntary transaction creating an interest in goods.

(w) "Sublease" means a lease of goods the right to possession and use of which was acquired by the lessor as a lessee under an existing lease.

(x) "Supplier" means a person from whom a lessor buys or leases goods to be leased under a finance lease.

(y) "Supply contract" means a contract under which a lessor buys or leases goods to be leased.

(z) "Termination" occurs when either party pursuant to a power created by agreement or law puts an end to the lease contract otherwise than for default.

(2) Other definitions applying to this chapter and the sections in which they appear are:

"Accessions" 12A:2A-310(1).

"Construction mortgage" 12A:2A-309(1)(d).

"Encumbrance" 12A:2A-309(1)(e).

"Fixtures" 12A:2A-309(1)(a).

"Purchase money lease" 12A:2A-309(1)(c).

(3) The following definitions in other Chapters apply to this Chapter:

"Account" 12A: 9-102(a)(2).

"Between merchants" 12A:2-104(3).

"Buyer" 12A:2-103(1)(a).

"Chattel paper" 12A:9-102(a)(12).

"Consumer goods" 12A:9-102(a)(24).

"Document" 12A:9-102(a)(21).

"Entrusting" 12A:2-403(3).

"General intangible" 12A:9-102(a)(42).

"Good faith" 12A:2-103(1)(b).

"Instrument" 12A:9-102(a)(47).

"Merchant" 12A:2-104(1).

"Mortgage" 12A:9-102(a)(55).

"Pursuant to commitment" 12A:9-102(a)(68).

"Receipt" 12A:2-103(1)(c).

"Sale" 12A:2-106(1).

"Sale on approval" 12A:2-326.

"Sale or return" 12A:2-326.

"Seller" 12A:2-103(1)(d).

(4) In addition chapter 1 contains general definitions and principles of construction and interpretation applicable throughout this chapter.

11. N.J.S.12A:2A-303 is amended to read as follows:

Alienability of party's interest under lease contract or of lessor's residual interest in goods; delegation of performance; transfer of rights.

12A:2A-303. Alienability of party's interest under lease contract or of lessor's residual interest in goods; delegation of performance; transfer of rights.

(1) As used in this section, "creation of a security interest" includes the sale of a lease contract that is subject to Chapter 9, Secured Transactions, by reason of 12A:9-109(a)(3).

(2) Except as provided in subsection (3) and 12A:9-407, a provision in a lease agreement which (i) prohibits the voluntary or involuntary transfer, including a transfer by sale, sublease, creation or enforcement of a security interest, or attachment, levy, or other judicial process, of an interest of a party under the lease contract or of the lessor's residual interest in the goods, or (ii) makes such a transfer an event of default, gives rise to the rights and remedies provided in subsection (4), but a transfer that is prohibited or is an event of default under the lease agreement is otherwise effective.

(3) A provision in a lease agreement which (i) prohibits a transfer of a right to damages for default with respect to the whole lease contract or of a right to payment arising out of the transferor's due performance of the transferor's entire obligation, or (ii) makes such a transfer an event of default, is not enforceable, and such a transfer is not a transfer that materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the other party to the lease contract within the purview of subsection (4).

(4) Subject to subsection (3) and 12A:9-407:

(a) if a transfer is made which is made an event of default under a lease agreement, the party to the lease contract not making the transfer, unless that party waives the default or otherwise agrees, has the rights and remedies described in 12A:2A-501(2);

(b) if paragraph (a) is not applicable and if a transfer is made that (i) is prohibited under a lease agreement or (ii) materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the other party to the lease contract, unless the party not making the transfer agrees at any time to the transfer in the lease contract or otherwise, then, except as limited by contract, (i) the transferor is liable to the party not making the transfer for damages caused by the transfer to the extent that the damages could not reasonably be prevented by the party not making the transfer and (ii) a court having jurisdiction may grant other appropriate relief, including cancellation of the lease contract or an injunction against the transfer.

(5) A transfer of "the lease" or of "all my rights under the lease," or a transfer in similar general terms, is a transfer of rights and, unless the language or the circumstances, as in a transfer for security, indicate the contrary, the transfer is a delegation of duties by the transferor to the transferee. Acceptance by the transferee constitutes a promise by the

transferee to perform those duties. The promise is enforceable by either the transferor or the other party to the lease contract.

(6) Unless otherwise agreed by the lessor and the lessee, a delegation of performance does not relieve the transferor as against the other party of any duty to perform or of any liability for default.

(7) In a consumer lease, to prohibit the transfer of an interest of a party under the lease contract or to make a transfer an event of default, the language shall be specific, by a writing, and conspicuous.

12. N.J.S.12A:2A-307 is amended to read as follows:

Priority of liens arising by attachment or levy on, security interests in, and other claims to goods.

12A:2A-307. Priority of liens arising by attachment or levy on, security interests in, and other claims to goods.

(1) Except as otherwise provided in 12A:2A-306, a creditor of a lessee takes subject to the lease contract.

(2) Except as otherwise provided in subsection (3) and in 12A:2A-306 and 12A:2A-308, a creditor of a lessor takes subject to the lease contract unless:

(a) the creditor holds a lien that attached to the goods before the lease contract became enforceable;

(b) the creditor holds a security interest in the goods and the lessee did not give value and receive delivery of the goods without knowledge of the security interest; or

(c) the creditor holds a security interest in the goods which was perfected (12A:9-303) before the lease contract became enforceable.

(3) Except as otherwise provided in 12A:9-317, 12A:9-321 and 12A:9-323, a lessee takes a leasehold interest subject to a security interest held by a creditor of the lessor.

13. N.J.S.12A:2A-309 is amended to read as follows:

Lessor's and lessee's rights when goods become fixtures.

12A:2A-309. Lessor's and lessee's rights when goods become fixtures.

(1) In this section:

(a) goods are "fixtures" when they become so related to particular real estate that an interest in them arises under real estate law;

(b) a "fixture filing" is the filing, in the office where a mortgage on the real estate would be filed or recorded, of a financing statement covering goods that are or are to become fixtures and conforming to the requirements of 12A:9-502 a. and b.;

(c) a lease is a "purchase money lease" unless the lessee has possession or use of the goods or the right to possession or use of the goods before the lease agreement is enforceable;

(d) a mortgage is a "construction mortgage" to the extent it secures an obligation incurred for the construction of an improvement on land including the acquisition cost of the land, if the recorded writing so indicates; and

(e) "encumbrance" includes real estate mortgages and other liens on real estate and all other rights in real estate that are not ownership interests.

(2) Under this chapter a lease may be of goods that are fixtures or may continue in goods that become fixtures, but no lease exists under this chapter of ordinary building materials incorporated into an improvement on land.

(3) This chapter does not prevent creation of a lease of fixtures pursuant to real estate law.

(4) The perfected interest of a lessor of fixtures has priority over a conflicting interest of an encumbrancer or owner of the real estate if:

(a) the lease is a purchase money lease, the conflicting interest of the encumbrancer or owner arises before the goods become fixtures, the interest of the lessor is perfected by a fixture filing before the goods become fixtures or within 10 days thereafter, and the lessee has an interest of record in the real estate or is in possession of the real estate; or

(b) the interest of the lessor is perfected by a fixture filing before the interest of the encumbrancer or owner is of record, the lessor's interest has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner, and the lessee has an interest of record in the real estate or is in possession of the real estate.

(5) The interest of a lessor of fixtures, whether or not perfected, has priority over the conflicting interest of an encumbrancer or owner of the real estate if:

(a) the fixtures are readily removable factory or office machines, readily removable equipment that is not primarily used or leased for use in the operation of the real estate, or readily removable replacements of domestic appliances that are goods subject to a consumer lease, and before the goods become fixtures the lease contract is enforceable; or

(b) the conflicting interest is a lien on the real estate obtained by legal or equitable proceedings after the lease contract is enforceable; or

(c) the encumbrancer or owner has consented in writing to the lease or has disclaimed an interest in the goods as fixtures; or

(d) the lessee has a right to remove the goods as against the encumbrancer or owner. If the lessee's right to remove terminates, the priority of the interest of the lessor continues for a reasonable time.

(6) Notwithstanding subsection (4)(a) but otherwise subject to subsections (4) and (5), the interest of a lessor of fixtures, including the lessor's residual interest, is subordinate to the conflicting interest of an encumbrancer of the real estate under a construction mortgage recorded before the goods become fixtures if the goods become fixtures before the completion of the construction. To the extent given to refinance a construction mortgage, the conflicting interest of an encumbrancer of the real estate under a mortgage has this priority to the same extent as the encumbrancer of the real estate under the construction mortgage.

(7) In cases not within the preceding subsections, priority between the interest of a lessor of fixtures, including the lessor's residual interest, and the conflicting interest of an encumbrancer or owner of the real estate who is not the lessee is determined by the priority rules governing conflicting interests in real estate.

(8) If the interest of a lessor of fixtures, including the lessor's residual interest, has priority over all conflicting interests of all owners and encumbrancers of the real estate, the lessor or the lessee may (i) on default, expiration, termination, or cancellation of the lease agreement but subject to the lease agreement and this chapter, or (ii) if necessary to enforce other rights and remedies of the lessor or lessee under this chapter, remove the goods from the real estate, free and clear of all conflicting interests of all owners and encumbrancers of the real estate, but the lessor or lessee shall reimburse any encumbrancer or owner of the real estate who is not the lessee and who has not otherwise agreed for the cost of repair of any physical injury, but not for any diminution in value of the real estate caused by the absence of the goods removed or by any necessity of replacing them. A person entitled to reimbursement may refuse permission to remove until the party seeking removal gives adequate security for the performance of this obligation.

(9) Even though the lease agreement does not create a security interest, the interest of a lessor of fixtures, including the lessor's residual interest, is perfected by filing a financing statement as a fixture filing for leased goods that are or are to become fixtures in accordance with the relevant provisions of the chapter on Secured Transactions (chapter 9).

14. N.J.S.12A:4-210 is amended to read as follows:

Security interest of collecting bank in items, accompanying documents and proceeds.

12A:4-210. Security Interest of Collecting Bank in Items, Accompanying Documents and Proceeds.

a. A collecting bank has a security interest in an item and any accompanying documents or the proceeds of either:

(1) in case of an item deposited in an account, to the extent to which credit given for the item has been withdrawn or applied;

(2) in case of an item for which it has given credit available for withdrawal as of right, to the extent of the credit given, whether or not the credit is drawn upon or there is a right of charge-back; or

(3) if it makes an advance on or against the item.

b. If credit given for several items received at one time or pursuant to a single agreement is withdrawn or applied in part, the security interest remains upon all the items, any accompanying documents or the proceeds of either. For the purpose of this section, credits first given are first withdrawn.

c. Receipt by a collecting bank of a final settlement for an item is a realization on its security interest in the item, accompanying documents, and proceeds. As long as the bank does not receive final settlement for the item or give up possession of the item or accompanying documents for purposes other than collection, the security interest continues to that extent and is subject to chapter 9, but:

(1) no security agreement is necessary to make the security interest enforceable (12A:9-203(b)(3)(A));

(2) no filing is required to perfect the security interest; and

(3) the security interest has priority over conflicting perfected security interests in the item, accompanying documents, or proceeds.

Security interest of issuer or nominated person.

15. 12A:5-118. Security Interest of Issuer or Nominated Person.

a. An issuer or nominated person has a security interest in a document presented under a letter of credit to the extent that the issuer or nominated person honors or gives value for the presentation.

b. So long as and to the extent that an issuer or nominated person has not been reimbursed or has not otherwise recovered the value given with respect to a security interest in a document under subsection a. of this section, the security interest continues and is subject to Chapter 9, but:

(1) a security agreement is not necessary to make the security interest enforceable under 12A:9-203 b. (3);

(2) if the document is presented in a medium other than a written or other tangible medium, the security interest is perfected; and

(3) if the document is presented in a written or other tangible medium and is not a certificated security, chattel paper, document of title, an instrument, or letter of credit, the security interest is perfected and has priority over a conflicting security interest in the document so long as the debtor does not have possession of the document.

16. N.J.S.12A:7-503 is amended to read as follows:

Document of title to goods defeated in certain cases.

12A:7-503. Document of Title to Goods Defeated in Certain Cases.

(1) A document of title confers no right in goods against a person who before issuance of the document had a legal interest or a perfected security interest in them and who neither:

(a) delivered or entrusted them or any document of title covering them to the bailor or his nominee with actual or apparent authority to ship, store or sell or with power to obtain delivery under this chapter (12A:7-403) or with power of disposition under this Act (12A:2-403 and 12A:9-320) or other statute or rule of law; nor

(b) acquiesced in the procurement by the bailor or his nominee of any document of title.

(2) Title to goods based upon an unaccepted delivery order is subject to the rights of anyone to whom a negotiable warehouse receipt or bill of lading covering the goods has been duly negotiated. Such a title may be defeated under the next section to the same extent as the rights of the issuer or a transferee from the issuer.

(3) Title to goods based upon a bill of lading issued to a freight forwarder is subject to the rights of anyone to whom a bill issued by the freight forwarder is duly negotiated; but delivery by the carrier in accordance with Subchapter 4 of this Chapter pursuant to its own bill of lading discharges the carrier's obligation to deliver.

17. N.J.S.12A:8-103 is amended to read as follows:

Rule for determining whether certain obligations and interests are securities or financial assets.

12A:8-103. Rule for Determining whether Certain Obligations and Interests are Securities or Financial Assets.

a. A share or similar equity interest issued by a corporation, business trust, joint stock company, or similar entity is a security.

b. An "investment company security" is a security. "Investment company security" means a share or similar equity interest issued by an entity that is registered as an investment company under the federal investment company laws, an interest in a unit investment trust that is so registered, or a face-amount certificate issued by a face-amount certificate company that is so registered. Investment company security does not include an insurance policy or endowment policy or annuity contract issued by an insurance company.

c. An interest in a partnership or limited liability company is not a security unless it is dealt in or traded on securities exchanges or in securities markets, its terms expressly provide that it is a security governed by this

chapter, or it is an investment company security. However, an interest in a partnership or limited liability company is a financial asset if it is held in a securities account.

d. A writing that is a security certificate is governed by this chapter and not by chapter 3, even though it also meets the requirements of that chapter. However, a negotiable instrument governed by chapter 3 is a financial asset if it is held in a securities account.

e. An option or similar obligation issued by a clearing corporation to its participants is not a security, but is a financial asset.

f. A commodity contract, as defined in 12A:9-102(a)(16), is not a security or a financial asset.

18. N.J.S.12A:8-106 is amended to read as follows:

Control.

12A:8-106. Control.

a. A purchaser has “control” of a certificated security in bearer form if the certificated security is delivered to the purchaser.

b. A purchaser has “control” of a certificated security in registered form if the certificated security is delivered to the purchaser, and:

(1) the certificate is indorsed to the purchaser or in blank by an effective indorsement; or

(2) the certificate is registered in the name of the purchaser, upon original issue or registration of transfer by the issuer.

c. A purchaser has control of an uncertificated security if:

(1) the uncertificated security is delivered to the purchaser; or

(2) the issuer has agreed that it will comply with instructions originated by the purchaser without further consent by the registered owner.

d. A purchaser has “control” of a security entitlement if:

(1) the purchaser becomes the entitlement holder; or

(2) the securities intermediary has agreed that it will comply with entitlement orders originated by the purchaser without further consent by the entitlement holder; or

(3) another person has control of the security entitlement on behalf of the purchaser or, having previously acquired control of the security entitlement, acknowledges that it has control on behalf of the purchaser.

e. If an interest in a security entitlement is granted by the entitlement holder to the entitlement holder’s own securities intermediary, the securities intermediary has control.

f. A purchaser who has satisfied the requirements of subsection c. or d. has control, even if the registered owner in the case of subsection c. or the entitlement holder in the case of subsection d. of this section retains the

right to make substitutions for the uncertificated security or security entitlement, to originate instructions or entitlement orders to the issuer or securities intermediary, or otherwise to deal with the uncertificated security or security entitlement.

g. An issuer or a securities intermediary may not enter into an agreement of the kind described in subsection paragraph (2) of subsection c. or paragraph (2) of subsection d. of this section without the consent of the registered owner or entitlement holder, but an issuer or a securities intermediary is not required to enter into such an agreement even though the registered owner or entitlement holder so directs. An issuer or securities intermediary that has entered into such an agreement is not required to confirm the existence of the agreement to another party unless requested to do so by the registered owner or entitlement holder.

19. N.J.S.12A:8-110 is amended to read as follows:

Applicability; choice of law.

12A:8-110. Applicability; Choice of Law.

a. The local law of the issuer's jurisdiction, as specified in subsection d. of this section, governs:

- (1) the validity of a security;
- (2) the rights and duties of the issuer with respect to registration of transfer;
- (3) the effectiveness of registration of transfer by the issuer;
- (4) whether the issuer owes any duties to an adverse claimant to a security; and
- (5) whether an adverse claim can be asserted against a person to whom transfer of a certificated or uncertificated security is registered or a person who obtains control of an uncertificated security.

b. The local law of the securities intermediary's jurisdiction, as specified in subsection e. of this section, governs:

- (1) acquisition of a security entitlement from the securities intermediary;
- (2) the rights and duties of the securities intermediary and entitlement holder arising out of a security entitlement;
- (3) whether the securities intermediary owes any duties to an adverse claimant to a security entitlement; and
- (4) whether an adverse claim can be asserted against a person who acquires a security entitlement from the securities intermediary or a person who purchases a security entitlement or interest therein from an entitlement holder.

c. The local law of the jurisdiction in which a security certificate is located at the time of delivery governs whether an adverse claim can be asserted against a person to whom the security certificate is delivered.

d. "Issuer's jurisdiction" means the jurisdiction under which the issuer of the security is organized or, if permitted by the law of that jurisdiction, the law of another jurisdiction specified by the issuer. An issuer organized under the law of this State may specify the law of another jurisdiction as the law governing the matters specified in paragraphs (2) through (5) of subsection a. of this section.

e. The following rules determine a "securities intermediary's jurisdiction" for purposes of this section:

(1) If an agreement between the securities intermediary and its entitlement holder governing the securities account expressly provides that a particular jurisdiction is the securities intermediary's jurisdiction for purposes of this part, this chapter, or this Act, that jurisdiction is the securities intermediary's jurisdiction.

(2) If paragraph (1) does not apply and an agreement between the securities intermediary and its entitlement holder governing the securities account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the securities intermediary's jurisdiction.

(3) If neither paragraph (1) nor paragraph (2) of this subsection e. applies and an agreement between the securities intermediary and its entitlement holder governing the securities account expressly provides that the securities account is maintained at an office in a particular jurisdiction, that jurisdiction is the securities intermediary's jurisdiction.

(4) If none of the preceding paragraphs applies, the securities intermediary's jurisdiction is the jurisdiction in which the office identified in an account statement as the office serving the entitlement holder's account is located.

(5) If none of the preceding paragraphs applies, the securities intermediary's jurisdiction is the jurisdiction in which the chief executive office of the securities intermediary is located.

f. A securities intermediary's jurisdiction is not determined by the physical location of certificates representing financial assets, or by the jurisdiction in which is organized the issuer of the financial asset with respect to which an entitlement holder has a security entitlement, or by the location of facilities for data processing or other record keeping concerning the account.

20. N.J.S.12A:8-301 is amended to read as follows:

Delivery.

12A:8-301. Delivery.

a. Delivery of a certificated security to a purchaser occurs when:

(1) the purchaser acquires possession of the security certificate;

(2) another person, other than a securities intermediary, either acquires possession of the security certificate on behalf of the purchaser or, having previously acquired possession of the certificate, acknowledges that it holds for the purchaser; or

(3) a securities intermediary acting on behalf of the purchaser acquires possession of the security certificate, only if the certificate is in registered form and is (a) registered in the name of the purchaser, (b) payable to the order of the purchaser, or (c) specially indorsed to the purchaser by an effective indorsement and has not been indorsed to the securities intermediary or in blank.

b. Delivery of an uncertificated security to a purchaser occurs when:

(1) the issuer registers the purchaser as the registered owner, upon original issue or registration of transfer; or

(2) another person, other than a securities intermediary, either becomes the registered owner of the uncertificated security on behalf of the purchaser or, having previously become the registered owner, acknowledges that it holds for the purchaser.

21. N.J.S.12A:8-302 is amended to read as follows:

Rights of purchaser.

12A:8-302. Rights of Purchaser.

a. Except as otherwise provided in subsections b. and c. of this section, a purchaser of a certificated or uncertificated security acquires all rights in the security that the transferor had or had power to transfer.

b. A purchaser of a limited interest acquires rights only to the extent of the interest purchased.

c. A purchaser of a certificated security who as a previous holder had notice of an adverse claim does not improve its position by taking from a protected purchaser.

22. N.J.S.12A:8-510 is amended to read as follows:

Rights of purchaser of security entitlement from entitlement holder.

12A:8-510. Rights of Purchaser of Security Entitlement from Entitlement Holder.

a. In a case not covered by the priority rules in Chapter 9 or the rules stated in subsection c. of this section, an action based on an adverse claim to a financial asset or security entitlement, whether framed in conversion,

replevin, constructive trust, equitable lien, or other theory, may not be asserted against a person who purchases a security entitlement, or an interest therein, from an entitlement holder if the purchaser gives value, does not have notice of the adverse claim, and obtains control.

b. If an adverse claim could not have been asserted against an entitlement holder under 12A:8-502, the adverse claim cannot be asserted against a person who purchases a security entitlement, or an interest therein, from the entitlement holder.

c. In a case not covered by the priority rules in Chapter 9, a purchaser for value of a security entitlement, or an interest therein, who obtains control has priority over a purchaser of a security entitlement, or an interest therein, who does not obtain control. Except as otherwise provided in subsection d. of this section, purchasers who have control rank according to priority in time of:

(1) the purchaser's becoming the person for whom the securities account, in which the security entitlement is carried, is maintained, if the purchaser obtained control under 12A:8-106d.(1); or

(2) the securities intermediary's agreement to comply with the purchaser's entitlement orders with respect to security entitlements carried or to be carried in the securities account in which the security entitlement is carried, if the purchaser obtained control under 12A:8-106d.(2).

d. A securities intermediary as purchaser has priority over a conflicting purchaser who has control unless otherwise agreed by the securities intermediary.

23. Section 7 of P.L.1999, c.340 (C.2A:18-78) is amended to read as follows:

C.2A:18-78 Disposal of property, options.

7. Property that has been conclusively presumed to be abandoned may be disposed of in any of the following ways:

a. The landlord may sell the property at a public or private sale;

b. The landlord may destroy or otherwise dispose of the property if the landlord reasonably determines that the value of the property is so low that the cost of storage and conducting a public sale would probably exceed the amount that would be realized from the sale; or

c. The landlord may sell certain items and destroy or otherwise dispose of the remaining property, in accordance with subsections a. and b. of this section.

A public or private sale authorized by this section shall be conducted in accordance with the provisions of 12A:9-601 et seq. of the "Uniform Commercial Code."

24. Section 1 of P.L.1939, c.53 (C.2A:53A-6) is amended to read as follows:

C.2A:53A-6 Contributory negligence of conditional vendee, etc., as defense by third person in suit brought by conditional vendor, etc.

Whenever a conditional vendor, bailor, or owner of the general property in goods or chattels or a secured party as defined in section 12A:9-102a.(72) of the New Jersey Statutes or the assignee or assignees of said conditional vendor, bailor or owner of the general property in goods or chattels or of any such secured party, shall institute suit for damages to said goods or chattels or the collateral as defined in said section of the New Jersey Statutes, while the same are in the custody, control or possession of the conditional vendee, bailee, or owner of the special property in said goods or chattels or debtor as defined in said section of the New Jersey Statutes or the agents, servants, or employees of said conditional vendee, bailee, or owner of the special property in said goods and chattels or of such debtor, against a third party or parties, or against the agents, servants, or employees of said third party or parties, or both, based on the negligence of the said third party or parties, or the agents, servants, or employees of said third party or parties, the contributory negligence of the conditional vendee, bailee, or owner of the special property in said goods or chattels or of such debtor, or of the agents, servants, or employees of said conditional vendee, bailee or owner of the said special property in said goods or chattels or of such debtor, shall constitute a proper and valid defense to said action and be a complete bar to recovery in the same manner as though suit were brought by the conditional vendee, bailee, or owner of the special property in said goods or chattels or such debtor or by the agents, servants or employees of the conditional vendee, bailee, or owner of the special property in said goods and chattels or of such debtor.

25. Section 15 of P.L.1987, c.381 (C.46:8D-14) is amended to read as follows:

C.46:8D-14 Recording of financing statement security agreement, lien.

a. The lender of funds secured by a promissory note and pledge of the stock and proprietary lease of a cooperative unit shall record its lien by the method of recordation provided in the applicable statutes. If the secured transactions laws of N.J.S.12A:9-317 et seq. apply, the lender shall record its financing statement or security agreement in the office of the Secretary of State and the county recording office of the county in which any portion of the lands in which the cooperative unit is located.

b. In addition to the recording required pursuant to subsection a. of this section, the cooperative unit lender shall not have a perfected lien unless it

records its lien in the master register for the cooperative in the county recording office of the county in which the cooperative unit is located. The lender shall pay to the county recording officer a fee of \$1.00 per page for recording of its lien in the master register which shall be in addition to the recording fees applicable to regular recording of the documents.

26. R.S.46:28-14 is amended to read as follows:

Mortgages of personalty included in mortgage of real estate by railroads or public utilities.

46:28-14. The provisions of the Uniform Commercial Code, Secured Transactions, N.J.S.12A:9-101 et seq., shall not be taken, construed or held to apply to any mortgage of personal property included in a mortgage of franchises and real estate heretofore or hereafter made by any railroad company or any other corporation defined by any law of this State as a public utility, and which has been or shall be recorded or registered as a mortgage of real estate in every county in which such railroad or public utility, or any part of it, or in which any of the real estate so mortgaged by it, is or shall be located, and any such mortgage so recorded shall be valid against the creditors of the mortgagor, and against subsequent purchasers and mortgagees until the same shall be released or shall be canceled of record in the manner prescribed by law for the release and cancellation of mortgages of real estate.

27. Section 22 of P.L.1999, c.23 (C.48:3-71) is amended to read as follows:

C.48:3-71 Issuance of transition bonds; security.

22. a. Electric public utilities or other financing entities may, but are not required to, issue transition bonds authorized by the board in any bondable stranded costs rate order.

b. An electric public utility or its assignee may sell, assign and otherwise transfer all or portions of its interest in bondable transition property to assignees or financing entities in connection with the issuance of transition bonds. In addition, an electric public utility, an assignee or a financing entity may pledge, grant a security interest in, or encumber bondable transition property as collateral for transition bonds.

c. Bondable transition property shall constitute an account and shall constitute presently existing property for all purposes, including for contracts securing transition bonds, whether or not the revenues and proceeds arising with respect thereto have accrued and notwithstanding the fact that the value of the property right may depend upon consumers using electricity or, in those instances where consumers are customers of a particular electric public utility, such electric public utility performing

certain services. The validity of any sale, assignment or other transfer of bondable stranded cost shall not be defeated or adversely affected by the commingling by the electric public utility of revenues received from amounts charged, collected and received as transition bond charges with other funds of the electric public utility. Any description of the bondable transition property in a security agreement or financing statement filed with respect to the transfer of such bondable transition property in accordance with N.J.S.12A:9-501 et seq. shall be sufficient if it refers to the bondable stranded costs rate order establishing the bondable transition property.

d. A perfected security interest in bondable transition property is a continuously perfected security interest in all revenues and proceeds arising with respect thereto, whether or not the revenues and proceeds shall have accrued. The validity and relative priority of a pledge of, or security interest in, bondable transition property shall not be defeated or adversely affected by the commingling by the electric public utility of revenues received from amounts charged, collected and received as transition bond charges with other funds of the electric public utility. Any description of the bondable transition property in a security agreement or financing statement filed with respect to the granting of a security interest in such bondable transition property in accordance with N.J.S.12A:9-501 et seq. shall be sufficient if it refers to the bondable stranded costs rate order establishing the bondable transition property as provided by N.J.S.12A:9-108f.

e. In the event of default by the electric public utility or its assignee in payment of revenues arising with respect to the bondable transition property, and upon the application by the pledgees or transferees of the bondable transition property, the board or any court of competent jurisdiction shall order the sequestration and payment to the pledgees or transferees of revenues arising with respect to the bondable transition property, which application shall not limit any other remedies available to the pledgees or transferees by reason of the default. Any such order shall remain in full force and effect notwithstanding any bankruptcy, reorganization or other insolvency proceedings with respect to the debtor, pledgor or transferor of the bondable transition property. Any amounts in excess of amounts necessary to satisfy obligations then outstanding on or related to transition bonds shall be applied in the manner set forth in subsection d. of section 15 of this act.

f. To the extent that any such interest in bondable transition property is so sold or assigned, or is so pledged as collateral, the electric public utility shall be authorized to enter into a contract with the secured party, the assignee or the financing entity providing that the electric public utility shall continue to operate its transmission and distribution system to provide service to its customers, shall impose, charge, collect and receive transition

bond charges in respect of the bondable transition property for the benefit and account of the secured party, the assignee or the financing entity, and shall account for and remit such amounts to and for the account of the secured party, the assignee or the financing entity. In the event of a default by the electric public utility in respect of charging, collecting and receiving revenues derived from transition bond charges and upon the application by the secured party, the assignee or the financing entity, the board or any court of competent jurisdiction shall by order designate a trustee or other entity to act in the place of the electric public utility to impose, meter, charge, collect and receive transition bond charges in respect of the bondable transition property for the benefit and account of the pledgee, the assignee or the financing entity. The board may, at its discretion, establish criteria for the selection of any entity that may become a servicer of bondable transition property upon the default or other adverse material change in the financial condition of the electric public utility.

g. An agreement by an assignor of bondable transition property not to assert any defense, claim or set-off against an assignee of the bondable transition property shall be enforceable against the assignor by the assignee and by any successor or subsequent assignee thereof.

28. Section 23 of P.L.1999, c.23 (C.48:3-72) is amended to read as follows:

C.48:3-72 Transfer of bondable transition property.

23. a. If an agreement by an electric public utility or its assignee to transfer bondable transition property expressly states that the transfer is a sale or other absolute transfer, then, notwithstanding any other provisions of law:

(1) Such transfer shall constitute a sale by the electric public utility or its assignee of all right, title, and interest of the electric public utility or its assignee, as applicable, in and to such bondable transition property;

(2) Such transfer shall constitute a sale or other absolute transfer of, and not a borrowing secured by, such bondable transition property;

(3) Upon execution and delivery of such agreement, the electric public utility or its assignee shall have no right, title or interest in or to such bondable transition property, except to the extent of any retained equity interest permitted by the provisions of this act; and

(4) The characterization of a transfer as a sale or other absolute transfer shall not be affected or impaired in any manner by, among other things: (a) the assignor's retention, or acquisition as part of the assignment transaction or otherwise, of a *pari passu* equity interest in bondable transition property or the fact that only a portion of the bondable transition property is otherwise transferred; (b) the assignor's retention, or acquisition as part of

the assignment transaction or otherwise, of a subordinate equity interest or other provision of credit enhancement on terms substantially commensurate with market practices; (c) the fact that the electric public utility acts as the collector or servicer of transition bond charges; (d) the assignor's retention of bare legal title to bondable transition property for the purpose of servicing or supervising the servicing of such property and collections with respect thereto; or (e) treatment of such transfer as a financing for federal, State or local tax purposes or financial accounting purposes.

b. Such transfer shall be perfected against any third party when:

(1) The board has issued a bondable stranded costs rate order with respect to such bondable transition property;

(2) Such agreement has been executed and delivered by the electric public utility or its assignee; and

(3) A financing statement has been filed with respect to the transfer of such bondable transition property in accordance with N.J.S.12A:9-501 et seq.

29. Section 27 of P.L.1999, c.23 (C.48:3-76) is amended to read as follows:

C.48:3-76 Bondable transition property constitutes an account.

27. a. For purposes of this act, and the Uniform Commercial Code - Secured Transactions, N.J.S.12A:9-101 et seq., bondable transition property, as defined in N.J.S.12A:9-102a.(9), shall constitute an account. For purposes of this act, and the Uniform Commercial Code - Secured Transactions, N.J.S.12A:9-101 et seq., bondable transition property shall be in existence whether or not the revenues or proceeds in respect thereof have accrued, in accordance with subsection c. of section 22 of this act. The validity, perfection or priority of any security interest in bondable transition property shall not be defeated or adversely affected by changes to the bondable stranded costs rate order or to the transition bond charges payable by any customer. Any description of bondable transition property in a security agreement or other agreement or a financing statement shall be sufficient if it refers to the bondable stranded costs rate order establishing the bondable transition property.

b. In addition to the other rights and remedies provided or authorized by this act, and by the Uniform Commercial Code - Secured Transactions, N.J.S.12A:9-101 et seq., when a debtor is in default under a security agreement and the collateral is bondable transition property, then upon application by the secured party, the board or any court of competent jurisdiction shall order the sequestration and payment to the secured party of all collections and other proceeds of such bondable transition property up to the value of the property. In the event of any conflicts, priority among

pledgees, transferees or secured parties shall be determined under N.J.S.12A:9-101 et seq. The secured party shall account to the debtor for any surplus and, unless otherwise agreed, the debtor shall be liable for any deficiency.

30. Section 4 of P.L.1982, c.150 (C.52:16A-38) is amended to read as follows:

C.52:16A-38 Expedited over the counter corporate service.

4. a. The Division of Commercial Recording shall provide for and establish an expedited over the counter corporate service. The processing of requests and information and documents shall be a priority same day service effected in a fast and efficient manner.

b. The Division of Commercial Recording shall provide expedited over the counter corporate service for the following requests:

- (1) Any information contained in the annual report of a corporation;
- (2) A certificate of standing;
- (3) A certified or uncertified copy of any document filed with the Division of Commercial Recording;
- (4) A certificate as to the existence or nonexistence of any facts on record with the Division of Commercial Recording;
- (5) The availability of a corporate name under N.J.S.14A:2-2;
- (6) Filing a certificate of incorporation;
- (7) Whether or not a corporation's certificate of incorporation or authority has been voided or revoked;
- (8) The name and address of the registered agent of a corporation;
- (9) The date of incorporation of a domestic corporation or the date of qualification of a foreign corporation;
- (10) The name and address of a corporation which has filed an alternate name certificate pursuant to N.J.S.14A:2-2.1;
- (11) A financing statement filing (UCC-1) pursuant to N.J.S.12A:9-501 et seq.;
- (12) A change of record filing (UCC-3) pursuant to N.J.S.12A:9-501 et seq.;
- (13) A request for information or copies of filed financing statements (UCC-11) pursuant to N.J.S.12A:9-501 et seq.;
- (14) Any other information contained in the documents filed with the Division of Commercial Recording, which in the discretion of the Secretary of State is readily available;
- (15) Filing a certificate of merger;
- (16) Filing a certificate of amendment; and
- (17) Any other filing which the Secretary of State agrees to accept.

31. Section 17 of P.L.1987, c.435 (C.52:16-10.1) is amended to read as follows:

C.52:16-10.1 Secretary of State Fund.

17. There is created a revolving fund in the General Treasury, to be administered by the Secretary of State, to be the depository of all fees received by the Department of State pursuant to N.J.S.12A:9-525; N.J.S.14A:15-2 and N.J.S.14A:15-3; N.J.S.15A:15-1 and N.J.S.15A:15-2; section 11 of P.L.1987, c.435 (C.22A:4-1a); section 65 of P.L.1983, c.489 (C.42:2A-68); R.S.48:3-38; section 2 of P.L.1979, c.460 (C.52:7-11); R.S.52:16-10; sections 3 through 6 of P.L.1966, c.263 (C.56:3-13.3 through C.56:3-13.6); and section 5 of P.L.1971, c.171 (C.56:3-13.7a). The fund is to be known as the "Secretary of State Fund." The moneys deposited in the fund are dedicated and pledged solely for the purposes contained in this 1987 amendatory and supplementary act and shall be in addition to any moneys appropriated by the Legislature to the department for the purposes specified in section 19 of this act. When the Administrator of the Office of Telecommunications and Information Systems certifies to the Governor and State Treasurer that the design, construction, purchase and implementation of an automated information system within the Division of Commercial Recording in the Department of State is completed, the Secretary of State Fund shall be terminated and all fees received by the Department of State shall be deposited in the General Fund.

Repealer.

32. Section 5 of P.L.1961, c.121 (C.2A:37A-1), N.J.S.12A:10-101, N.J.S.12A:10-104, N.J.S.12A:10-105, and N.J.S.12A:11-101 through N.J.S.12A:11-108 are repealed.

33. This act shall take effect immediately, but shall remain inoperative until July 1, 2001.

Approved June 26, 2001.

CHAPTER 118

AN ACT concerning the term of office of certain town mayors and council members and amending N.J.S.40A:9-130 and N.J.S.40A:62-2.

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

1. N.J.S.40A:9-130 is amended to read as follows:

Mayor; term; town certain, mayor, council terms.

40A:9-130. a. In every municipality, unless otherwise provided by law and except as provided under subsection b. of this section, the term of office for the mayor shall be 4 years.

b. In every town operating under a special charter with a population of at least 28,000 but not more than 35,000, according to the most recent federal decennial census, the term of office for the mayor and the members of council shall be 4 years, notwithstanding any different term of office specified in the special charter.

2. N.J.S.40A:62-2 is amended to read as follows:

Elected officers, terms.

40A:62-2. a. The mayor shall be elected by the voters of the municipality at large and shall be known as the councilman-at-large. In a municipality operating under this chapter, with a population of less than 12,000 or more than 16,000, according to the most recent federal decennial census, the mayor shall serve for a term of two years, except as otherwise provided by referendum of the voters. In a municipality operating under this chapter with a population of at least 12,000 but not more than 16,000, according to the most recent federal decennial census, the mayor shall serve for a term of four years.

b. The legal voters of any town divided into wards, in which the mayor and council members are elected for two-year terms of office, may by petition and referendum, require that the mayor shall be elected for a three-year term of office.

Upon the submission to the town clerk of a petition, signed by at least fifteen per centum (15%) of the legal voters of the municipality who cast their votes in the municipality at the last election in which members of the General Assembly were elected, the proposition shall be submitted to the voters at the next general election. The proposition shall not be submitted more than once in any three-year period.

The notice, advertisement and conduct of the election shall be in the same manner as for offices voted at the election.

The proposition shall be submitted to the voters at the election in substantially the following form: "Shall the term of the mayor in.....(name of town)..... be increased to three years?"

A canvass and return of the vote upon the proposition shall be made by the election officers in the same manner as for officers voted for at the election, and a majority of all the votes cast upon the proposition in favor of the proposition shall be sufficient to make the change.

Notwithstanding any other provisions of law to the contrary, upon approval by the legal voters of the town of the proposition to increase the

term of the mayor to three years, the mayor elected at the first annual election after the approval of the proposition, and at an election held every third year thereafter, shall serve for a term of three years.

c. The council shall consist of eight members, two elected from each of four wards. In a municipality operating under this chapter, with a population of less than 12,000 or more than 16,000, according to the most recent federal decennial census, the members of council shall serve for a term of two years. Their terms shall be arranged, to be designated on the ballot if necessary, so that one member of the council shall be elected from each ward at each election. In a municipality operating under this chapter with a population of at least 12,000 but not more than 16,000, according to the most recent federal decennial census, the members of council shall serve for a term of four years.

d. Notwithstanding the provisions of subsection c. of this section, any town, whose council immediately prior to the effective date of this act had a council whose method of election, composition or tenure of its membership differed in any way from the provisions set out in subsection c. of this section, shall continue to be governed by those provisions which determined the council's method of election, composition or tenure of its membership, as the case may be, until such time it wishes to adopt the provisions as set out in subsection c. of this section. Any adoption shall be by referendum of voters, after the town council shall have passed an ordinance not less than 60 days preceding any general election calling for the referendum to be placed upon the ballot. The referendum shall not be submitted to the voters more than once in any three-year period.

e. The annual election for town officers shall be held at the same time and places as the general election. No person shall be permitted to vote at any such election unless he is an actual resident of the election district in which he offers his vote.

3. Notwithstanding the provisions of P.L.2001, c.118, the provisions of a special charter or any provision of law to the contrary, the mayor and members of council chosen by the voters at the 2002 general election in a town operating under a special charter with a population of at least 28,000 but not more than 35,000 according to the most recent federal decennial census shall serve a three-year term of office.

4. This act shall take effect immediately but the amendatory provisions of section 1 shall remain inoperative in a municipality until the 2003 general election and shall apply to the terms of mayors and members of council elected at that election, and the amendatory provisions of section 2 shall remain inoperative in a municipality until the first election for the office of

mayor and members of council next following enactment and shall apply to the terms of mayors and members of council elected at that election.

Approved June 26, 2001.

CHAPTER 119

AN ACT concerning in-street pedestrian right-of-way signs and amending R.S.39:4-8.

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

1. R.S.39:4-8 is amended to read as follows:

Commissioner of Transportation's approval required; exceptions.

39:4-8.a. Except as otherwise provided in this section, no ordinance or resolution concerning, regulating or governing traffic or traffic conditions, adopted or enacted by any board or body having jurisdiction over highways, shall be of any force or effect unless the same is approved by the Commissioner of Transportation, according to law. The commissioner shall not be required to approve any such ordinance, resolution or regulation, unless, after investigation by him, the same shall appear to be in the interest of safety and the expedition of traffic on the public highways.

b. In the case of totally self-contained streets under municipal jurisdiction which have no direct connection with any street in any other municipality, or in the case of totally self-contained streets under county jurisdiction which have no direct connection with any street in any other county, the municipality or county may, by ordinance or resolution, as appropriate, without the approval of the Commissioner of Transportation, designate parking restrictions, no passing zones, mid-block crosswalks and crosswalks at intersections, except that in the case of any streets under municipal jurisdiction, the municipality may, by ordinance, designate reasonable and safe speed limits and in the case of totally self-contained streets under county jurisdiction which have no direct connection with any street in any other county, the county may, by ordinance or resolution, as appropriate, designate reasonable and safe speed limits, and erect appropriate signs, designate any intersection as a stop or yield intersection and erect appropriate signs and place longitudinal pavement markings delineating the separation of traffic flows and the edge of the pavement, provided that the municipal or county engineer shall, under his seal as a licensed professional engineer, certify to the municipal or county governing body, as appropriate, that any designation or erection of signs or placement of markings: (1) has

been approved by him after investigation by him of the circumstances, (2) appears to him to be in the interest of safety and the expedition of traffic on the public highways and (3) conforms to the current standards prescribed by the Manual of Uniform Traffic Control Devices for Streets and Highways, as adopted by the Commissioner of Transportation.

A certified copy of the adopted ordinance or resolution, as appropriate, shall be transmitted by the clerk of the municipality or county, as appropriate, to the commissioner within 30 days of adoption, together with a copy of the engineer's certification; a statement of the reasons for the engineer's decision; detailed information as to the location of streets, intersections and signs affected by any designation or erection of signs or placement of markings; and traffic count, accident and speed sampling data, when appropriate. The commissioner, at his discretion, may invalidate the provisions of the ordinance or resolution within 90 days of receipt of the certified copy if he reviews it and finds that the provisions of the ordinance or resolution are inconsistent with the Manual of Uniform Traffic Control Devices for Streets or Highways; are inconsistent with accepted engineering standards; are not based on the results of an accurate traffic and engineering survey; or place an undue traffic burden or impact on streets in an adjoining municipality or negatively affect the flow of traffic on the State highway system.

Nothing in this subsection shall allow municipalities to designate any intersection with any highway under State or county jurisdiction as a stop or yield intersection or counties to designate any intersection with any highway under State or municipal jurisdiction as a stop or yield intersection.

c. Subject to the provisions of R.S.39:4-138, in the case of any street under municipal or county jurisdiction, a municipality or county may, without the approval of the Commissioner of Transportation, do the following:

By ordinance or resolution:

- (1) prohibit or restrict general parking;
- (2) designate restricted parking under section 1 of P.L.1977, c.309 (C.39:4-197.6);
- (3) designate time limit parking;
- (4) install parking meters.

By ordinance, resolution or regulation:

- (1) designate loading and unloading zones and taxi stands;
- (2) approve street closings for periods up to 48 continuous hours; and
- (3) designate restricted parking under section 1 of P.L.1977, c.202 (C.39:4-197.5).

Nothing in this subsection shall allow municipalities or counties to establish angle parking or to reinstate or add parking on any street, or

approve the closure of streets for more than 48 continuous hours, without the approval of the Commissioner of Transportation.

d. A municipality or county may, by ordinance or resolution, as appropriate, in any street under its jurisdiction, install or place an in-street pedestrian crossing right-of-way sign at a marked crosswalk or unmarked crosswalk at an intersection. The installation shall be subject to guidelines that shall be issued by the Commissioner of Transportation after consultation with the Director of the Office of Highway Traffic Safety in the Department of Law and Public Safety. The guidelines shall be aimed at ensuring safety to both pedestrians and motorists including, but not limited to, the proper method of sign installation, dimensions, composition of material, proper placement points and maintenance. A certified copy of the adopted ordinance or resolution shall be transmitted to the commissioner within 30 days of adoption. The commissioner, at his discretion, may invalidate the provisions of the ordinance or resolution within 90 days of receipt of the certified copy if he reviews it and finds that the provisions of the ordinance or resolution are inconsistent with the guidelines issued pursuant to this subsection. A claim against the State or a municipality or county for damage or injury under this subsection for a wrongful act or omission shall be dismissed if the municipality or county is deemed to have conformed to the guidelines required hereunder.

2. This act shall take effect on the first day of the sixth month after enactment.

Approved June 26, 2001.

CHAPTER 120

AN ACT concerning retirement allowance options in the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System of New Jersey and amending N.J.S.18A:66-47 and P.L.1954, c.84.

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

1. N.J.S.18A:66-47 is amended to read as follows:

Teachers' retirement allowance options.

18A:66-47. At the time of retirement a member shall receive benefits in a retirement allowance payable throughout life, or the member may on retirement elect to receive the actuarial equivalent of the member's

retirement allowance, in a lesser retirement allowance payable throughout life, with the provision that:

Option 1. If the member dies before the member has received in payments the present value of the retirement allowance as it was at the time of retirement, the balance shall be paid to a legal representative or to such person as the member shall nominate by written designation acknowledged and filed with the retirement system, either in lump sum or by equal payments over a period of years at the option of the payee. If the member shall have designated a natural person as a payee, said payee may elect to receive such payments in the form of a life annuity.

Option 2. Upon the member's death, the member's retirement allowance shall be continued throughout the life of and paid to such person as the member shall nominate by written designation duly acknowledged and filed with the retirement system at the time of retirement.

Option 3. Upon the member's death, one-half of the member's retirement allowance shall be continued throughout the life of and paid to such person as the member shall nominate by written designation duly acknowledged and filed with the retirement system at the time of retirement.

Option 4. Some other benefit or benefits shall be paid either to the member or to whomever the member nominates, if such other benefit or benefits, together with the lesser retirement allowance, shall be certified by the actuary to be of equivalent actuarial value. In no case, however, shall the lesser retirement allowance be smaller than that provided under Option 2.

Option 5. Some other benefit, which is equivalent to the full amount, three-quarters, one-half or one-quarter of the member's retirement allowance, shall be paid to whomever the member nominates and if that nominee dies before the member, the member's retirement allowance shall increase to the maximum retirement allowance for the member's lifetime, provided that such other benefit together with the member's lesser and maximum retirement allowances shall be certified by the actuary to be of equivalent actuarial value.

If the total amount of benefits paid to a retirant who does not elect to receive benefits in the form of an optional settlement, or to the retirant and the designated beneficiary in the case of a retirant who does so elect, before the death of the retirant or the retirant and the beneficiary is less than the deductions accumulated in the retirant's account at the time of retirement, including regular interest, the balance shall be paid in one lump sum to the retirant's designated beneficiary or estate in the manner provided in N.J.S.18A:66-48.

Except in the case of members who have elected to receive (1) a deferred retirement allowance pursuant to N.J.S.18A:66-36 or (2) early

retirement allowances pursuant to N.J.S.18A:66-37 after separation from service pursuant to N.J.S.18A:66-36, if a member dies within 30 days after the date of retirement or the date of board approval, whichever is later, the member's retirement allowance shall not become effective and the member shall be considered an active member at the time of death. However, if the member dies after the date the application for retirement was filed with the system, the retirement will become effective if:

- a. (Deleted by amendment, P.L.1995, c.221);
- b. (Deleted by amendment, P.L.1995, c.221);
- c. The deceased member had designated a beneficiary under an optional settlement provided by this section; and
- d. The surviving beneficiary requests in writing that the board make such a selection. Upon formal action by the board approving that request, the request shall become irrevocable.

The board may select an Option 3 settlement, on behalf of the beneficiary of a member who applied for and was eligible for retirement but who died prior to the effective date of the retirement allowance, if all of the above conditions, with the exception of c., are met.

2. Section 50 of P.L.1954, c.84 (C.43:15A-50) is amended to read as follows:

C.43:15A-50 Public employee pension options.

50. At the time of retirement, a member shall receive benefits in a retirement allowance payable throughout life, or the member may, on retirement, elect to receive the actuarial equivalent of the member's retirement allowance, in a lesser retirement allowance payable throughout life, with the provision that:

Option 1. If the member dies before the member has received in payments the present value of the retirement allowance as it was at the time of retirement, the balance shall be paid to a legal representative or to such person as the member shall nominate by written designation acknowledged and filed with the retirement system, either in a lump sum or by equal payments over a period of years at the option of the payee. If the member shall have designated a natural person as the payee, said payee may elect to receive such payments in the form of a life annuity.

Option 2. Upon the member's death, the member's retirement allowance shall be continued throughout the life of and paid to such person as the member shall nominate by written designation duly acknowledged and filed with the retirement system at the time of retirement.

Option 3. Upon the member's death, one-half of the member's retirement allowance shall be continued throughout the life of and paid to

such person as the member shall nominate by written designation duly acknowledged and filed with the retirement system at the time of retirement.

Option 4. Some other benefit or benefits shall be paid either to the member or to whomever the member nominates, if such other benefit or benefits, together with the lesser retirement allowance, shall be certified by the actuary to be of equivalent actuarial value. In no case, however, shall the lesser retirement allowance be smaller than that provided under Option 2.

Option 5. Some other benefit, which is equivalent to the full amount, three-quarters, one-half or one-quarter of the member's retirement allowance, shall be paid to whomever the member nominates and if that nominee dies before the member, the member's retirement allowance shall increase to the maximum retirement allowance for the member's lifetime, provided that such other benefit together with the member's lesser and maximum retirement allowances shall be certified by the actuary to be of equivalent actuarial value.

If the total amount of benefits paid to a retirant who does not elect to receive benefits in the form of an optional settlement, or to the retirant and the designated beneficiary in the case of a retirant who does so elect, before the death of the retirant or the retirant and the beneficiary is less than the deductions accumulated in the retirant's account at the time of retirement, including regular interest, the balance shall be paid in one lump sum to the retirant's designated beneficiary or estate in the manner provided in section 51 of P.L.1954, c.84 (C.43:15A-51).

Except in the case of members who have elected to receive (1) a deferred retirement allowance pursuant to section 38 of P.L.1954, c.84 (C.43:15A-38) or (2) early retirement allowances pursuant to subsection b. of section 41 of P.L.1954, c.84 (C.43:15A-41) after separation from service pursuant to section 38, if a member dies within 30 days after the date of retirement or the date of board approval, whichever is later, the member's retirement allowance shall not become effective and the member shall be considered an active member at the time of death. However, if the member dies after the date the application for retirement was filed with the system, the retirement will become effective if:

- a. (Deleted by amendment, P.L.1995, c.221);
- b. (Deleted by amendment, P.L.1995, c.221);
- c. The deceased member had designated a beneficiary under an optional settlement provided by this section; and
- d. The surviving beneficiary requests in writing that the board make such a selection. Upon formal action by the board approving that request, the request shall be irrevocable.

The board may select an Option 3 settlement, on behalf of the beneficiary of a member who applied for and was eligible for retirement but who died prior to the effective date of the retirement allowance, if all of the above conditions, with the exception of c., are met.

3. This act shall take effect immediately but shall be inoperative until the 30th day after enactment.

Approved June 26, 2001.

CHAPTER 121

AN ACT appropriating funds from the Developmental Disabilities' Waiting List Reduction and Human Services Facilities Construction Fund established pursuant to P.L.1994, c.108.

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

1. a. There is appropriated to the Department of Human Services from the Developmental Disabilities' Waiting List Reduction and Human Services Facilities Construction Fund created by the "Developmental Disabilities' Waiting List Reduction and Human Services Facilities Construction Bond Act of 1994," P.L.1994, c.108, the sum of \$38,695,000 for the following community-based projects:

Grants, including grants that create revolving funds, for the Division of Developmental Disabilities	\$23,500,000
Grants, including grants that create revolving funds, for the Division of Mental Health Services	\$11,200,000
Grants, including grants that create revolving funds, for the Division of Youth and Family Services	\$3,300,000
Grants, including grants that create revolving funds, for the Commission for the Blind and Visually Impaired	\$695,000

b. Of the funds appropriated in subsection a. of this section for the Division of Developmental Disabilities, all funds shall be used for projects to reduce the division's community services waiting list. The \$23,500,000 represents the final portion of the \$80,000,000 that was to be expended on projects intended to reduce the community services waiting list.

c. The funds appropriated in subsection a. of this section for the Division of Youth and Family Services shall be placed into a reserve account and shall not be available to the division until the amount of unexpended Developmental Disabilities' Waiting List Reduction and Human Services Facilities Construction Fund monies available to the division is less than \$1,000,000.

d. Prior to the formal awarding of any funds appropriated pursuant to this section, the Commissioner of Human Services shall provide the Joint Budget Oversight Committee, or its successor, information as to the agency that will receive the funds, the amount of funds the agency is to receive, the manner in which the funds are to be used and the estimated amount of State funds required to operate the program. Unless the Joint Budget Oversight Committee, or its successor, formally notifies the Commissioner of Human Services within 10 working days that it does not approve of the specific project, the department may award the funds. The provisions of this subsection shall not apply to funds for renovations that do not increase the capacity of a facility, for emergency repairs and for life-safety and accreditation improvements to existing facilities.

2. The Commissioner of Human Services, consistent with the 1994 Bond Issue Master Plan, may provide grants to the New Jersey Housing and Mortgage Finance Agency, the New Jersey Health Care Facilities Financing Authority, the New Jersey Economic Development Authority and other similar agencies established by the State, or to private, nonprofit entities. These agencies or entities may leverage the grants, use equity contributions and take advantage of other financial mechanisms and create revolving funds for community capital projects. An applicant applying for these funds from these agencies may be assessed an application fee consistent with the normal business practice of the agency. The plan for the establishment of the revolving fund shall be reviewed and approved by the Joint Budget Oversight Committee, or its successor, pursuant to the provisions of subsection d. of section 1 of this act.

a. An application fee or equity contribution shall not be required for renovations that do not increase the capacity of a facility, for emergency repairs or for life-safety and accreditation improvements to existing facilities. The application fee and any equity contribution may be waived, with the approval of the Commissioner of Human Services, if an applicant is able to document a financial inability to pay the fee or make an equity contribution.

b. An application fee or equity contribution that is required of an applicant shall be an unallowable item of cost for purposes of the most recent Department of Human Services' Contract Reimbursement Manual.

c. Grants provided to the New Jersey Housing and Mortgage Finance Agency, the New Jersey Health Care Facilities Financing Authority, the New Jersey Economic Development Authority and other similar agencies established by the State shall be exempt from the application fee and equity contribution.

d. As a condition of receiving monies from the Developmental Disabilities' Waiting List Reduction and Human Services Facilities Construction Fund, an applicant shall apply for applicable grants, loans, mortgages and tax credits that may be available through governmental and non-governmental entities for financing the cost of the project or to reduce the total cost of the project. An applicant shall document to the department that it has applied or is in the process of applying for such grants, loans, mortgages and tax credits.

In the case of any loans or mortgages for which the applicant may apply, the department shall review the terms and conditions of the loan or mortgage recommended by the lending agency to determine if the total cost of the loan or mortgage exceeds direct State financing of the project or the cost of financing the loan through the New Jersey Housing and Mortgage Finance Agency, the New Jersey Health Care Facilities Financing Authority, the New Jersey Economic Development Authority, or other similar agencies established by the State. Costs in excess of what the State would incur through these mechanisms shall be an unallowable cost for purposes of the most recent Department of Human Services' Contract Reimbursement Manual.

3. The Director of the Division of Budget and Accounting in the Department of the Treasury shall make those corrections in the title or text, or both, or any appropriation item authorized under this act necessary to make the appropriation available for the purposes for which it was intended. The corrections shall be made by a written ruling which shall set forth an explanation of the need for correction and which shall be signed by the Director of the Division of Budget and Accounting and shall be filed by the director in his office as an official record. Any action pursuant to that ruling, including disbursement and the audit thereof, shall be legally binding and of full effect. An official copy of each written ruling shall be transmitted to the Legislative Budget and Finance Officer upon the effective date of the ruling.

4. The Director of the Division of Budget and Accounting may approve expenditures for predesign program planning and other related costs for capital projects authorized under this act.

5. In order to provide flexibility in administering the provisions of this act, the Commissioner of Human Services, with respect to monies appropriated to the Division of Developmental Disabilities, may apply to the Director of the Division of Budget and Accounting for permission to transfer a part of any item or appropriation to any other item or appropriation within the respective department accounts. The transfer shall be made upon the written approval of the director and the Joint Budget Oversight Committee, or its successor.

6. The Commissioner of Human Services shall report to the Joint Budget Oversight Committee, or its successor on the status of the appropriation provided in this act six months from the effective date of this act and annually thereafter until all of the funds have been expended. The status report shall specify the projects that are funded and the amount of funds appropriated, obligated and expended for each project. The status report shall also include information on the revolving funds established pursuant to section 2 of this act.

7. This act shall take effect immediately.

Approved June 26, 2001.

CHAPTER 122

AN ACT concerning the determination of eligibility for benefits under Medicaid and the Children's Health Care Coverage Program and amending P.L.1968, c.413 and P.L.1997, c.272.

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

1. Section 3 of P.L.1968, c.413 (C.30:4D-3) is amended to read as follows:

C.30:4D-3 Definitions.

3. Definitions. As used in this act, and unless the context otherwise requires:

- a. "Applicant" means any person who has made application for purposes of becoming a "qualified applicant."
- b. "Commissioner" means the Commissioner of Human Services.

c. "Department" means the Department of Human Services, which is herein designated as the single State agency to administer the provisions of this act.

d. "Director" means the Director of the Division of Medical Assistance and Health Services.

e. "Division" means the Division of Medical Assistance and Health Services.

f. "Medicaid" means the New Jersey Medical Assistance and Health Services Program.

g. "Medical assistance" means payments on behalf of recipients to providers for medical care and services authorized under this act.

h. "Provider" means any person, public or private institution, agency or business concern approved by the division lawfully providing medical care, services, goods and supplies authorized under this act, holding, where applicable, a current valid license to provide such services or to dispense such goods or supplies.

i. "Qualified applicant" means a person who is a resident of this State, and either a citizen of the United States or an eligible alien, and is determined to need medical care and services as provided under this act, with respect to whom the period for which eligibility to be a recipient is determined shall be the maximum period permitted under federal law, and who:

(1) Is a dependent child or parent or caretaker relative of a dependent child who would be, except for resources, eligible for the aid to families with dependent children program under the State Plan for Title IV-A of the federal Social Security Act as of July 16, 1996;

(2) Is a recipient of Supplemental Security Income for the Aged, Blind and Disabled under Title XVI of the Social Security Act;

(3) Is an "ineligible spouse" of a recipient of Supplemental Security Income for the Aged, Blind and Disabled under Title XVI of the Social Security Act, as defined by the federal Social Security Administration;

(4) Would be eligible to receive Supplemental Security Income under Title XVI of the federal Social Security Act or, without regard to resources, would be eligible for the aid to families with dependent children program under the State Plan for Title IV-A of the federal Social Security Act as of July 16, 1996, except for failure to meet an eligibility condition or requirement imposed under such State program which is prohibited under Title XIX of the federal Social Security Act such as a durational residency requirement, relative responsibility, consent to imposition of a lien;

(5) (Deleted by amendment, P.L.2000, c.71);

(6) Is an individual under 21 years of age who, without regard to resources, would be, except for dependent child requirements, eligible for

the aid to families with dependent children program under the State Plan for Title IV-A of the federal Social Security Act as of July 16, 1996, or groups of such individuals, including but not limited to, children in foster placement under supervision of the Division of Youth and Family Services whose maintenance is being paid in whole or in part from public funds, children placed in a foster home or institution by a private adoption agency in New Jersey or children in intermediate care facilities, including developmental centers for the developmentally disabled, or in psychiatric hospitals;

(7) Would be eligible for the Supplemental Security Income program, but is not receiving such assistance and applies for medical assistance only;

(8) Is determined to be medically needy and meets all the eligibility requirements described below:

(a) The following individuals are eligible for services, if they are determined to be medically needy:

(i) Pregnant women;

(ii) Dependent children under the age of 21;

(iii) Individuals who are 65 years of age and older; and

(iv) Individuals who are blind or disabled pursuant to either 42 C.F.R.435.530 et seq. or 42 C.F.R.435.540 et seq., respectively.

(b) The following income standard shall be used to determine medically needy eligibility:

(i) For one person and two person households, the income standard shall be the maximum allowable under federal law, but shall not exceed 133 1/3% of the State's payment level to two person households under the aid to families with dependent children program under the State Plan for Title IV-A of the federal Social Security Act in effect as of July 16, 1996; and

(ii) For households of three or more persons, the income standard shall be set at 133 1/3% of the State's payment level to similar size households under the aid to families with dependent children program under the State Plan for Title IV-A of the federal Social Security Act in effect as of July 16, 1996.

(c) The following resource standard shall be used to determine medically needy eligibility:

(i) For one person households, the resource standard shall be 200% of the resource standard for recipients of Supplemental Security Income pursuant to 42 U.S.C.s.1382(1)(B);

(ii) For two person households, the resource standard shall be 200% of the resource standard for recipients of Supplemental Security Income pursuant to 42 U.S.C.s.1382(2)(B);

(iii) For households of three or more persons, the resource standard in subparagraph (c)(ii) above shall be increased by \$100.00 for each additional person; and

(iv) The resource standards established in (i), (ii), and (iii) are subject to federal approval and the resource standard may be lower if required by the federal Department of Health and Human Services.

(d) Individuals whose income exceeds those established in subparagraph (b) of paragraph (8) of this subsection may become medically needy by incurring medical expenses as defined in 42 C.F.R.435.831(c) which will reduce their income to the applicable medically needy income established in subparagraph (b) of paragraph (8) of this subsection.

(e) A six-month period shall be used to determine whether an individual is medically needy.

(f) Eligibility determinations for the medically needy program shall be administered as follows:

(i) County welfare agencies and other entities designated by the commissioner are responsible for determining and certifying the eligibility of pregnant women and dependent children. The division shall reimburse county welfare agencies for 100% of the reasonable costs of administration which are not reimbursed by the federal government for the first 12 months of this program's operation. Thereafter, 75% of the administrative costs incurred by county welfare agencies which are not reimbursed by the federal government shall be reimbursed by the division;

(ii) The division is responsible for certifying the eligibility of individuals who are 65 years of age and older and individuals who are blind or disabled. The division may enter into contracts with county welfare agencies to determine certain aspects of eligibility. In such instances the division shall provide county welfare agencies with all information the division may have available on the individual.

The division shall notify all eligible recipients of the Pharmaceutical Assistance to the Aged and Disabled program, P.L.1975, c.194 (C.30:4D-20 et seq.) on an annual basis of the medically needy program and the program's general requirements. The division shall take all reasonable administrative actions to ensure that Pharmaceutical Assistance to the Aged and Disabled recipients, who notify the division that they may be eligible for the program, have their applications processed expeditiously, at times and locations convenient to the recipients; and

(iii) The division is responsible for certifying incurred medical expenses for all eligible persons who attempt to qualify for the program pursuant to subparagraph (d) of paragraph (8) of this subsection;

(9) (a) Is a child who is at least one year of age and under 19 years of age and, if older than six years of age but under 19 years of age, is uninsured; and

(b) Is a member of a family whose income does not exceed 133% of the poverty level and who meets the federal Medicaid eligibility requirements set forth in section 9401 of Pub.L.99-509 (42 U.S.C. s.1396a);

(10) Is a pregnant woman who is determined by a provider to be presumptively eligible for medical assistance based on criteria established by the commissioner, pursuant to section 9407 of Pub.L.99-509 (42 U.S.C. s.1396a(a));

(11) Is an individual 65 years of age and older, or an individual who is blind or disabled pursuant to section 301 of Pub.L.92-603 (42 U.S.C. s.1382c), whose income does not exceed 100% of the poverty level, adjusted for family size, and whose resources do not exceed 100% of the resource standard used to determine medically needy eligibility pursuant to paragraph (8) of this subsection;

(12) Is a qualified disabled and working individual pursuant to section 6408 of Pub.L.101-239 (42 U.S.C. s.1396d) whose income does not exceed 200% of the poverty level and whose resources do not exceed 200% of the resource standard used to determine eligibility under the Supplemental Security Income Program, P.L.1973, c.256 (C.44:7-85 et seq.);

(13) Is a pregnant woman or is a child who is under one year of age and is a member of a family whose income does not exceed 185% of the poverty level and who meets the federal Medicaid eligibility requirements set forth in section 9401 of Pub.L.99-509 (42 U.S.C. s.1396a), except that a pregnant woman who is determined to be a qualified applicant shall, notwithstanding any change in the income of the family of which she is a member, continue to be deemed a qualified applicant until the end of the 60-day period beginning on the last day of her pregnancy;

(14) (Deleted by amendment, P.L.1997, c.272) or

(15) (a) Is a specified low-income Medicare beneficiary pursuant to 42 U.S.C. s.1396a(a)10(E)iii whose resources beginning January 1, 1993 do not exceed 200% of the resource standard used to determine eligibility under the Supplemental Security Income program, P.L.1973, c.256 (C.44:7-85 et seq.) and whose income beginning January 1, 1993 does not exceed 110% of the poverty level, and beginning January 1, 1995 does not exceed 120% of the poverty level.

(b) An individual who has, within 36 months, or within 60 months in the case of funds transferred into a trust, of applying to be a qualified applicant for Medicaid services in a nursing facility or a medical institution, or for home or community-based services under section 1915(c) of the federal Social Security Act (42 U.S.C. s.1396n(c)), disposed of resources or income for less than fair market value shall be ineligible for assistance for nursing facility services, an equivalent level of services in a medical institution, or home or community-based services under section 1915(c) of

the federal Social Security Act (42 U.S.C. s.1396n(c)). The period of the ineligibility shall be the number of months resulting from dividing the uncompensated value of the transferred resources or income by the average monthly private payment rate for nursing facility services in the State as determined annually by the commissioner. In the case of multiple resource or income transfers, the resulting penalty periods shall be imposed sequentially. Application of this requirement shall be governed by 42 U.S.C. s.1396p(c). In accordance with federal law, this provision is effective for all transfers of resources or income made on or after August 11, 1993. Notwithstanding the provisions of this subsection to the contrary, the State eligibility requirements concerning resource or income transfers shall not be more restrictive than those enacted pursuant to 42 U.S.C. s.1396p(c).

(c) An individual seeking nursing facility services or home or community-based services and who has a community spouse shall be required to expend those resources which are not protected for the needs of the community spouse in accordance with section 1924(c) of the federal Social Security Act (42 U.S.C. s.1396r-5(c)) on the costs of long-term care, burial arrangements, and any other expense deemed appropriate and authorized by the commissioner. An individual shall be ineligible for Medicaid services in a nursing facility or for home or community-based services under section 1915(c) of the federal Social Security Act (42 U.S.C. s.1396n(c)) if the individual expends funds in violation of this subparagraph. The period of ineligibility shall be the number of months resulting from dividing the uncompensated value of transferred resources and income by the average monthly private payment rate for nursing facility services in the State as determined by the commissioner. The period of ineligibility shall begin with the month that the individual would otherwise be eligible for Medicaid coverage for nursing facility services or home or community-based services.

This subparagraph shall be operative only if all necessary approvals are received from the federal government including, but not limited to, approval of necessary State plan amendments and approval of any waivers.

(16) Subject to federal approval under Title XIX of the federal Social Security Act, is a dependent child, parent or specified caretaker relative of a child who is a qualified applicant, who would be eligible, without regard to resources, for the aid to families with dependent children program under the State Plan for Title IV-A of the federal Social Security Act as of July 16, 1996, except for the income eligibility requirements of that program, and whose family earned income does not exceed 133% of the poverty level plus such earned income disregards as shall be determined according to a methodology to be established by regulation of the commissioner;

(17) Is an individual from 18 through 20 years of age who is not a dependent child and would be eligible for medical assistance pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.), without regard to income or resources, who, on the individual's 18th birthday was in foster care under the care and custody of the Division of Youth and Family Services and whose maintenance was being paid in whole or in part from public funds; or

(18) Is a person between the ages of 16 and 65 who is permanently disabled and working, and:

(a) whose income is at or below 250% of the poverty level, plus other established disregards;

(b) who pays the premium contribution and other cost sharing as established by the commissioner, subject to the limits and conditions of federal law; and

(c) whose assets, resources and unearned income do not exceed limitations as established by the commissioner.

j. "Recipient" means any qualified applicant receiving benefits under this act.

k. "Resident" means a person who is living in the State voluntarily with the intention of making his home here and not for a temporary purpose. Temporary absences from the State, with subsequent returns to the State or intent to return when the purposes of the absences have been accomplished, do not interrupt continuity of residence.

l. "State Medicaid Commission" means the Governor, the Commissioner of Human Services, the President of the Senate and the Speaker of the General Assembly, hereby constituted a commission to approve and direct the means and method for the payment of claims pursuant to this act.

m. "Third party" means any person, institution, corporation, insurance company, group health plan as defined in section 607(1) of the federal "Employee Retirement and Income Security Act of 1974," 29 U.S.C. s.1167(1), service benefit plan, health maintenance organization, or other prepaid health plan, or public, private or governmental entity who is or may be liable in contract, tort, or otherwise by law or equity to pay all or part of the medical cost of injury, disease or disability of an applicant for or recipient of medical assistance payable under this act.

n. "Governmental peer grouping system" means a separate class of skilled nursing and intermediate care facilities administered by the State or county governments, established for the purpose of screening their reported costs and setting reimbursement rates under the Medicaid program that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated State or county skilled nursing and intermediate care facilities.

o. "Comprehensive maternity or pediatric care provider" means any person or public or private health care facility that is a provider and that is approved by the commissioner to provide comprehensive maternity care or comprehensive pediatric care as defined in subsection b. (18) and (19) of section 6 of P.L.1968, c.413 (C.30:4D-6).

p. "Poverty level" means the official poverty level based on family size established and adjusted under Section 673(2) of Subtitle B, the "Community Services Block Grant Act," of Pub.L.97-35 (42 U.S.C. s.9902(2)).

q. "Eligible alien" means one of the following:

(1) an alien present in the United States prior to August 22, 1996, who is:

(a) a lawful permanent resident;

(b) a refugee pursuant to section 207 of the federal "Immigration and Nationality Act" (8 U.S.C. s.1157);

(c) an asylee pursuant to section 208 of the federal "Immigration and Nationality Act" (8 U.S.C. s.1158);

(d) an alien who has had deportation withheld pursuant to section 243(h) of the federal "Immigration and Nationality Act" (8 U.S.C. s.1253 (h));

(e) an alien who has been granted parole for less than one year by the federal Immigration and Naturalization Service pursuant to section 212(d)(5) of the federal "Immigration and Nationality Act" (8 U.S.C. s.1182(d)(5));

(f) an alien granted conditional entry pursuant to section 203(a)(7) of the federal "Immigration and Nationality Act" (8 U.S.C. s.1153(a)(7)) in effect prior to April 1, 1980; or

(g) an alien who is honorably discharged from or on active duty in the United States armed forces and the alien's spouse and unmarried dependent child.

(2) An alien who entered the United States on or after August 22, 1996, who is:

(a) an alien as described in paragraph (1)(b), (c), (d) or (g) of this subsection; or

(b) an alien as described in paragraph (1)(a), (e) or (f) of this subsection who entered the United States at least five years ago.

(3) A legal alien who is a victim of domestic violence in accordance with criteria specified for eligibility for public benefits as provided in Title V of the federal "Illegal Immigration Reform and Immigrant Responsibility Act of 1996" (8 U.S.C. s.1641).

2. Section 4 of P.L.1997, c.272 (C.30:4I-4) is amended to read as follows:

C.30:4I-4 Children's Health Care Coverage Program established.

4. a. The Children's Health Care Coverage Program is established in the Department of Human Services. The purpose of the program shall be to provide subsidized private health insurance coverage, and other health care benefits as determined by the commissioner, to children from birth through 18 years of age within the limits of funds appropriated or otherwise made available for the program. The program shall require copayments and a premium contribution from families with incomes which exceed 150% of the official poverty level, which shall be based upon a sliding income scale. The program shall include the provision of well-child and other preventive services, hospitalization, physician care, laboratory and x-ray services, prescription drugs, mental health services, and other services as determined by the commissioner.

b. The commissioner, in consultation with the Commissioner of Health and Senior Services, shall take such actions as are necessary to implement and operate the program in accordance with the provisions governing the State Children's Health Insurance Program in Title XXI of the federal Social Security Act, as provided in Subtitle J of Title IV of the federal "Balanced Budget Act of 1997," Pub.L.105-33.

c. The commissioner shall by regulation establish standards for determining eligibility and other requirements for the program, including, but not limited to, premium payments and copayments, and may contract with one or more appropriate entities to assist in administering the program. The period for which eligibility for the program is determined shall be the maximum period permitted under federal law. The commissioner shall take, or cause to be taken, any action necessary to secure for the State the maximum amount of federal financial participation available with respect to the program, subject to the constraints of fiscal responsibility and within the limits of available funding in any fiscal year.

d. Subject to federal approval, a child with a family gross income that does not exceed 200% of the official poverty level shall not be determined ineligible for the program solely because the child was previously covered under an individual health benefits plan during any period preceding application to the program if the child was not voluntarily disenrolled from employer-sponsored group insurance coverage during the six-month period prior to application to the program.

e. The commissioner, in consultation with the Commissioner of Health and Senior Services, shall provide by regulation for presumptive eligibility for the program in accordance with the following provisions:

(1) A child who presents himself for treatment at an acute care hospital or a federally qualified health center or local health department that provides

primary care shall be deemed presumptively eligible for the program if a preliminary determination by hospital, health center or local health department staff indicates that the child meets program eligibility standards established by regulation of the commissioner and is a member of a household with an income which does not exceed 200% of the official poverty level;

(2) The provisions of paragraph (1) of this subsection shall also apply to a child who is presumed eligible for Medicaid coverage pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.);

(3) If a child is determined to be presumptively eligible for the program, the child's parent, guardian or caretaker relative shall be required to submit a completed application for the program no later than the end of the month following the month in which presumptive eligibility is determined; and

(4) During the period in which the child is presumptively eligible for the program, the child shall be eligible to receive all services covered by the program.

f. The commissioner, in consultation with the Commissioner of Education and the Commissioner of Health and Senior Services, shall establish a partnership initiative between the program and public elementary and secondary schools, licensed child care centers, registered family day care homes, and unified child care agencies in this State, federally qualified health centers and local health departments that provide primary care to provide outreach to children throughout the State who are potentially eligible for the program. Under this partnership, the commissioner shall arrange for:

(1) the provision by the department to each public elementary and secondary school, licensed child care center, registered family day care home, and unified child care agency in the State, federally qualified health center and local health department that provides primary care of informational materials about the program, including the potential costs and benefits for a participating household, as well as program application forms and postage-paid envelopes to submit completed applications to the department, which the school, child care center, registered family day care home, unified child care agency, health center or local health department, as applicable, shall make available to persons wishing to apply for the program;

(2) the provision to each public elementary and secondary school, licensed child care center, registered family day care home, and unified child care agency in the State, federally qualified health center and local health department that provides primary care of a notice to be distributed at least annually to the households of children attending the school or child care center, or being cared for by the registered family day care home, or assisted by the unified child care agency or receiving health care services from the

health center or local health department, as applicable, informing them about the availability of the informational materials, application forms and postage-paid envelopes provided by the department pursuant to paragraph (1) of this subsection, with respect to which distribution the department shall reimburse the school or child care center, or registered family day care home, or unified child care agency or health center or local health department for the costs thereof in accordance with procedures established by the commissioner; and

(3) a payment to be made by the department in the amount of \$25 to a school, child care center, registered family day care home, unified child care agency, federally qualified health center or local health department that provides primary care for each household enrolled in the program which was referred by that respective entity, and to which household the entity has provided assistance with enrollment in the program. The payment shall be made upon the determination of eligibility for the program by the department with respect to that household, including the receipt of any initial premium contribution from the household as required by the commissioner pursuant to this section.

g. Subject to federal approval, the commissioner shall by regulation establish that in determining income eligibility for the program, any gross family income above 200% of the official poverty level, up to a maximum of 350% of the official poverty level, shall be disregarded.

3. This act shall take effect immediately.

Approved June 26, 2001.

CHAPTER 123

AN ACT concerning the naming of certain county and municipal authorities and amending and supplementing P.L.1946, c.138 (C.40:14A-1 et seq.) and P.L.1957, c.183 (C.40:14B - 1 et seq.).

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

1. Section 3 of P.L.1946, c.138 (C.40:14A-3) is amended to read as follows:

C.40:14A-3 Definitions.

3. As used in this act, unless a different meaning clearly appears from the context:

(1) "Municipality" shall mean any city of any class, any borough, village, town, township, or any other municipality other than a county or a school district, and except when used in section 4 or 21 of this act, any agency thereof or any two or more thereof acting jointly or any joint meeting or other agency of any two or more thereof;

(2) "County" shall mean any county of any class;

(3) "Governing body" shall mean, in the case of a county, the board of chosen freeholders, or in the case of those counties organized pursuant to the provisions of the "Optional County Charter Law" P.L.1972, c.154 (C.40:41A-1 et seq.), the board of chosen freeholders and the county executive, the county supervisor or the county manager, as appropriate, and, 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;

(4) "Person" shall mean any person, association, corporation, nation, State or any agency or subdivision thereof, other than a county or municipality of the State or a sewerage authority;

(5) "Sewerage or water reclamation authority" shall mean a public body created pursuant to section 4 of this act;

(6) Subject to the exceptions provided in section 4 of this act, "district" shall mean the area within the territorial boundaries of the county, or of the municipality or municipalities, which created or joined in the creation of a sewerage authority;

(7) "Local unit" shall mean the county, or any municipality, which created or joined in the creation of a sewerage authority;

(8) "Sewerage system" shall mean the plants, structures, on-site waste-water systems, and other real and personal property acquired, constructed, maintained or operated or to be acquired, constructed, maintained or operated by a sewerage authority for the purposes of the sewerage authority, including sewers, conduits, pipe lines, mains, pumping and ventilating stations, sewage treatment or disposal systems, plants and works, connections, and outfalls, compensating reservoirs, and other plants, structures, boats, conveyances, and other real and personal property, and rights therein, and appurtenances necessary or useful and convenient for the collection, treatment, purification or disposal in a sanitary manner of any sewage, liquid or solid wastes, night soil or industrial wastes;

(9) "Cost" shall mean, in addition to the usual connotations thereof, the cost of acquisition or construction of all or any part of a sewerage system and of all or any property, rights, easements, privileges, agreements and franchises deemed by the sewerage authority to be necessary or useful and convenient therefor or in connection therewith, including interest or discount on bonds, cost of issuance of bonds, engineering and inspection

costs and legal expenses, costs of financial, professional and other estimates and advice, organization, administrative, operating and other expenses of the sewerage authority prior to and during such acquisition or construction, and all such other expenses as may be necessary or incident to the financing, acquisition, construction and completion of said sewerage system or part thereof and the placing of the same in operation, and also such provision or reserves for working capital, operating, maintenance or replacement expenses or for payment or security of principal of or interest on bonds during or after such acquisition or construction as the sewerage authority may determine, and also reimbursements to the sewerage authority or any county, municipality or other person of any moneys theretofore expended for the purposes of the sewerage authority or to any county or municipality of any moneys theretofore expended for in connection with sanitation facilities;

(10) "Real property" shall mean lands both within and without the State, and improvements thereof or thereon, or any rights or interests therein;

(11) "Construct" and "construction" shall connote and include acts of construction, reconstruction, replacement, extension, improvement and betterment of a sewerage system;

(12) "Industrial wastes" shall mean liquid or other wastes resulting from any processes of industry, manufacture, trade or business or from the development of any natural resource;

(13) "Sewage" shall mean the water-carried wastes created in and carried, or to be carried, away from, or to be processed by on-site wastewater systems, residences, hotels, apartments, schools, hospitals, industrial establishments, or any other public or private building, together with such surface or ground water and industrial wastes as may be present;

(14) "On-site wastewater system" means any of several works, facilities, septic tanks or other devices, used to collect, treat, reclaim, or dispose of wastewater or sewage on or adjacent to the property on which the wastewater or sewage is produced, or to convey such wastewater or sewage from said property to such facilities as the authority may establish for its disposal;

(15) "Pollution" means the condition of water resulting from the introduction therein of substances of a kind and in quantities rendering it detrimental or immediately or potentially dangerous to the public health, or unfit for public or commercial use;

(16) "Ordinance" means a written act of the governing body of a municipality adopted and otherwise approved and published in the manner or mode of procedure prescribed for ordinances tending to obligate such municipality pecuniarily;

(17) "Resolution" means a written act of the governing body of a local unit adopted and otherwise approved in the manner or mode of procedure prescribed for resolutions tending to obligate such local unit pecuniarily;

(18) "Bonds" shall mean bonds or other obligations issued pursuant to this act; and

(19) "Compensating reservoir" shall mean the structures, facilities and appurtenances for the impounding, transportation and release of water for the replenishment in periods of drought or at other necessary times of all or a part of waters in or bordering the State diverted into a sewer, sewage treatment or sewage disposal system operated by the sewerage authority.

C.40:14A-4.1 Name change to water reclamation authority, permitted.

2. Notwithstanding the provisions of any law, rule or regulation to the contrary, an authority created pursuant to section 4 of P.L.1946, c.138 (C.40:14A-4) by ordinance or resolution, as appropriate, may change its name to "the water reclamation authority," with all or any significant part of a municipality, county or some other identifying geographical phrase inserted, as appropriate, through adoption of a resolution at any meeting of the authority.

3. Section 3 of P.L.1957, c.183 (C.40:14B-3) is amended to read as follows:

C.40:14B-3 Definitions.

3. As used in this act, unless a different meaning clearly appears from the context:

(1) "Municipality" shall mean any city of any class, any borough, village, town, township, or any other municipality other than a county or a school district, and except when used in section 4, 5, 6, 11, 12, 13, 42 or 45 of this act, any agency thereof or any two or more thereof acting jointly or any joint meeting or other agency of any two or more thereof;

(2) "County" shall mean any county of any class;

(3) "Governing body" shall mean, in the case of a county, the board of chosen freeholders, or in the case of those counties organized pursuant to the provisions of the "Optional County Charter Law" P.L.1972, c.154 (C.40:41A-1 et seq.), the board of chosen freeholders and the county executive, the county supervisor or the county manager, as appropriate, and, 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;

(4) "Person" shall mean any person, association, corporation, nation, state or any agency or subdivision thereof, other than a county or municipality of the State or a municipal authority;

(5) "Municipal or water reclamation authority" shall mean a public body created or organized pursuant to section 4, 5 or 6 of this act and shall include a municipal utilities authority created by one or more municipalities and a county utilities authority created by a county;

(6) Subject to the exceptions provided in section 10, 11 or 12 of this act, "district" shall mean the area within the territorial boundaries of the county, or of the municipality or municipalities, which created or joined in or caused the creation or organization of a municipal authority;

(7) "Local unit" shall mean the county, or any municipality, which created or joined in or caused the creation or organization of a municipal authority;

(8) "Water system" shall mean the plants, structures and other real and personal property acquired, constructed or operated or to be acquired, constructed or operated by a municipal authority or by any person to whom a municipal authority has extended credit for this purpose for the purposes of the municipal authority, including reservoirs, basins, dams, canals, aqueducts, standpipes, conduits, pipelines, mains, pumping stations, water distribution systems, compensating reservoirs, waterworks or sources of water supply, wells, purification or filtration plants or other plants and works, connections, rights of flowage or division, and other plants, structures, boats, conveyances, and other real and personal property, and rights therein, and appurtenances necessary or useful and convenient for the accumulation, supply or distribution of water;

(9) "Sewerage system" shall mean the plants, structures, on-site wastewater systems and other real and personal property acquired, constructed or operated or to be acquired, constructed, maintained or operated by a municipal authority or by any person to whom a municipal authority has extended credit for this purpose for the purposes of the municipal authority, including sewers, conduits, pipelines, mains, pumping and ventilating stations, sewage treatment or disposal systems, plants and works, connections, outfalls, compensating reservoirs, and other plants, structures, boats, conveyances, and other real and personal property, and rights therein, and appurtenances necessary or useful and convenient for the collection, treatment, purification or disposal in a sanitary manner of any sewage, liquid or solid wastes, night soil or industrial wastes;

(10) "Utility system" shall mean a water system, solid waste system, sewerage system, or a hydroelectric system or any combination of such systems, acquired, constructed or operated or to be acquired, constructed or operated by a municipal authority or by any person to whom a municipal authority has extended credit for this purpose;

(11) "Cost" shall mean, in addition to the usual connotations thereof, the cost of acquisition or construction of all or any part of a utility system and

of all or any property, rights, easements, privileges, agreements and franchises deemed by the municipal authority to be necessary or useful and convenient therefor or in connection therewith, including interest or discount on bonds, cost of issuance of bonds, engineering and inspection costs and legal expenses, cost of financial, professional and other estimates and advice, organization, administrative, operating and other expenses of the municipal authority prior to and during such acquisition or construction, and all such other expenses as may be necessary or incident to the financing, acquisition, construction and completion of said utility system or part thereof and the placing of the same in operation, and also such provision or reserves for working capital, operating, maintenance or replacement expenses or for payment or security of principal of or interest on bonds during or after such acquisition or construction as the municipal authority may determine, and also reimbursements to the municipal authority or any county, municipality or other person of any moneys theretofore expended for the purposes of the municipal authority or to any county or municipality of any moneys theretofore expended for or in connection with water supply, solid waste, water distribution, sanitation or hydroelectric facilities;

(12) "Real property" shall mean lands both within or without the State, and improvements thereof or thereon, or any rights or interests therein;

(13) "Construct" and "construction" shall connote and include acts of construction, reconstruction, replacement, extension, improvement and betterment of a utility system;

(14) "Industrial wastes" shall mean liquid or other wastes resulting from any processes of industry, manufacture, trade or business or from the development of any natural resource, and shall include any chemical wastes or hazardous wastes;

(15) "Sewage" shall mean the water-carried wastes created in and carried, or to be carried, away from, or to be processed by on-site wastewater systems, residences, hotels, apartments, schools, hospitals, industrial establishments, or any other public or private building, together with such surface or ground water and industrial wastes and leachate as may be present;

(16) "On-site wastewater system" means any of several facilities, septic tanks or other devices, used to collect, treat, reclaim, or dispose of wastewater or sewage on or adjacent to the property on which the wastewater or sewage is produced, or to convey such wastewater or sewerage from said property to such facilities as the authority may establish for its disposal;

(17) "Pollution" means the condition of water resulting from the introduction therein of substances of a kind and in quantities rendering it

detrimental or immediately or potentially dangerous to the public health, or unfit for public or commercial use;

(18) "Bonds" shall mean bonds or other obligations issued pursuant to this act;

(19) "Service charges" shall mean water service charges, solid waste service charges, sewer service charges, hydroelectric service charges or any combination of such charges, as said terms are defined in section 21 or 22 of this act or in section 7 of this amendatory and supplementary act;

(20) "Compensating reservoir" shall mean the structures, facilities and appurtenances for the impounding, transportation and release of water for the replenishment in periods of drought or at other necessary times of all or a part of waters in or bordering the State diverted into a utility system operated by a municipal authority;

(21) "Sewerage or water reclamation authority" shall mean a public body created pursuant to the Sewerage Authorities Law, P.L.1946, c.138 (C.40:14A-1 et seq.) or the acts amendatory thereof or supplemental thereto;

(22) "County sewer authority" shall mean a sanitary sewer district authority created pursuant to the act entitled "An act relating to the establishment of sewerage districts in first- and second-class counties, the creation of Sanitary Sewer District Authorities by the establishing of such districts, prescribing the powers and duties of any such authority and of other public bodies in connection with the construction of sewers and sewage disposal facilities in any such district, and providing the ways and means for paying the costs of construction and operation thereof," approved April 23, 1946 (P.L.1946, c. 123), or the acts amendatory thereof or supplemental thereto;

(23) "Chemical waste" shall mean a material normally generated by or used in chemical, petrochemical, plastic, pharmaceutical, biochemical or microbiological manufacturing processes or petroleum refining processes, which has been selected for waste disposal and which is known to hydrolize, ionize or decompose, which is soluble, burns or oxidizes, or which may react with any of the waste materials which are introduced into the landfill, or which is buoyant on water, or which has a viscosity less than that of water or which produces a foul odor. Chemical waste may be either hazardous or nonhazardous;

(24) "Effluent" shall mean liquids which are treated in and discharged by sewage treatment plants;

(25) "Hazardous wastes" shall mean any waste or combination of waste which poses a present or potential threat to human health, living organisms or the environment. "Hazardous waste" shall include, but not be limited to, waste material that is toxic, corrosive, irritating, sensitizing, radioactive, biologically infectious, explosive or flammable;

(26) "Leachate" shall mean a liquid that has been in contact with solid waste and contains dissolved or suspended materials from that solid waste;

(27) "Recycling" shall mean the separation, collection, processing or recovery of metals, glass, paper, solid waste and other materials for reuse or for energy production and shall include resource recovery;

(28) "Sludge" shall mean any solid, semisolid, or liquid waste generated from a municipal, industrial or other sewage treatment plant, water supply treatment plant, or air pollution control facility, or any other such waste having similar characteristics and effects; "sludge" shall not include effluent;

(29) "Solid waste" shall mean garbage, refuse, and other discarded materials resulting from industrial, commercial and agricultural operations, and from domestic and community activities, and shall include all other waste materials including sludge, chemical waste, hazardous wastes and liquids, except for liquids which are treated in public sewage treatment plants and except for solid animal and vegetable wastes collected by swine producers licensed by the State Department of Agriculture to collect, prepare and feed such wastes to swine on their own farms;

(30) "Solid waste system" shall mean and include the plants, structures and other real and personal property acquired, constructed or operated or to be acquired, constructed or operated by an authority or by any person to whom a municipal authority has extended credit for this purpose pursuant to the provisions of this act, including transfer stations, incinerators, recycling facilities, including facilities for the generation, transmission and distribution of energy derived from the processing of solid waste, sanitary landfill facilities or other property or plants for the collection, recycling or disposal of solid waste and all vehicles, equipment and other real and personal property and rights thereon and appurtenances necessary or useful and convenient for the collection, recycling, or disposal of solid waste in a sanitary manner;

(31) "Hydroelectric system" shall mean the plants, structures and other real and personal property acquired, constructed or operated or to be acquired, constructed or operated by an authority pursuant to the provisions of this act, including all that which is necessary or useful and convenient for the generation, transmission and sale of hydroelectric power at wholesale;

(32) "Hydroelectric power" shall mean the production of electric current by the energy of moving water;

(33) "Sale of hydroelectric power at wholesale" shall mean any sale of hydroelectric power to any person for purposes of resale of such power.

C.40:14B-4.1 Name change to water reclamation authority, permitted.

4. Notwithstanding the provisions of any law, rule or regulation to the contrary, a utilities authority created pursuant to sections 4, 5 or 6 of P.L.1957, c.183 (C.40:14B-4 et seq.) by ordinance or resolution, as appropriate, may change its name to "the water reclamation authority," with all or any significant part of a municipality, county or some other identifying geographical phrase inserted, as appropriate, through adoption of a resolution at any meeting of the authority.

5. This act shall take effect immediately.

Approved June 26, 2001.

CHAPTER 124

AN ACT concerning motor vehicle insurance cards and amending P.L.1997, c.385.

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

1. Section 2 of P.L.1997, c.385 (C.2C:21-2.3) is amended to read as follows:

C.2C:21-2.3 Producing, selling, offering, displaying, possessing, fraudulent motor vehicle insurance ID cards; penalties.

2. a. A person who knowingly produces, sells, offers or exposes for sale a document, printed form or other writing which simulates a motor vehicle insurance identification card is guilty of a crime of the third degree. In addition to any other penalty imposed, a person convicted under this section shall be ordered by the court to perform community service for a period of 30 days.

b. A person who exhibits or displays to a law enforcement officer or a person conducting a motor vehicle inspection pursuant to chapter 8 of Title 39 of the Revised Statutes a falsely made, forged, altered, counterfeited or simulated motor vehicle insurance identification card, knowing that the insurance identification card was falsely made, forged, altered, counterfeited or simulated, commits a crime of the fourth degree.

c. A person who possesses a falsely made, forged, altered, counterfeited or simulated motor vehicle insurance identification card, knowing that

the insurance identification card was falsely made, forged, altered, counterfeited or simulated, commits a disorderly persons offense.

2. This act shall take effect immediately.

Approved June 26, 2001.

CHAPTER 125

AN ACT concerning the dates of certain activities undertaken by State, county and municipal political party committees.

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

1. Notwithstanding any law, rule or regulation to the contrary, for the year 2001:

a. the day on which members of the State committee of a political party, members of a county committee of a political party and members of a municipal committee of a political party shall take office and the day on which the terms of all members of each such committee theretofore elected shall terminate shall be the day immediately following the day of the primary election for the general election; and

b. the holding of the annual meeting of the State committee of a political party, the holding of the annual meeting of each county committee of a political party and the holding of the annual meeting of each municipal committee of a political party shall occur no earlier than the day immediately following the day of the primary election for the general election and no later than the 21st day following such election, as designated in the notice in writing to be mailed by the chairman of the outgoing county committee or the chairman of the outgoing municipal committee, as the case may be, to each member-elect.

2. This act shall take effect immediately.

Approved June 26, 2001.

CHAPTER 126

AN ACT designating a portion of State Highway Route No. 33 as the "Theodore J. Narozanick Highway," and making an appropriation.

WHEREAS, Freeholder Theodore J. Narozanick has been a member of the Monmouth County Board of Chosen Freeholders since 1986, is now serving his fourth term, and is currently in charge of Human Services, Health and Transportation; and

WHEREAS, Prior to becoming a freeholder, Mr. Narozanick had been a staff employee for the County of Monmouth for 27 years where he held various positions with the Board of Chosen Freeholders, including County Administrator for 8 years where he acted as Chief Administrative Officer; and

WHEREAS, Mr. Narozanick also served in the Department of Revenue and Finance as Budget Director and as Director of Finance, Administration and Management; and

WHEREAS, Currently, he serves on the Executive Board of the North Jersey Transportation Planning Authority as the Second Vice-Chairman and Chairman of the Project Prioritization Committee; and

WHEREAS, In that role, he has been instrumental in securing the necessary funding to pay the cost of construction of the final 1.9 mile segment of the Route 33 Bypass Extension Project; and

WHEREAS, In honor of Mr. Narozanick's lengthy service to Monmouth County and his dedicated efforts in seeking the completion of the Route 33 Bypass, it is appropriate to designate that highway in his honor; now, therefore,

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

1. The Commissioner of Transportation is directed to designate that portion of State Highway Route No. 33 which runs from the intersection with Route 33 Business in Manalapan Township, Monmouth County, to the intersection with Route 33 Business in Howell Township, Monmouth County, encompassing Milepost 24.32 to 31.49, as the "Theodore J. Narozanick Highway."

2. There is appropriated from the General Fund, for purposes of implementing section 1 of this act, \$2,500 to the Department of Transportation for the costs of appropriate and permanent route and directional signs bearing the designation of the "Theodore J. Narozanick Highway."

3. This act shall take effect immediately.

Approved June 27, 2001.

CHAPTER 127

AN ACT concerning the qualification of certain persons as veterans for certain purposes, amending various parts of the statutory law and supplementing P.L.1954, c.84 (C.43:15A-1 et seq.).

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

1. N.J.S.11A:5-1 is amended to read as follows:

Definitions.

11A:5-1. Definitions. As used in this chapter:

a. "Disabled veteran" means any veteran who is eligible to be compensated for a service-connected disability from war service by the United States Veterans Administration or who receives or is entitled to receive equivalent compensation for a service-connected disability which arises out of military or naval service as set forth in this chapter and who has submitted sufficient evidence of the record of disability incurred in the line of duty to the Adjutant General of the Department of Military and Veterans' Affairs on or before the closing date for filing an application for an examination;

b. "Veteran" means any honorably discharged soldier, sailor, marine or nurse who served in any army or navy of the allies of the United States in World War I, between July 14, 1914 and November 11, 1918, or who served in any army or navy of the allies of the United States in World War II, between September 1, 1939 and September 2, 1945 and who was inducted into that service through voluntary enlistment, and was a citizen of the United States at the time of the enlistment, and who did not renounce or lose his or her United States citizenship; or any soldier, sailor, marine, airman, nurse or army field clerk, who has served in the active military or naval service of the United States and has been discharged or released under other than dishonorable conditions from that service in any of the following wars or conflicts and who has presented to the Adjutant General of the Department of Military and Veterans' Affairs sufficient evidence of the record of service on or before the closing date for filing an application for an examination:

- (1) World War I, between April 6, 1917 and November 11, 1918;
- (2) World War II, on or after September 16, 1940, who shall have served at least 90 days beginning on or before December 31, 1946 in such active service, exclusive of any period of assignment for a course of education or training under the Army Specialized Training Program or the

Navy College Training Program, which course was a continuation of a civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies; except that any person receiving an actual service-incurred injury or disability shall be classed a veteran whether or not that person has completed the 90-day service;

(3) Korean conflict, on or after June 23, 1950, who shall have served at least 90 days beginning on or before January 31, 1955, in active service, exclusive of any period of assignment for a course of education or training under the Army Specialized Training Program or the Navy College Training Program, which course was a continuation of a civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies; except that any person receiving an actual service-incurred injury or disability shall be classed as a veteran, whether or not that person has completed the 90-day service;

(4) Lebanon crisis, on or after July 1, 1958, who has served in Lebanon or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 1, 1958 or the date of termination of that conflict, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(5) Vietnam conflict, on or after December 31, 1960, who shall have served at least 90 days beginning on or before May 7, 1975, in active service, exclusive of any period of assignment for a course of education or training under the Army Specialized Training Program or the Navy College Training Program, which course was a continuation of a civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, and exclusive of any service performed pursuant to the provisions of section 511(d) of Title 10, United States Code, or exclusive of any service performed pursuant to enlistment in the National Guard or the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve; except that any person receiving an actual service-incurred injury or disability shall be classed as a veteran, whether or not that person has completed the 90-day service as provided;

(6) Lebanon peacekeeping mission, on or after September 26, 1982, who has served in Lebanon or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before December 1, 1987 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination

is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(7) Grenada peacekeeping mission, on or after October 23, 1983, who has served in Grenada or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 21, 1983 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(8) Panama peacekeeping mission, on or after December 20, 1989 or the date of inception of that mission, as proclaimed by the President of the United States or Congress, whichever date of inception is earliest, who has served in Panama or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before January 31, 1990 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(9) Operation "Desert Shield/Desert Storm" mission in the Arabian peninsula and the Persian Gulf, on or after August 2, 1990 or the date of inception of that operation, as proclaimed by the President of the United States or Congress, whichever date of inception is earliest, who has served in the Arabian peninsula or on board any ship actively engaged in patrolling the Persian Gulf for a period, continuous or in the aggregate, of at least 14 days commencing on or before the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(10) Operation "Restore Hope" in Somalia, commencing on or after December 5, 1992, or the date of inception of that operation as proclaimed by the President of the United States or the Congress, whichever date is earliest, and terminating on March 31, 1994, or the date of termination as proclaimed by the President of the United States or the Congress, whichever date is latest, who served for at least 14 days, continuously or in the

aggregate, in Somalia or on board any ship actively engaged in patrolling the territorial waters of that nation during the specified period; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14-day service as herein provided;

(11) Operations "Joint Endeavor" and "Joint Guard" in the Republic of Bosnia and Herzegovina, commencing on or after November 20, 1995 or December 20, 1996, as the case may be, and terminating on December 20, 1996 or on such date as the United States Secretary of Defense may designate, as the case may be, who served in direct support of one or both of the operations for at least 14 days, continuously or in the aggregate, and (1) was deployed in that nation or in another area in the region, or (2) was on board a United States naval vessel operating in the Adriatic Sea, or (3) operated in airspace above the Republic of Bosnia and Herzegovina; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person completed the 14-day service requirement; and

(12) Operation "Uphold Democracy" in Haiti, commencing on or after September 19, 1994 and terminating on or before March 31, 1995 who served in Haiti or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuously or in the aggregate, of at least 14 days in such active service and who received an Armed Forces Expeditionary Medal for such service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided or received an Armed Forces Expeditionary Medal.

c. "War service" means service by a veteran in any war or conflict described in this chapter during the periods specified.

2. N.J.S.18A:66-2 is amended to read as follows:

Definitions.

18A:66-2. As used in this article:

a. "Accumulated deductions" means the sum of all the amounts, deducted from the compensation of a member or contributed by or in behalf of the member, including interest credited to January 1, 1956, standing to the credit of the member's individual account in the annuity savings fund.

b. "Annuity" means payments for life derived from the accumulated deductions of a member as provided in this article.

c. "Beneficiary" means any person receiving a retirement allowance or other benefit as provided in this article.

d. "Compensation" means the contractual salary, for services as a teacher as defined in this article, which is in accordance with established salary policies of the member's employer for all employees in the same position but shall not include individual salary adjustments which are granted primarily in anticipation of the member's retirement or additional remuneration for performing temporary or extracurricular duties beyond the regular school day or the regular school year.

e. "Employer" means the State, the board of education or any educational institution or agency of or within the State by which a teacher is paid.

f. "Final compensation" means the average annual compensation for which contributions are made for the three years of creditable service in New Jersey immediately preceding the member's retirement or death, or it shall mean the average annual compensation for New Jersey service for which contributions are made during any three fiscal years of his or her membership providing the largest possible benefit to the member or the member's beneficiary.

g. "Fiscal year" means any year commencing with July 1, and ending with June 30, next following.

h. "Pension" means payments for life derived from appropriations made by the State or employers to the Teachers' Pension and Annuity Fund.

i. "Annuity reserve" means the present value of all payments to be made on account of any annuity or benefit in lieu of an annuity, granted under the provisions of this article, computed on the basis of such mortality tables recommended by the actuary as the board of trustees adopts, with regular interest.

j. "Pension reserve" means the present value of all payments to be made on account of any pension or benefit in lieu of a pension granted to a member from the Teachers' Pension and Annuity Fund, computed on the basis of such mortality tables recommended by the actuary as the board of trustees adopts, with regular interest.

k. "Present-entrant" means any member of the Teachers' Pension and Annuity Fund who had established status as a "present-entrant member" of said fund prior to January 1, 1956.

l. "Rate of contribution initially certified" means the rate of contribution certified by the retirement system in accordance with N.J.S.18A:66-29.

m. "Regular interest" shall mean interest as determined by the State Treasurer, after consultation with the Directors of the Divisions of Investment and Pensions, the board of trustees and the actuary. It shall bear a reasonable relationship to the percentage rate of earnings on investments based on the market value of assets but shall not exceed the assumed percentage rate of increase applied to salaries plus 3%, provided however

that the board of trustees shall not set the average percentage rate of increase applied to salaries below 6%.

n. "Retirement allowance" means the pension plus the annuity.

o. "School service" means any service as a "teacher" as defined in this section.

p. "Teacher" means any regular teacher, special teacher, helping teacher, teacher clerk, principal, vice-principal, supervisor, supervising principal, director, superintendent, city superintendent, assistant city superintendent, county superintendent, State Commissioner or Assistant Commissioner of Education, members of the State Department of Education who are certificated, unclassified professional staff and other members of the teaching or professional staff of any class, public school, high school, normal school, model school, training school, vocational school, truant reformatory school, or parental school, and of any and all classes or schools within the State conducted under the order and superintendence, and wholly or partly at the expense of the State Board of Education, of a duly elected or appointed board of education, board of school directors, or board of trustees of the State or of any school district or normal school district thereof, and any persons under contract or engagement to perform one or more of these functions. It shall also mean any person who serves, while on an approved leave of absence from regular duties as a teacher, as an officer of a local, county or State labor organization which represents, or is affiliated with an organization which represents, teachers as defined in this subsection. No person shall be deemed a teacher within the meaning of this article who is a substitute teacher. In all cases of doubt the board of trustees shall determine whether any person is a teacher as defined in this article.

q. "Teachers' Pension and Annuity Fund," hereinafter referred to as the "retirement system" or "system," is the corporate name of the arrangement for the payment of retirement allowances and other benefits under the provisions of this article, including the several funds placed under said system. By that name all its business shall be transacted, its funds invested, warrants for money drawn, and payments made and all of its cash and securities and other property held.

r. "Veteran" means any honorably discharged officer, soldier, sailor, airman, marine or nurse who served in any Army, Air Force or Navy of the Allies of the United States in World War I between July 14, 1914, and November 11, 1918, or who served in any Army, Air Force or Navy of the Allies of the United States in World War II, between September 1, 1939, and September 2, 1945, and who was inducted into such service through voluntary enlistment, and was a citizen of the United States at the time of such enlistment, and who did not, during or by reason of such service, renounce or lose United States citizenship, and any officer, soldier, sailor,

marine, airman, nurse or army field clerk who has served in the active military or naval service of the United States and has or shall be discharged or released therefrom under conditions other than dishonorable, in any of the following wars, uprisings, insurrections, expeditions or emergencies, and who has presented to the retirement system evidence of such record of service in form and content satisfactory to said retirement system:

(1) The Indian wars and uprisings during any of the periods recognized by the War Department of the United States as periods of active hostility;

(2) The Spanish-American War between April 20, 1898, and April 11, 1899;

(3) The Philippine insurrections and expeditions during the periods recognized by the War Department of the United States as of active hostility from February 4, 1899, to the end of 1913;

(4) The Peking relief expedition between June 20, 1900, and May 27, 1902;

(5) The army of Cuban occupation between July 18, 1898, and May 20, 1902;

(6) The army of Cuban pacification between October 6, 1906, and April 1, 1909;

(7) The Mexican punitive expedition between March 14, 1916, and February 7, 1917;

(8) The Mexican border patrol, having actually participated in engagements against Mexicans between April 12, 1911, and June 16, 1919;

(9) World War I, between April 6, 1917, and November 11, 1918;

(10) World War II, between September 16, 1940, and December 31, 1946, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program, which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran, whether or not that person has completed the 90-day service as herein provided;

(11) Korean conflict on or after June 23, 1950, and on or prior to January 31, 1955, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program, which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; provided that any person receiving an actual service-incurred

injury or disability shall be classed as a veteran, whether or not that person has completed the 90-day service as herein provided; and provided further that any member classed as a veteran pursuant to this subsection prior to August 1, 1966, shall continue to be classed as a veteran, whether or not that person completed the 90-day service between said dates as herein provided;

(12) Lebanon crisis, on or after July 1, 1958, who has served in Lebanon or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 1, 1958 or the date of termination of that conflict, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(13) Vietnam conflict, on or after December 31, 1960, and on or prior to May 7, 1975, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program, which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; and exclusive of any service performed pursuant to the provisions of section 511(d) of Title 10, United States Code, pursuant to an enlistment in the Army National Guard or as a reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran, whether or not that person has completed the 90-day service as herein provided;

(14) Lebanon peacekeeping mission, on or after September 26, 1982, who has served in Lebanon or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before December 1, 1987 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(15) Grenada peacekeeping mission, on or after October 23, 1983, who has served in Grenada or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 21, 1983

or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(16) Panama peacekeeping mission, on or after December 20, 1989 or the date of inception of that mission, as proclaimed by the President of the United States or Congress, whichever date of inception is earliest, who has served in Panama or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before January 31, 1990 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(17) Operation "Desert Shield/Desert Storm" mission in the Arabian peninsula and the Persian Gulf, on or after August 2, 1990 or the date of inception of that operation, as proclaimed by the President of the United States or Congress, whichever date of inception is earliest, who has served in the Arabian peninsula or on board any ship actively engaged in patrolling the Persian Gulf for a period, continuous or in the aggregate, of at least 14 days commencing on or before the date of termination of that mission, as proclaimed by the President of the United States, Congress or the Governor, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided.

"Veteran" also means any honorably discharged member of the American Merchant Marine who served during World War II and is declared by the United States Department of Defense to be eligible for federal veterans' benefits.

s. "Child" means a deceased member's unmarried child either (a) under the age of 18 or (b) of any age who, at the time of the member's death, is disabled because of mental retardation or physical incapacity, is unable to do any substantial, gainful work because of the impairment and the impairment has lasted or can be expected to last for a continuous period of not less than 12 months, as affirmed by the medical board.

t. "Widower" means the man to whom a member was married at least five years before the date of her death and to whom she continued to be married until the date of her death and who was receiving at least one-half of his support from the member in the 12-month period immediately

preceding the member's death or the accident which was the direct cause of the member's death. The dependency of such a widower will be considered terminated by marriage of the widower subsequent to the death of the member. In the event of the payment of an accidental death benefit, the five-year qualification shall be waived.

u. "Widow" means the woman to whom a member was married at least five years before the date of his death and to whom he continued to be married until the date of his death and who was receiving at least one-half of her support from the member in the 12-month period immediately preceding the member's death or the accident which was the direct cause of the member's death. The dependency of such a widow will be considered terminated by the marriage of the widow subsequent to the member's death. In the event of the payment of an accidental death benefit, the five-year qualification shall be waived.

v. "Parent" means the parent of a member who was receiving at least one-half of the parent's support from the member in the 12-month period immediately preceding the member's death or the accident which was the direct cause of the member's death. The dependency of such a parent will be considered terminated by marriage of the parent subsequent to the death of the member.

w. "Medical board" means the board of physicians provided for in N.J.S.18A:66-56.

3. Section 6 of P.L.1954, c.84 (C.43:15A-6) is amended to read as follows:

C.43:15A-6 Definitions.

6. As used in this act:

a. "Accumulated deductions" means the sum of all the amounts, deducted from the compensation of a member or contributed by or on behalf of the member, standing to the credit of the member's individual account in the annuity savings fund.

b. "Annuity" means payments for life derived from the accumulated deductions of a member as provided in this act.

c. "Annuity reserve" means the present value of all payments to be made on account of any annuity or benefit in lieu of an annuity, granted under the provisions of this act, computed on the basis of such mortality tables recommended by the actuary as the board of trustees adopts, with regular interest.

d. "Beneficiary" means any person receiving a retirement allowance or other benefit as provided in this act.

e. "Child" means a deceased member's unmarried child either (1) under the age of 18 or (2) of any age who, at the time of the member's death, is disabled because of mental retardation or physical incapacity, is unable to do any substantial, gainful work because of the impairment and the impairment has lasted or can be expected to last for a continuous period of not less than 12 months, as affirmed by the medical board.

f. "Parent" shall mean the parent of a member who was receiving at least 1/2 of the parent's support from the member in the 12-month period immediately preceding the member's death or the accident which was the direct cause of the member's death. The dependency of such a parent will be considered terminated by marriage of the parent subsequent to the death of the member.

g. "Widower" means the man to whom a member was married at least five years before the date of her death and to whom she continued to be married until the date of her death and who was receiving at least 1/2 of his support from the member in the 12-month period immediately preceding the member's death or the accident which was the direct cause of the member's death. The dependency of such a widower will be considered terminated by marriage of the widower subsequent to the death of the member. In the event of the payment of an accidental death benefit, the five-year qualification shall be waived.

h. "Final compensation" means the average annual compensation for which contributions are made for the three years of creditable service in New Jersey immediately preceding the member's retirement or death, or it shall mean the average annual compensation for New Jersey service for which contributions are made during any three fiscal years of his or her membership providing the largest possible benefit to the member or the member's beneficiary.

i. "Fiscal year" means any year commencing with July 1 and ending with June 30 next following.

j. "Medical board" shall mean the board of physicians provided for in section 17 (C.43:15A-17).

k. "Pension" means payments for life derived from appropriations made by the employer as provided in this act.

l. "Pension reserve" means the present value of all payments to be made on account of any pension or benefit in lieu of a pension granted under the provisions of this act, computed on the basis of such mortality tables recommended by the actuary as the board of trustees adopts, with regular interest.

m. "Public Employees' Retirement System of New Jersey," hereinafter referred to as the "retirement system" or "system," is the corporate name of the arrangement for the payment of retirement allowances and other benefits

under the provisions of this act including the several funds placed under said system. By that name all of its business shall be transacted, its funds invested, warrants for money drawn, and payments made and all of its cash and securities and other property held.

n. "Regular interest" shall mean interest as determined by the State Treasurer, after consultation with the Directors of the Divisions of Investment and Pensions, the board of trustees and the actuary. It shall bear a reasonable relationship to the percentage rate of earnings on investments based on the market value of the assets but shall not exceed the assumed percentage rate of increase applied to salaries plus 3%, provided however that the board of trustees shall not set the average percentage rate of increase applied to salaries below 6%.

o. "Retirement allowance" means the pension plus the annuity.

p. "Veteran" means any honorably discharged officer, soldier, sailor, airman, marine or nurse who served in any Army, Air Force or Navy of the Allies of the United States in World War I, between July 14, 1914, and November 11, 1918, or who served in any Army, Air Force or Navy of the Allies of the United States in World War II, between September 1, 1939, and September 2, 1945, and who was inducted into such service through voluntary enlistment, and was a citizen of the United States at the time of such enlistment, and who did not, during or by reason of such service, renounce or lose United States citizenship, and any officer, soldier, sailor, marine, airman, nurse or army field clerk, who has served in the active military or naval service of the United States and has or shall be discharged or released therefrom under conditions other than dishonorable, in any of the following wars, uprisings, insurrections, expeditions, or emergencies, and who has presented to the retirement system evidence of such record of service in form and content satisfactory to said retirement system:

(1) The Indian wars and uprisings during any of the periods recognized by the War Department of the United States as periods of active hostility;

(2) The Spanish-American War between April 20, 1898, and April 11, 1899;

(3) The Philippine insurrections and expeditions during the periods recognized by the War Department of the United States as of active hostility from February 4, 1899, to the end of 1913;

(4) The Peking relief expedition between June 20, 1900, and May 27, 1902;

(5) The army of Cuban occupation between July 18, 1898, and May 20, 1902;

(6) The army of Cuban pacification between October 6, 1906, and April 1, 1909;

(7) The Mexican punitive expedition between March 14, 1916, and February 7, 1917;

(8) The Mexican border patrol, having actually participated in engagements against Mexicans between April 12, 1911, and June 16, 1919;

(9) World War I, between April 6, 1917, and November 11, 1918;

(10) World War II, between September 16, 1940, and December 31, 1946, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies any part of which 90 days was served between said dates; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 90-day service as herein provided;

(11) Korean conflict on or after June 23, 1950, and on or prior to January 31, 1955, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 90-day service as herein provided; and provided further, that any member classed as a veteran pursuant to this paragraph prior to August 1, 1966, shall continue to be classed as a veteran whether or not that person completed the 90-day service between said dates as herein provided;

(12) Lebanon crisis, on or after July 1, 1958, who has served in Lebanon or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 1, 1958 or the date of termination of that conflict, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(13) Vietnam conflict on or after December 31, 1960, and on or prior to May 7, 1975, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program which course was a continuation of a civilian

course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; and exclusive of any service performed pursuant to the provisions of section 511(d) of Title 10, United States Code, pursuant to an enlistment in the Army National Guard or as a reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 90 days' service as herein provided;

(14) Lebanon peacekeeping mission, on or after September 26, 1982, who has served in Lebanon or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before December 1, 1987 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(15) Grenada peacekeeping mission, on or after October 23, 1983, who has served in Grenada or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 21, 1983 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(16) Panama peacekeeping mission, on or after December 20, 1989 or the date of inception of that mission, as proclaimed by the President of the United States or Congress, whichever date of inception is earliest, who has served in Panama or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before January 31, 1990 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(17) Operation "Desert Shield/Desert Storm" mission in the Arabian peninsula and the Persian Gulf, on or after August 2, 1990 or the date of inception of that operation, as proclaimed by the President of the United

States, Congress or the Governor, whichever date of inception is earliest, who has served in the Arabian peninsula or on board any ship actively engaged in patrolling the Persian Gulf for a period, continuous or in the aggregate, of at least 14 days commencing on or before the date of termination of that mission, as proclaimed by the President of the United States, Congress or the Governor, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided.

"Veteran" also means any honorably discharged member of the American Merchant Marine who served during World War II and is declared by the United States Department of Defense to be eligible for federal veterans' benefits.

q. "Widow" means the woman to whom a member was married at least five years before the date of his death and to whom he continued to be married until the date of his death and who was receiving at least 1/2 of her support from the member in the 12-month period immediately preceding the member's death or the accident which was the direct cause of the member's death. The dependency of such a widow will be considered terminated by the marriage of the widow subsequent to the member's death. In the event of the payment of an accidental death benefit, the five-year qualification shall be waived.

r. "Compensation" means the base or contractual salary, for services as an employee, which is in accordance with established salary policies of the member's employer for all employees in the same position but shall not include individual salary adjustments which are granted primarily in anticipation of the member's retirement or additional remuneration for performing temporary or extracurricular duties beyond the regular workday or the regular work year. In cases where salary includes maintenance, the retirement system shall fix the value of that part of the salary not paid in money which shall be considered under this act.

C.43:15A-24a State liable for increased cost to government employers for veterans of Lebanon crisis.

4. The State shall be liable for any increased cost to local government employers participating in the Public Employees' Retirement System, established pursuant to P.L.1954, c.84 (C.43:15A-1 et seq.), as a result of the provisions of this act, P.L.2001, c.127.

5. Section 1 of P.L.1983, c.391 (C.43:16A-11.7) is amended to read as follows:

C.43:16A-11.7 Definition of veteran.

1. For purposes of this act "veteran" means any honorably discharged officer, soldier, sailor, airman, marine or nurse who served in any Army, Air Force or Navy of the Allies of the United States in World War I, between July 14, 1914, and November 11, 1918, or who served in any Army, Air Force or Navy of the Allies of the United States in World War II, between September 1, 1939, and September 2, 1945, and who was inducted into such service through voluntary enlistment, and was a citizen of the United States at the time of such enlistment, and who did not, during or by reason of such service, renounce or lose United States citizenship, and any officer, soldier, sailor, marine, airman, nurse or army field clerk, who has served in the active military or naval service of the United States and has or shall be discharged or released therefrom under conditions other than dishonorable, in any of the following wars, uprisings, insurrections, expeditions, or emergencies, and who has presented to the retirement system evidence of such record of service in form and content satisfactory to said retirement system:

(1) The Indian wars and uprisings during any of the periods recognized by the War Department of the United States as periods of active hostility;

(2) The Spanish-American War between April 20, 1898, and April 11, 1899;

(3) The Philippine insurrections and expeditions during the periods recognized by the War Department of the United States as of active hostility from February 4, 1899, to the end of 1913;

(4) The Peking relief expedition between June 20, 1900, and May 27, 1902;

(5) The army of Cuban occupation between July 18, 1898, and May 20, 1902;

(6) The army of Cuban pacification between October 6, 1906, and April 1, 1909;

(7) The Mexican punitive expedition between March 14, 1916, and February 7, 1917;

(8) The Mexican border patrol, having actually participated in engagements against Mexicans between April 12, 1911, and June 16, 1919;

(9) World War I between April 6, 1917, and November 11, 1918;

(10) World War II, between September 16, 1940, and December 31, 1946, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training program which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies any part of which 90 days was served between said dates;

provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 90-day service as herein provided;

(11) Korean conflict on or after June 23, 1950, and on or prior to January 31, 1955, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 90-day service as herein provided; and provided further, that any member classed as a veteran pursuant to this subparagraph prior to August 1, 1966, shall continue to be classed as a veteran whether or not the member completed the 90-day service between said dates as herein provided;

(12) Lebanon crisis, on or after July 1, 1958, who has served in Lebanon or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 1, 1958 or the date of termination of that conflict, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(13) Vietnam conflict on or after December 31, 1960, and on or prior to May 7, 1975, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; and exclusive of any service performed pursuant to the provisions of section 511 (d) of Title 10, United States Code, pursuant to an enlistment in the Army National Guard or as a reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 90 days' service as herein provided;

(14) Lebanon peacekeeping mission, on or after September 26, 1982, who has served in Lebanon or on board any ship actively engaged in

patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before December 1, 1987 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(15) Grenada peacekeeping mission, on or after October 23, 1983, who has served in Grenada or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 21, 1983 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(16) Panama peacekeeping mission, on or after December 20, 1989 or the date of inception of that mission, as proclaimed by the President of the United States or Congress, whichever date of inception is earliest, who has served in Panama or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before January 31, 1990 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(17) Operation "Desert Shield/Desert Storm" mission in the Arabian peninsula and the Persian Gulf, on or after August 2, 1990 or the date of inception of that operation, as proclaimed by the President of the United States or Congress, whichever date of inception is earliest, who has served in the Arabian peninsula or on board any ship actively engaged in patrolling the Persian Gulf for a period, continuous or in the aggregate, of at least 14 days commencing on or before the date of termination of that mission, as proclaimed by the President of the United States, Congress or the Governor, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided.

"Veteran" also means any honorably discharged member of the American Merchant Marine who served during World War II and is

declared by the United States Department of Defense to be eligible for federal veterans' benefits.

6. Section 1 of P.L.1963, c.171 (C.54:4-8.10) is amended to read as follows:

C.54:4-8.10 Definitions.

1. (a) "Active service in time of war" means active service at some time during one of the following periods:

Operation "Restore Hope" in Somalia, commencing on or after December 5, 1992, or the date of inception of that operation as proclaimed by the President of the United States or the Congress, whichever date is earliest, and terminating on March 31, 1994, or the date of termination as proclaimed by the President of the United States or the Congress, whichever date is latest, who served for at least 14 days, continuously or in the aggregate, in Somalia or on board any ship actively engaged in patrolling the territorial waters of that nation during the specified period; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14-day service as herein provided;

Operations "Joint Endeavor" and "Joint Guard" in the Republic of Bosnia and Herzegovina, commencing on or after November 20, 1995 or December 20, 1996, as the case may be, and terminating on December 20, 1996 or on such date as the United States Secretary of Defense may designate, as the case may be, who served in direct support of one or both of the operations for at least 14 days, continuously or in the aggregate, and (1) was deployed in that nation or in another area in the region, or (2) was on board a United States naval vessel operating in the Adriatic Sea, or (3) operated in airspace above the Republic of Bosnia and Herzegovina; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person completed the 14-day service requirement;

Operation "Desert Shield/Desert Storm" mission in the Arabian peninsula and the Persian Gulf, on or after August 2, 1990 or the date of inception of that operation, as proclaimed by the President of the United States or Congress, whichever date of inception is earliest, who has served in the Arabian peninsula or on board any ship actively engaged in patrolling the Persian Gulf for a period, continuous or in the aggregate, of at least 14 days commencing on or before the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be

classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

The Panama peacekeeping mission, on or after December 20, 1989 or the date of inception of that mission, as proclaimed by the President of the United States or Congress, whichever date of inception is earliest, who has served in Panama or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before January 31, 1990 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

The Grenada peacekeeping mission, on or after October 23, 1983, who has served in Grenada or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 21, 1983 or the date of termination of that mission as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

The Lebanon peacekeeping mission, on or after September 26, 1982, who has served in Lebanon or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before December 1, 1987 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

The Vietnam conflict, December 31, 1960, to May 7, 1975;

The Lebanon crisis, on or after July 1, 1958, who has served in Lebanon or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 1, 1958 or the date of termination of that conflict, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

The Korean conflict, June 23, 1950 to January 31, 1955;

World War II, September 16, 1940 to December 31, 1946;

World War I, April 6, 1917 to November 11, 1918, and in the case of service with the United States military forces in Russia, April 6, 1917 to April 1, 1920;

Spanish-American War, April 21, 1898 to August 13, 1898;

Civil War, April 15, 1861 to May 26, 1865; or, as to any subsequent war, during the period from the date of declaration of war to the date on which actual hostilities shall cease.

(b) "Assessor" means the assessor, board of assessors or any other official or body of a taxing district charged with the duty of assessing real and personal property for the purpose of general taxation.

(c) "Collector" means the collector or receiver of taxes of a taxing district.

(d) "Honorably discharged or released under honorable circumstances from active service in time of war," means and includes every form of separation from active, full-time duty with military or naval pay and allowances in some branch of the Armed Forces of the United States in time of war, other than those marked "dishonorable," "undesirable," "bad conduct," "by sentence of general court martial," "by sentence of summary court martial" or similar expression indicating that the discharge or release was not under honorable circumstances. A disenrollment certificate or other form of release terminating temporary service in a military or naval branch of the armed forces rendered on a voluntary and part-time basis without pay, or a release from or deferment of induction into the active military or naval service shall not be deemed to be included in the aforementioned phrase.

(e) "Pre-tax year" means the particular calendar year immediately preceding the "tax year."

(f) "Resident" means one legally domiciled within the State of New Jersey. Mere seasonal or temporary residence within the State, of whatever duration, shall not constitute domicile within the State for the purposes of this act. Absence from this State for a period of 12 months shall be prima facie evidence of abandonment of domicile in this State. The burden of establishing legal domicile within the State shall be upon the claimant.

(g) "Tax year" means the particular calendar year in which the general property tax is due and payable.

(h) "Veteran" means any citizen and resident of this State honorably discharged or released under honorable circumstances from active service in time of war in any branch of the Armed Forces of the United States.

(i) "Veteran's deduction" means the deduction against the taxes payable by any person, allowable pursuant to this act.

(j) "Surviving spouse" means the surviving wife or husband of any of the following, while he or she is a resident of this State, during widowhood or widowerhood:

1. A citizen and resident of this State who has died or shall die while on active duty in time of war in any branch of the Armed Forces of the United States; or

2. A citizen and resident of this State who has had or shall hereafter have active service in time of war in any branch of the Armed Forces of the United States and who died or shall die while on active duty in a branch of the Armed Forces of the United States; or

3. A citizen and resident of this State who has been or may hereafter be honorably discharged or released under honorable circumstances from active service in time of war in any branch of the Armed Forces of the United States.

(k) "Cooperative" means a housing corporation or association incorporated or organized under the laws of New Jersey which entitles a shareholder thereof to possess and occupy for dwelling purposes a house, apartment or other structure owned or leased by the corporation or association.

(l) "Mutual housing corporation" means a corporation not-for-profit incorporated under the laws of New Jersey on a mutual or cooperative basis within the scope of section 607 of the "National Defense Housing Act," Pub.L.76-849 (42 U.S.C.s.1521 et seq.), which acquired a National Defense Housing Project pursuant to that act.

7. This act shall take effect immediately.

Approved June 28, 2001.

CHAPTER 128

AN ACT concerning the qualification of certain persons as veterans for certain purposes, amending N.J.S.18A:66-2, and amending and supplementing P.L.1954, c.84 and P.L.1983, c.391.

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

1. N.J.S.18A:66-2 is amended to read as follows:

Definitions.

18A:66-2. As used in this article:

a. "Accumulated deductions" means the sum of all the amounts, deducted from the compensation of a member or contributed by or in behalf of the member, including interest credited to January 1, 1956, standing to the credit of the member's individual account in the annuity savings fund.

b. "Annuity" means payments for life derived from the accumulated deductions of a member as provided in this article.

c. "Beneficiary" means any person receiving a retirement allowance or other benefit as provided in this article.

d. "Compensation" means the contractual salary, for services as a teacher as defined in this article, which is in accordance with established salary policies of the member's employer for all employees in the same position but shall not include individual salary adjustments which are granted primarily in anticipation of the member's retirement or additional remuneration for performing temporary or extracurricular duties beyond the regular school day or the regular school year.

e. "Employer" means the State, the board of education or any educational institution or agency of or within the State by which a teacher is paid.

f. "Final compensation" means the average annual compensation for which contributions are made for the three years of creditable service in New Jersey immediately preceding the member's retirement or death, or it shall mean the average annual compensation for New Jersey service for which contributions are made during any three fiscal years of his or her membership providing the largest possible benefit to the member or the member's beneficiary.

g. "Fiscal year" means any year commencing with July 1, and ending with June 30, next following.

h. "Pension" means payments for life derived from appropriations made by the State or employers to the Teachers' Pension and Annuity Fund.

i. "Annuity reserve" means the present value of all payments to be made on account of any annuity or benefit in lieu of an annuity, granted under the provisions of this article, computed on the basis of such mortality tables recommended by the actuary as the board of trustees adopts, with regular interest.

j. "Pension reserve" means the present value of all payments to be made on account of any pension or benefit in lieu of a pension granted to a member from the Teachers' Pension and Annuity Fund, computed on the basis of such mortality tables recommended by the actuary as the board of trustees adopts, with regular interest.

k. "Present-entrant" means any member of the Teachers' Pension and Annuity Fund who had established status as a "present-entrant member" of said fund prior to January 1, 1956.

l. "Rate of contribution initially certified" means the rate of contribution certified by the retirement system in accordance with N.J.S.18A:66-29.

m. "Regular interest" shall mean interest as determined by the State Treasurer, after consultation with the Directors of the Divisions of Investment and Pensions, the board of trustees and the actuary. It shall bear a reasonable relationship to the percentage rate of earnings on investments based on the market value of assets but shall not exceed the assumed percentage rate of increase applied to salaries plus 3%, provided however that the board of trustees shall not set the average percentage rate of increase applied to salaries below 6%.

n. "Retirement allowance" means the pension plus the annuity.

o. "School service" means any service as a "teacher" as defined in this section.

p. "Teacher" means any regular teacher, special teacher, helping teacher, teacher clerk, principal, vice-principal, supervisor, supervising principal, director, superintendent, city superintendent, assistant city superintendent, county superintendent, State Commissioner or Assistant Commissioner of Education, members of the State Department of Education who are certificated, unclassified professional staff and other members of the teaching or professional staff of any class, public school, high school, normal school, model school, training school, vocational school, truant reformatory school, or parental school, and of any and all classes or schools within the State conducted under the order and superintendence, and wholly or partly at the expense of the State Board of Education, of a duly elected or appointed board of education, board of school directors, or board of trustees of the State or of any school district or normal school district thereof, and any persons under contract or engagement to perform one or more of these functions. It shall also mean any person who serves, while on an approved leave of absence from regular duties as a teacher, as an officer of a local, county or State labor organization which represents, or is affiliated with an organization which represents, teachers as defined in this subsection. No person shall be deemed a teacher within the meaning of this article who is a substitute teacher. In all cases of doubt the board of trustees shall determine whether any person is a teacher as defined in this article.

q. "Teachers' Pension and Annuity Fund," hereinafter referred to as the "retirement system" or "system," is the corporate name of the arrangement for the payment of retirement allowances and other benefits under the provisions of this article, including the several funds placed under said system. By that name all its business shall be transacted, its funds invested, warrants for money drawn, and payments made and all of its cash and securities and other property held.

r. "Veteran" means any honorably discharged officer, soldier, sailor, airman, marine or nurse who served in any Army, Air Force or Navy of the Allies of the United States in World War I between July 14, 1914, and November 11, 1918, or who served in any Army, Air Force or Navy of the Allies of the United States in World War II, between September 1, 1939, and September 2, 1945, and who was inducted into such service through voluntary enlistment, and was a citizen of the United States at the time of such enlistment, and who did not, during or by reason of such service, renounce or lose United States citizenship, and any officer, soldier, sailor, marine, airman, nurse or army field clerk who has served in the active military or naval service of the United States and has or shall be discharged or released therefrom under conditions other than dishonorable, in any of the following wars, uprisings, insurrections, expeditions or emergencies, and who has presented to the retirement system evidence of such record of service in form and content satisfactory to said retirement system:

(1) The Indian wars and uprisings during any of the periods recognized by the War Department of the United States as periods of active hostility;

(2) The Spanish-American War between April 20, 1898, and April 11, 1899;

(3) The Philippine insurrections and expeditions during the periods recognized by the War Department of the United States as of active hostility from February 4, 1899, to the end of 1913;

(4) The Peking relief expedition between June 20, 1900, and May 27, 1902;

(5) The army of Cuban occupation between July 18, 1898, and May 20, 1902;

(6) The army of Cuban pacification between October 6, 1906, and April 1, 1909;

(7) The Mexican punitive expedition between March 14, 1916, and February 7, 1917;

(8) The Mexican border patrol, having actually participated in engagements against Mexicans between April 12, 1911, and June 16, 1919;

(9) World War I, between April 6, 1917, and November 11, 1918;

(10) World War II, between September 16, 1940, and December 31, 1946, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program, which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; provided that any person receiving an actual service-incurred injury

or disability shall be classed as a veteran, whether or not that person has completed the 90-day service as herein provided;

(11) Korean conflict on or after June 23, 1950, and on or prior to January 31, 1955, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program, which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran, whether or not that person has completed the 90-day service as herein provided; and provided further that any member classed as a veteran pursuant to this subsection prior to August 1, 1966, shall continue to be classed as a veteran, whether or not that person completed the 90-day service between said dates as herein provided;

(12) Lebanon crisis, on or after July 1, 1958, who has served in Lebanon or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 1, 1958 or the date of termination of that conflict, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(13) Vietnam conflict, on or after December 31, 1960, and on or prior to May 7, 1975, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program, which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; and exclusive of any service performed pursuant to the provisions of section 511(d) of Title 10, United States Code, pursuant to an enlistment in the Army National Guard or as a reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran, whether or not that person has completed the 90-day service as herein provided;

(14) Lebanon peacekeeping mission, on or after September 26, 1982, who has served in Lebanon or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before December 1,

1987 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(15) Grenada peacekeeping mission, on or after October 23, 1983, who has served in Grenada or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 21, 1983 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(16) Panama peacekeeping mission, on or after December 20, 1989 or the date of inception of that mission, as proclaimed by the President of the United States or Congress, whichever date of inception is earliest, who has served in Panama or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before January 31, 1990 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(17) Operation "Desert Shield/Desert Storm" mission in the Arabian peninsula and the Persian Gulf, on or after August 2, 1990 or the date of inception of that operation, as proclaimed by the President of the United States or Congress, whichever date of inception is earliest, who has served in the Arabian peninsula or on board any ship actively engaged in patrolling the Persian Gulf for a period, continuous or in the aggregate, of at least 14 days commencing on or before the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(18) Operation "Restore Hope" in Somalia, commencing on or after December 5, 1992, or the date of inception of that operation as proclaimed by the President of the United States or the Congress, whichever date is earliest, and terminating on March 31, 1994, or the date of termination as

proclaimed by the President of the United States or the Congress, whichever date is latest, who served for at least 14 days, continuously or in the aggregate, in Somalia or on board any ship actively engaged in patrolling the territorial waters of that nation during the specified period; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14-day service as herein provided;

(19) Operations "Joint Endeavor" and "Joint Guard" in the Republic of Bosnia and Herzegovina, commencing on or after November 20, 1995 or December 20, 1996, as the case may be, and terminating on December 20, 1996 or on such date as the United States Secretary of Defense may designate, as the case may be, who served in direct support of one or both of the operations for at least 14 days, continuously or in the aggregate, and (1) was deployed in that nation or in another area in the region, or (2) was on board a United States naval vessel operating in the Adriatic Sea, or (3) operated in airspace above the Republic of Bosnia and Herzegovina; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person completed the 14-day service requirement.

"Veteran" also means any honorably discharged member of the American Merchant Marine who served during World War II and is declared by the United States Department of Defense to be eligible for federal veterans' benefits.

s. "Child" means a deceased member's unmarried child either (a) under the age of 18 or (b) of any age who, at the time of the member's death, is disabled because of mental retardation or physical incapacity, is unable to do any substantial, gainful work because of the impairment and the impairment has lasted or can be expected to last for a continuous period of not less than 12 months, as affirmed by the medical board.

t. "Widower" means the man to whom a member was married at least five years before the date of her death and to whom she continued to be married until the date of her death and who was receiving at least one-half of his support from the member in the 12-month period immediately preceding the member's death or the accident which was the direct cause of the member's death. The dependency of such a widower will be considered terminated by marriage of the widower subsequent to the death of the member. In the event of the payment of an accidental death benefit, the five-year qualification shall be waived.

u. "Widow" means the woman to whom a member was married at least five years before the date of his death and to whom he continued to be married until the date of his death and who was receiving at least one-half of her support from the member in the 12-month period immediately

preceding the member's death or the accident which was the direct cause of the member's death. The dependency of such a widow will be considered terminated by the marriage of the widow subsequent to the member's death. In the event of the payment of an accidental death benefit, the five-year qualification shall be waived.

v. "Parent" means the parent of a member who was receiving at least one-half of the parent's support from the member in the 12-month period immediately preceding the member's death or the accident which was the direct cause of the member's death. The dependency of such a parent will be considered terminated by marriage of the parent subsequent to the death of the member.

w. "Medical board" means the board of physicians provided for in N.J.S.18A:66-56.

2. Section 6 of P.L.1954, c.84 (C.43:15A-6) is amended to read as follows:

C.43:15A-6 Definitions.

6. As used in this act:

a. "Accumulated deductions" means the sum of all the amounts, deducted from the compensation of a member or contributed by or on behalf of the member, standing to the credit of the member's individual account in the annuity savings fund.

b. "Annuity" means payments for life derived from the accumulated deductions of a member as provided in this act.

c. "Annuity reserve" means the present value of all payments to be made on account of any annuity or benefit in lieu of an annuity, granted under the provisions of this act, computed on the basis of such mortality tables recommended by the actuary as the board of trustees adopts, with regular interest.

d. "Beneficiary" means any person receiving a retirement allowance or other benefit as provided in this act.

e. "Child" means a deceased member's unmarried child either (1) under the age of 18 or (2) of any age who, at the time of the member's death, is disabled because of mental retardation or physical incapacity, is unable to do any substantial, gainful work because of the impairment and the impairment has lasted or can be expected to last for a continuous period of not less than 12 months, as affirmed by the medical board.

f. "Parent" shall mean the parent of a member who was receiving at least 1/2 of the parent's support from the member in the 12-month period immediately preceding the member's death or the accident which was the direct cause of the member's death. The dependency of such a parent will

be considered terminated by marriage of the parent subsequent to the death of the member.

g. "Widower" means the man to whom a member was married at least five years before the date of her death and to whom she continued to be married until the date of her death and who was receiving at least 1/2 of his support from the member in the 12-month period immediately preceding the member's death or the accident which was the direct cause of the member's death. The dependency of such a widower will be considered terminated by marriage of the widower subsequent to the death of the member. In the event of the payment of an accidental death benefit, the five-year qualification shall be waived.

h. "Final compensation" means the average annual compensation for which contributions are made for the three years of creditable service in New Jersey immediately preceding the member's retirement or death, or it shall mean the average annual compensation for New Jersey service for which contributions are made during any three fiscal years of his or her membership providing the largest possible benefit to the member or the member's beneficiary.

i. "Fiscal year" means any year commencing with July 1 and ending with June 30 next following.

j. "Medical board" shall mean the board of physicians provided for in section 17 (C.43:15A-17).

k. "Pension" means payments for life derived from appropriations made by the employer as provided in this act.

l. "Pension reserve" means the present value of all payments to be made on account of any pension or benefit in lieu of a pension granted under the provisions of this act, computed on the basis of such mortality tables recommended by the actuary as the board of trustees adopts, with regular interest.

m. "Public Employees' Retirement System of New Jersey," hereinafter referred to as the "retirement system" or "system," is the corporate name of the arrangement for the payment of retirement allowances and other benefits under the provisions of this act including the several funds placed under said system. By that name all of its business shall be transacted, its funds invested, warrants for money drawn, and payments made and all of its cash and securities and other property held.

n. "Regular interest" shall mean interest as determined by the State Treasurer, after consultation with the Directors of the Divisions of Investment and Pensions, the board of trustees and the actuary. It shall bear a reasonable relationship to the percentage rate of earnings on investments based on the market value of the assets but shall not exceed the assumed percentage rate of increase applied to salaries plus 3%, provided however

that the board of trustees shall not set the average percentage rate of increase applied to salaries below 6%.

o. "Retirement allowance" means the pension plus the annuity.

p. "Veteran" means any honorably discharged officer, soldier, sailor, airman, marine or nurse who served in any Army, Air Force or Navy of the Allies of the United States in World War I, between July 14, 1914, and November 11, 1918, or who served in any Army, Air Force or Navy of the Allies of the United States in World War II, between September 1, 1939, and September 2, 1945, and who was inducted into such service through voluntary enlistment, and was a citizen of the United States at the time of such enlistment, and who did not, during or by reason of such service, renounce or lose United States citizenship, and any officer, soldier, sailor, marine, airman, nurse or army field clerk, who has served in the active military or naval service of the United States and has or shall be discharged or released therefrom under conditions other than dishonorable, in any of the following wars, uprisings, insurrections, expeditions, or emergencies, and who has presented to the retirement system evidence of such record of service in form and content satisfactory to said retirement system:

(1) The Indian wars and uprisings during any of the periods recognized by the War Department of the United States as periods of active hostility;

(2) The Spanish-American War between April 20, 1898, and April 11, 1899;

(3) The Philippine insurrections and expeditions during the periods recognized by the War Department of the United States as of active hostility from February 4, 1899, to the end of 1913;

(4) The Peking relief expedition between June 20, 1900, and May 27, 1902;

(5) The army of Cuban occupation between July 18, 1898, and May 20, 1902;

(6) The army of Cuban pacification between October 6, 1906, and April 1, 1909;

(7) The Mexican punitive expedition between March 14, 1916, and February 7, 1917;

(8) The Mexican border patrol, having actually participated in engagements against Mexicans between April 12, 1911, and June 16, 1919;

(9) World War I, between April 6, 1917, and November 11, 1918;

(10) World War II, between September 16, 1940, and December 31, 1946, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the

service academies any part of which 90 days was served between said dates; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 90-day service as herein provided;

(11) Korean conflict on or after June 23, 1950, and on or prior to January 31, 1955, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 90-day service as herein provided; and provided further, that any member classed as a veteran pursuant to this paragraph prior to August 1, 1966, shall continue to be classed as a veteran whether or not that person completed the 90-day service between said dates as herein provided;

(12) Lebanon crisis, on or after July 1, 1958, who has served in Lebanon or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 1, 1958 or the date of termination of that conflict, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(13) Vietnam conflict on or after December 31, 1960, and on or prior to May 7, 1975, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; and exclusive of any service performed pursuant to the provisions of section 511(d) of Title 10, United States Code, pursuant to an enlistment in the Army National Guard or as a reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 90 days' service as herein provided;

(14) Lebanon peacekeeping mission, on or after September 26, 1982, who has served in Lebanon or on board any ship actively engaged in

patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before December 1, 1987 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(15) Grenada peacekeeping mission, on or after October 23, 1983, who has served in Grenada or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 21, 1983 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(16) Panama peacekeeping mission, on or after December 20, 1989 or the date of inception of that mission, as proclaimed by the President of the United States or Congress, whichever date of inception is earliest, who has served in Panama or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before January 31, 1990 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(17) Operation "Desert Shield/Desert Storm" mission in the Arabian peninsula and the Persian Gulf, on or after August 2, 1990 or the date of inception of that operation, as proclaimed by the President of the United States, Congress or the Governor, whichever date of inception is earliest, who has served in the Arabian peninsula or on board any ship actively engaged in patrolling the Persian Gulf for a period, continuous or in the aggregate, of at least 14 days commencing on or before the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(18) Operation "Restore Hope" in Somalia, commencing on or after December 5, 1992, or the date of inception of that operation as proclaimed

by the President of the United States or the Congress, whichever date is earliest, and terminating on March 31, 1994, or the date of termination as proclaimed by the President of the United States or the Congress, whichever date is latest, who served for at least 14 days, continuously or in the aggregate, in Somalia or on board any ship actively engaged in patrolling the territorial waters of that nation during the specified period; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14-day service as herein provided;

(19) Operations "Joint Endeavor" and "Joint Guard" in the Republic of Bosnia and Herzegovina, commencing on or after November 20, 1995 or December 20, 1996, as the case may be, and terminating on December 20, 1996 or on such date as the United States Secretary of Defense may designate, as the case may be, who served in direct support of one or both of the operations for at least 14 days, continuously or in the aggregate, and (1) was deployed in that nation or in another area in the region, or (2) was on board a United States naval vessel operating in the Adriatic Sea, or (3) operated in airspace above the Republic of Bosnia and Herzegovina; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person completed the 14-day service requirement.

"Veteran" also means any honorably discharged member of the American Merchant Marine who served during World War II and is declared by the United States Department of Defense to be eligible for federal veterans' benefits.

q. "Widow" means the woman to whom a member was married at least five years before the date of his death and to whom he continued to be married until the date of his death and who was receiving at least 1/2 of her support from the member in the 12-month period immediately preceding the member's death or the accident which was the direct cause of the member's death. The dependency of such a widow will be considered terminated by the marriage of the widow subsequent to the member's death. In the event of the payment of an accidental death benefit, the five-year qualification shall be waived.

r. "Compensation" means the base or contractual salary, for services as an employee, which is in accordance with established salary policies of the member's employer for all employees in the same position but shall not include individual salary adjustments which are granted primarily in anticipation of the member's retirement or additional remuneration for performing temporary or extracurricular duties beyond the regular workday or the regular work year. In cases where salary includes maintenance, the

retirement system shall fix the value of that part of the salary not paid in money which shall be considered under this act.

C.43:15A-24b State liable for increased cost to government employers for veterans of operations Restore Hope, Joint Endeavor and Joint Guard.

3. The State shall be liable for any increased cost to local government employers participating in the Public Employees' Retirement System, established pursuant to P.L.1954, c.84 (C.43:15A-1 et seq.), as a result of the provisions of this act, P.L.2001, c.128.

4. Section 1 of P.L.1983, c.391 (C.43:16A-11.7) is amended to read as follows:

C.43:16A-11.7 Definition of veteran.

1. For purposes of this act "veteran" means any honorably discharged officer, soldier, sailor, airman, marine or nurse who served in any Army, Air Force or Navy of the Allies of the United States in World War I, between July 14, 1914, and November 11, 1918, or who served in any Army, Air Force or Navy of the Allies of the United States in World War II, between September 1, 1939, and September 2, 1945, and who was inducted into such service through voluntary enlistment, and was a citizen of the United States at the time of such enlistment, and who did not, during or by reason of such service, renounce or lose United States citizenship, and any officer, soldier, sailor, marine, airman, nurse or army field clerk, who has served in the active military or naval service of the United States and has or shall be discharged or released therefrom under conditions other than dishonorable, in any of the following wars, uprisings, insurrections, expeditions, or emergencies, and who has presented to the retirement system evidence of such record of service in form and content satisfactory to said retirement system:

(1) The Indian wars and uprisings during any of the periods recognized by the War Department of the United States as periods of active hostility;

(2) The Spanish-American War between April 20, 1898, and April 11, 1899;

(3) The Philippine insurrections and expeditions during the periods recognized by the War Department of the United States as of active hostility from February 4, 1899, to the end of 1913;

(4) The Peking relief expedition between June 20, 1900, and May 27, 1902;

(5) The army of Cuban occupation between July 18, 1898, and May 20, 1902;

(6) The army of Cuban pacification between October 6, 1906, and April 1, 1909;

(7) The Mexican punitive expedition between March 14, 1916, and February 7, 1917;

(8) The Mexican border patrol, having actually participated in engagements against Mexicans between April 12, 1911, and June 16, 1919;

(9) World War I between April 6, 1917, and November 11, 1918;

(10) World War II, between September 16, 1940, and December 31, 1946, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training program which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies any part of which 90 days was served between said dates; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 90-day service as herein provided;

(11) Korean conflict on or after June 23, 1950, and on or prior to January 31, 1955, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 90-day service as herein provided; and provided further, that any member classed as a veteran pursuant to this subparagraph prior to August 1, 1966, shall continue to be classed as a veteran whether or not the member completed the 90-day service between said dates as herein provided;

(12) Lebanon crisis, on or after July 1, 1958, who has served in Lebanon or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 1, 1958 or the date of termination of that conflict, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(13) Vietnam conflict on or after December 31, 1960, and on or prior to May 7, 1975, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy

College Training Program which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; and exclusive of any service performed pursuant to the provisions of section 511 (d) of Title 10, United States Code, pursuant to an enlistment in the Army National Guard or as a reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 90 days' service as herein provided;

(14) Lebanon peacekeeping mission, on or after September 26, 1982, who has served in Lebanon or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before December 1, 1987 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(15) Grenada peacekeeping mission, on or after October 23, 1983, who has served in Grenada or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 21, 1983 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(16) Panama peacekeeping mission, on or after December 20, 1989 or the date of inception of that mission, as proclaimed by the President of the United States or Congress, whichever date of inception is earliest, who has served in Panama or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before January 31, 1990 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(17) Operation "Desert Shield/Desert Storm" mission in the Arabian peninsula and the Persian Gulf, on or after August 2, 1990 or the date of

inception of that operation, as proclaimed by the President of the United States or Congress, whichever date of inception is earliest, who has served in the Arabian peninsula or on board any ship actively engaged in patrolling the Persian Gulf for a period, continuous or in the aggregate, of at least 14 days commencing on or before the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(18) Operation "Restore Hope" in Somalia, commencing on or after December 5, 1992, or the date of inception of that operation as proclaimed by the President of the United States or the Congress, whichever date is earliest, and terminating on March 31, 1994, or the date of termination as proclaimed by the President of the United States or the Congress, whichever date is latest, who served for at least 14 days, continuously or in the aggregate, in Somalia or on board any ship actively engaged in patrolling the territorial waters of that nation during the specified period; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14-day service as herein provided;

(19) Operations "Joint Endeavor" and "Joint Guard" in the Republic of Bosnia and Herzegovina, commencing on or after November 20, 1995 or December 20, 1996, as the case may be, and terminating on December 20, 1996 or on such date as the United States Secretary of Defense may designate, as the case may be, who served in direct support of one or both of the operations for at least 14 days, continuously or in the aggregate, and (1) was deployed in that nation or in another area in the region, or (2) was on board a United States naval vessel operating in the Adriatic Sea, or (3) operated in airspace above the Republic of Bosnia and Herzegovina; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person completed the 14-day service requirement.

"Veteran" also means any honorably discharged member of the American Merchant Marine who served during World War II and is declared by the United States Department of Defense to be eligible for federal veterans' benefits.

C.43:16A-15a State liable for increased cost to government employers for veterans of operations Restore Hope, Joint Endeavor and Joint Guard.

5. The State shall be liable for any increased cost to local government employers participating in the Police and Firemen's Retirement System,

established pursuant to P.L.1944, c.255 (C.43:16A-1 et seq.), as a result of the provisions of this act, P.L.2001, c.128.

6. This act shall take effect immediately.

Approved June 28, 2001.

CHAPTER 129

AN ACT concerning parole eligibility under the "No Early Release Act" and amending P.L.1997, c.117 and N.J.S.2C:35-14.

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

1. Section 2 of P.L.1997, c.117 (C.2C:43-7.2) is amended to read as follows:

C.2C:43-7.2 Mandatory service of 85% of sentence for certain offenders.

2. a. A court imposing a sentence of incarceration for a crime of the first or second degree enumerated in subsection d. of this section shall fix a minimum term of 85% of the sentence imposed, during which the defendant shall not be eligible for parole.

b. The minimum term required by subsection a. of this section shall be fixed as a part of every sentence of incarceration imposed upon every conviction of a crime enumerated in subsection d. of this section, whether the sentence of incarceration is determined pursuant to N.J.S.2C:43-6, N.J.S.2C:43-7, N.J.S.2C:11-3 or any other provision of law, and shall be calculated based upon the sentence of incarceration actually imposed. The provisions of subsection a. of this section shall not be construed or applied to reduce the time that must be served before eligibility for parole by an inmate sentenced to a mandatory minimum period of incarceration. Solely for the purpose of calculating the minimum term of parole ineligibility pursuant to subsection a. of this section, a sentence of life imprisonment shall be deemed to be 75 years.

c. Notwithstanding any other provision of law to the contrary and in addition to any other sentence imposed, a court imposing a minimum period of parole ineligibility of 85 percent of the sentence pursuant to this section shall also impose a five-year term of parole supervision if the defendant is being sentenced for a crime of the first degree, or a three-year term of parole supervision if the defendant is being sentenced for a crime of the second degree. The term of parole supervision shall commence upon the comple-

tion of the sentence of incarceration imposed by the court pursuant to subsection a. of this section unless the defendant is serving a sentence of incarceration for another crime at the time he completes the sentence of incarceration imposed pursuant to subsection a., in which case the term of parole supervision shall commence immediately upon the defendant's release from incarceration. During the term of parole supervision the defendant shall remain in release status in the community in the legal custody of the Commissioner of the Department of Corrections and shall be supervised by the State Parole Board as if on parole and shall be subject to the provisions and conditions of section 3 of P.L.1997, c.117 (C.30:4-123.51b).

d. The court shall impose sentence pursuant to subsection a. of this section upon conviction of the following crimes or an attempt or conspiracy to commit any of these crimes:

- (1) N.J.S.2C:11-3, murder;
 - (2) N.J.S.2C:11-4, aggravated manslaughter or manslaughter;
 - (3) N.J.S.2C:11-5, vehicular homicide;
 - (4) subsection b. of N.J.S.2C:12-1, aggravated assault;
 - (5) subsection b. of N.J.S.2C:12-11, disarming a law enforcement officer;
 - (6) N.J.S.2C:13-1, kidnapping;
 - (7) subsection a. of N.J.S.2C:14-2, aggravated sexual assault;
 - (8) subsection b. of N.J.S.2C:14-2 and paragraph (1) of subsection c. of N.J.S.2C:14-2, sexual assault;
 - (9) N.J.S.2C:15-1, robbery;
 - (10) section 1 of P.L.1993, c.221 (C.2C:15-2), carjacking;
 - (11) paragraph (1) of subsection a. of N.J.S.2C:17-1, aggravated arson;
 - (12) N.J.S.2C:18-2, burglary;
 - (13) subsection a. of N.J.S.2C:20-5, extortion;
 - (14) subsection b. of section 1 of P.L.1997, c.185 (C.2C:35-4.1), booby traps in manufacturing or distribution facilities; or
 - (15) N.J.S.2C:35-9, strict liability for drug induced deaths.
- e. (Deleted by amendment, P.L.2001, c.129).

2. N.J.S.2C:35-14 is amended to read as follows:

Rehabilitation program for drug and alcohol dependent persons; criteria for imposing special probation; ineligible offenders; prosecutorial objections; mandatory commitment to residential treatment facilities; presumption of revocation; brief incarceration in lieu of permanent revocation.

2C:35-14. Rehabilitation Program for Drug and Alcohol Dependent Persons; Criteria for Imposing Special Probation; Ineligible Offenders; Prosecutorial Objections; Mandatory Commitment to Residential Treatment

Facilities; Presumption of Revocation; Brief Incarceration in Lieu of Permanent Revocation.

a. Notwithstanding the presumption of incarceration pursuant to the provisions of subsection d. of N.J.S.2C:44-1, and except as provided in subsection c. of this section, whenever a drug or alcohol dependent person is convicted of or adjudicated delinquent for an offense, other than one described in subsection b. of this section, the court, upon notice to the prosecutor, may, on motion of the person, or on the court's own motion, place the person on special probation, which shall be for a term of five years, provided that the court finds on the record that:

(1) the person has undergone a professional diagnostic assessment to determine whether and to what extent the person is drug or alcohol dependent and would benefit from treatment; and

(2) the person is a drug or alcohol dependent person within the meaning of N.J.S.2C:35-2 and was drug or alcohol dependent at the time of the commission of the present offense; and

(3) the present offense was committed while the person was under the influence of a controlled dangerous substance, controlled substance analog or alcohol or was committed to acquire property or monies in order to support the person's drug or alcohol dependency; and

(4) substance abuse treatment and monitoring will serve to benefit the person by addressing his drug or alcohol dependency and will thereby reduce the likelihood that the person will thereafter commit another offense; and

(5) the person did not possess a firearm at the time of the present offense and did not possess a firearm at the time of any pending criminal charge; and

(6) the person has not been previously convicted on two or more separate occasions of crimes of the first, second or third degree, other than crimes defined in N.J.S.2C:35-10; and

(7) the person has not been previously convicted or adjudicated delinquent for, and does not have a pending charge of murder, aggravated manslaughter, manslaughter, robbery, kidnapping, aggravated assault, aggravated sexual assault or sexual assault, or a similar crime under the laws of any other state or the United States; and

(8) a suitable treatment facility licensed and approved by the Department of Health and Senior Services is able and has agreed to provide appropriate treatment services in accordance with the requirements of this section; and

(9) no danger to the community will result from the person being placed on special probation pursuant to this section.

In determining whether to sentence the person pursuant to this section, the court shall consider all relevant circumstances, and shall take judicial notice of any evidence, testimony or information adduced at the trial, plea hearing or other court proceedings, and shall also consider the presentence report and the results of the professional diagnostic assessment to determine whether and to what extent the person is drug or alcohol dependent and would benefit from treatment.

As a condition of special probation, the court shall order the person to enter a treatment program at a facility licensed and approved by the Department of Health and Senior Services, to comply with program rules and the requirements of the course of treatment, to cooperate fully with the treatment provider, and to comply with such other reasonable terms and conditions as may be required by the court or by law, pursuant to N.J.S.2C:45-1, and which shall include periodic urine testing for drug or alcohol usage throughout the period of special probation. Subject to the requirements of subsection d. of this section, the conditions of special probation may include different methods and levels of community-based or residential supervision.

b. A person shall not be eligible for special probation pursuant to this section if the person is convicted of or adjudicated delinquent for:

- (1) a crime of the first degree;
- (2) a crime of the first or second degree enumerated in subsection d. of N.J.S.2C:43-7.2;
- (3) a crime, other than that defined in N.J.S.2C:35-7, for which a mandatory minimum period of incarceration is prescribed under chapter 35 of this Title or any other law; or
- (4) an offense that involved the distribution or the conspiracy or attempt to distribute a controlled dangerous substance or controlled substance analog to a juvenile near or on school property.

c. A person convicted of or adjudicated delinquent for an offense under section 1 of P.L.1987, c.101 (C.2C:35-7), subsection b. of section 1 of P.L.1997, c.185 (C.2C:35-4.1), or any crime for which there exists a presumption of imprisonment pursuant to subsection d. of N.J.S.2C:44-1 or any other statute, or who has been previously convicted of an offense under subsection a. of N.J.S.2C:35-5 or a similar offense under any other law of this State, any other state or the United States, shall not be eligible for sentence in accordance with this section if the prosecutor objects to the person being placed on special probation. The court shall not place a person on special probation over the prosecutor's objection except upon a finding by the court of a gross and patent abuse of prosecutorial discretion. If the court makes a finding of a gross and patent abuse of prosecutorial discretion and imposes a sentence of special probation notwithstanding the

objection of the prosecutor, the sentence of special probation imposed pursuant to this section shall not become final for 10 days in order to permit the appeal of such sentence by the prosecution.

d. A person convicted of or adjudicated delinquent for a crime of the second degree or of a violation of section 1 of P.L.1987, c.101 (C.2C:35-7), or who previously has been convicted of or adjudicated delinquent for an offense under subsection a. of N.J.S.2C:35-5 or a similar offense under any other law of this State, any other state or the United States, who is placed on special probation under this section shall be committed to the custody of a residential treatment facility licensed and approved by the Department of Health and Senior Services, whether or not residential treatment was recommended by the person conducting the diagnostic assessment. The person shall be committed to the residential treatment facility immediately, unless the facility cannot accommodate the person, in which case the person shall be incarcerated to await commitment to the residential treatment facility. The term of such commitment shall be for a minimum of six months, or until the court, upon recommendation of the treatment provider, determines that the person has successfully completed the residential treatment program, whichever is later, except that no person shall remain in the custody of a residential treatment facility pursuant to this section for a period in excess of five years. Upon successful completion of the required residential treatment program, the person shall complete the period of special probation, as authorized by subsection a. of this section, with credit for time served for any imprisonment served as a condition of probation and credit for each day during which the person satisfactorily complied with the terms and conditions of special probation while committed pursuant to this section to a residential treatment facility. The person shall not be eligible for early discharge of special probation pursuant to N.J.S.2C:45-2, or any other provision of the law. The court, in determining the number of credits for time spent in residential treatment, shall consider the recommendations of the treatment provider. A person placed into a residential treatment facility pursuant to this section shall be deemed to be subject to official detention for the purposes of N.J.S.2C:29-5 (escape).

e. The probation department or other appropriate agency designated by the court to monitor or supervise the person's special probation shall report periodically to the court as to the person's progress in treatment and compliance with court-imposed terms and conditions. The treatment provider shall promptly report to the probation department or other appropriate agency all significant failures by the person to comply with any court imposed term or condition of special probation or any requirements of the course of treatment, including but not limited to a positive drug or alcohol test or the unexcused failure to attend any session or activity, and

shall immediately report any act that would constitute an escape. The probation department or other appropriate agency shall immediately notify the court and the prosecutor in the event that the person refuses to submit to a periodic drug or alcohol test or for any reason terminates his participation in the course of treatment, or commits any act that would constitute an escape.

f. (1) Upon a first violation of any term or condition of the special probation authorized by this section or of any requirements of the course of treatment, the court in its discretion may permanently revoke the person's special probation.

(2) Upon a second or subsequent violation of any term or condition of the special probation authorized by this section or of any requirements of the course of treatment, the court shall, subject only to the provisions of subsection g. of this section, permanently revoke the person's special probation unless the court finds on the record that there is a substantial likelihood that the person will successfully complete the treatment program if permitted to continue on special probation, and the court is clearly convinced, considering the nature and seriousness of the violations, that no danger to the community will result from permitting the person to continue on special probation pursuant to this section. The court's determination to permit the person to continue on special probation following a second or subsequent violation pursuant to this paragraph may be appealed by the prosecution.

(3) In making its determination whether to revoke special probation, and whether to overcome the presumption of revocation established in paragraph (2) of this subsection, the court shall consider the nature and seriousness of the present infraction and any past infractions in relation to the person's overall progress in the course of treatment, and shall also consider the recommendations of the treatment provider. The court shall give added weight to the treatment provider's recommendation that the person's special probation be permanently revoked, or to the treatment provider's opinion that the person is not amenable to treatment or is not likely to complete the treatment program successfully.

(4) If the court permanently revokes the person's special probation pursuant to this subsection, the court shall impose any sentence that might have been imposed, or that would have been required to be imposed, originally for the offense for which the person was convicted or adjudicated delinquent. The court shall conduct a de novo review of any aggravating and mitigating factors present at the time of both original sentencing and resentencing. If the court determines or is required pursuant to any other provision of this chapter or any other law to impose a term of imprisonment, the person shall receive credit for any time served in custody pursuant to

N.J.S.2C:45-1 or while awaiting placement in a treatment facility pursuant to this section, and for each day during which the person satisfactorily complied with the terms and conditions of special probation while committed pursuant to this section to a residential treatment facility. The court, in determining the number of credits for time spent in a residential treatment facility, shall consider the recommendations of the treatment provider.

(5) Following a violation, if the court permits the person to continue on special probation pursuant to this section, the court shall order the person to comply with such additional terms and conditions, including but not limited to more frequent drug or alcohol testing, as are necessary to deter and promptly detect any further violation.

(6) Notwithstanding any other provision of this subsection, if the person at any time refuses to undergo urine testing for drug or alcohol usage as provided in subsection a. of this section, the court shall, subject only to the provisions of subsection g. of this section, permanently revoke the person's special probation. Notwithstanding any other provision of this section, if the person at any time while committed to the custody of a residential treatment facility pursuant to this section commits an act that would constitute an escape, the court shall forthwith permanently revoke the person's special probation.

(7) An action for a violation under this section may be brought by a probation officer or prosecutor or on the court's own motion. Failure to complete successfully the required treatment program shall constitute a violation of the person's special probation. A person who fails to comply with the terms of his special probation pursuant to this section and is thereafter sentenced to imprisonment in accordance with this subsection shall thereafter be ineligible for entry into the Intensive Supervision Program.

g. When a person on special probation is subject to a presumption of revocation on a second or subsequent violation pursuant to paragraph (2) of subsection f. of this section, or when the person refuses to undergo drug or alcohol testing pursuant to paragraph (6) of subsection f. of this section, the court may, in lieu of permanently revoking the person's special probation, impose a term of incarceration for a period of not less than 30 days nor more than six months, after which the person's term of special probation pursuant to this section may be reinstated. In determining whether to order a period of incarceration in lieu of permanent revocation pursuant to this subsection, the court shall consider the recommendations of the treatment provider with respect to the likelihood that such confinement would serve to motivate the person to make satisfactory progress in treatment once special probation is reinstated. This disposition may occur only once with respect to any person

unless the court is clearly convinced that there are compelling and extraordinary reasons to justify reimposing this disposition with respect to the person. Any such determination by the court to reimpose this disposition may be appealed by the prosecution. Nothing in this subsection shall be construed to limit the authority of the court at any time during the period of special probation to order a person on special probation who is not subject to a presumption of revocation pursuant to paragraph (2) of subsection f. of this section to be incarcerated over the course of a weekend, or for any other reasonable period of time, when the court in its discretion determines that such incarceration would help to motivate the person to make satisfactory progress in treatment.

h. The court, as a condition of its order, and after considering the person's financial resources, shall require the person to pay that portion of the costs associated with his participation in any rehabilitation program or period of residential treatment imposed pursuant to this section which, in the opinion of the court, is consistent with the person's ability to pay, taking into account the court's authority to order payment or reimbursement to be made over time and in installments.

i. The court shall impose, as a condition of the special probation, any fine, penalty, fee or restitution applicable to the offense for which the person was convicted or adjudicated delinquent.

3. This act shall take effect immediately.

Approved June 29, 2001.

CHAPTER 130

Note: In approving the following act, certain items were deleted or reduced by the Governor. For a statement of those items, see the Governor's statement appended to Senate Bill No. 2500, dated June 29, 2001.

AN ACT making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 2002 and regulating the disbursement thereof.

**ANTICIPATED RESOURCES
FOR THE FISCAL YEAR 2001 - 2002**

GENERAL FUND

Undesignated Fund Balance, July 1, 2001 \$197,478,0001

Major Taxes

Sales	.....	\$6,137,000,000
Corporation Business	.....	1,823,000,000
Corporation Business - Energy	.....	31,100,000
Motor Fuels	.....	537,000,000
Transfer Inheritance	.....	540,000,000
Motor Vehicle Fees	.....	396,801,000
Insurance Premiums	.....	303,000,000
Petroleum Products Gross Receipts	.....	224,000,000
Cigarette	.....	221,000,000
Realty Transfer	.....	87,000,000
Alcoholic Beverage Excise	.....	82,000,000
Corporation Banks and Financial Institutions	.....	67,000,000
Savings Institutions	.....	11,000,000
Tobacco Products Wholesale Sales	.....	15,000,000
Public Utility Excise (Reform)	.....	<u>8,700,000</u>
Total - Major Taxes	.....	\$10,483,601,000

Miscellaneous Taxes, Fees, Revenues

Executive Branch --

Department of Agriculture:

Fertilizer Inspection Fees	.....	200,000
Miscellaneous Revenue	.....	<u>4,000</u>
Subtotal, Department of Agriculture	.....	<u>\$204,000</u>

Department of Banking and Insurance:

Actuarial Services	.....	\$63,000
Bank Assessments	.....	3,525,000
Banking -- Examination Fees	.....	2,000,000
Banking -- Licenses and Other Fees	.....	3,800,000
FAIR Act Administration	.....	13,500,000

Material within summary of appropriations is not enacted as part of the law and is intended for the purpose of displaying summaries of the items of appropriations set forth elsewhere.

Insurance -- Special Purpose Assessment	15,366,000
Insurance -- Examination Billings	1,500,000
Insurance Fraud Prevention	33,590,000
Insurance Licenses and Other Fees	9,055,000
Real Estate Commission	<u>3,650,000</u>
Subtotal, Department of Banking and Insurance ...	<u>\$86,049,000</u>
Department of Community Affairs:	
Affordable Housing and Neighborhood	
Preservation -- Fair Housing	\$18,678,000
Boarding Home Fees	368,000
Construction Fees	6,555,000
Fire Safety	13,795,000
Housing Inspection Fees	6,913,000
Plan Review Additional	1,758,000
Planned Real Estate Development Fees	828,000
Workplace Standards -- Licenses, Permits and Fines ..	<u>1,138,000</u>
Subtotal, Department of Community Affairs ..	<u>\$50,033,000</u>
Department of Education:	
Audit Recoveries	\$1,250,000
Audit of Enrollments	712,000
Local School District Loan Recoveries -- NJEDA ...	9,493,000
Miscellaneous Revenue	125,000
Nonpublic Schools Textbook Recoveries	500,000
School Construction Inspection Fees	574,000
State Board of Examiners	<u>1,856,000</u>
Subtotal, Department of Education	<u>\$14,510,000</u>
Department of Environmental Protection:	
Air Pollution Fees and Fines	\$12,810,000
Clean Water Enforcement Act	1,250,000
Coastal Area Development Review Act	920,000
Endangered Species Tax Check-Off	230,000
Excess Diversion	240,000
Freshwater Wetlands Fees	1,800,000
Freshwater Wetlands Fines	45,000
Hazardous Waste Fees	2,000,000
Hazardous Waste Fines	375,000
Hunters' and Anglers' Licenses	11,944,000
Industrial Site Recovery Act	1,222,000
Laboratory Certification Fees	2,120,000
Laboratory Certification Fines	25,000
Marina Rentals	840,000
Marine Lands -- Preparation and Filing Fees	200,000
Medical Waste	3,700,000
New Jersey Pollutant Discharge Elimination System/ Stormwater Permits	15,700,000

New Jersey Water Supply Authority Debt Service	
Repayments	770,000
Parks Management Fees and Permits	4,000,000
Parks Management Fines	175,000
Pesticide Control Fees	3,920,000
Pesticide Control Fines	30,000
Radiation Protection Fees	3,211,000
Radiation Protection Fines	35,000
Radon Testers Certification	255,000
Shellfish and Marine Fisheries	7,000
Solid Waste -- Utility Regulation Assessments	2,400,000
Solid Waste Fines -- DEP	850,000
Solid Waste Management Fees -- DEP	6,085,000
Solid and Hazardous Waste Disclosure	3,708,000
Spring Meadow Golf Course	500,000
Stream Encroachment	1,400,000
Toxic Catastrophe Prevention Fees	1,200,000
Toxic Catastrophe Prevention Fines	50,000
Treatment Works Approval	1,100,000
Underground Storage Tanks Fees	1,555,000
Water Allocation	2,300,000
Water Supply Management Regulations	1,360,000
Water/Wastewater Operators Licenses	220,000
Waterfront Development Fees	1,150,000
Well Permits/Well Drillers/Pump Installers Licenses	1,100,000
Wetlands	15,000
Worker and Community Right to Know -- Fines	60,000
Subtotal, Department of Environmental Protection	<u>\$92,877,000</u>
Department of Health and Senior Services:	
Admission Charge Hospital Assessment	\$6,000,000
Animal Control Act	385,000
Charity Care Recovery	5,000,000
Health Care Reform	1,200,000
Licenses, Fines, Permits, Penalties, and Fees	790,000
Rabies Control	460,000
Subtotal, Department of Health and Senior Services	<u>\$13,835,000</u>
Department of Human Services:	
Child Care Licensing/Adoption Law	\$300,000
Early Periodic Screening and Diagnostic Testing	43,206,000
HMO Recoveries and Rebates -- NJ ACCESS	254,000
Marriage License Fees	1,309,000
Medicaid Uncompensated Care -- Acute	218,080,000
Medicaid Uncompensated Care -- Mental Health	25,839,000
Medicaid Uncompensated Care -- Psychiatric	168,124,000
Medical Assistance -- Federal Match on PAAD/ Medicaid Dual Eligibles	911,000

Miscellaneous Federal Revenue Initiatives	828,000
Miscellaneous Revenue	3,727,000
Patients' and Residents' Cost Recoveries:	
Developmental Disability	15,526,000
Psychiatric Hospitals	55,512,000
Purchased Institutional Care	2,200,000
School Based Medicaid	<u>39,000,000</u>
Subtotal, Department of Human Services	<u>\$574,816,000</u>
Department of Labor:	
Special Compensation Fund	\$1,619,000
Workers' Compensation Assessment	11,601,000
Workplace Standards -- Licenses, Permits and Fines	<u>1,871,000</u>
Subtotal, Department of Labor	<u>\$15,091,000</u>
Department of Law and Public Safety:	
Beverage Licenses	\$2,000,000
Division of Consumer Affairs:	
General Revenues:	
Charities Registration Section	695,000
Controlled Dangerous Substances	100,000
Legalized Games of Chance Control	1,390,000
Private Employment Agencies	258,000
Weights and Measures -- General	2,612,000
Professional Examining Board Fees:	
New Jersey Cemetery Board	120,000
State Board of Architects	256,000
State Board of Audiology and Speech -- Language Pathology Advisory	51,000
State Board of Certified Public Accountants	611,000
State Board of Chiropractors	401,000
State Board of Cosmetology and Hairstyling	1,942,000
State Board of Dentistry	823,000
State Board of Electrical Contractors	469,000
State Board of Marriage Counselor Examiners	204,000
State Board of Master Plumbers	329,000
State Board of Medical Examiners	4,019,000
State Board of Mortuary Science	188,000
State Board of Nursing	3,933,000
State Board of Occupational Therapists and Assistants	35,000
State Board of Ophthalmic Dispensers and Ophthalmic Technicians	139,000
State Board of Optometrists	230,000
State Board of Orthotics and Prosthesis	11,000
State Board of Pharmacy	893,000
State Board of Physical Therapy	266,000

State Board of Professional Engineers and Land Surveyors	759,000
State Board of Professional Planners	40,000
State Board of Psychological Examiners	301,000
State Board of Real Estate Appraisers	466,000
State Board of Respiratory Care	50,000
State Board of Shorthand Reporting	69,000
State Board of Social Workers	245,000
State Board of Veterinary Medical Examiners	191,000
Other Boating Fees	1,000
Pleasure Boat Licenses	2,300,000
Securities Enforcement	5,398,000
State Police -- Fingerprint Fees	1,014,000
State Police -- Other Licenses	185,000
State Police -- Private Detective Licenses	220,000
Violent Crime Compensation	3,930,000
Subtotal, Department of Law and Public Safety	<u>\$37,144,000</u>
Department of Military and Veterans' Affairs:	
Soldiers' Homes	<u>\$26,421,000</u>
Subtotal, Department of Military and Veterans' Affairs	<u>\$26,421,000</u>
Department of Transportation:	
Air Safety Fund	\$965,000
Applications and Highway Permits	1,300,000
Auto Body Repair Shop Licensing	26,000
Autonomous Transportation Authorities	24,500,000
Drunk Driving Fines	710,000
Good Driver	61,000,000
Graduated Driver's License	2,100,000
Heavy Duty Diesel Fines	750,000
Interest on Purchase of Right-of-Way	20,000
Logo Sign Program Fees	300,000
Motor Vehicle Database -- Automated Access	8,389,000
Motor Vehicle Inspection Fund	74,050,000
Motor Vehicle Security -- Responsibility Law Administration	10,829,000
Outdoor Advertising	740,000
Parking Offenses	360,000
Photo Licensing	2,800,000
Salvage Title Program	769,000
Special Plate Fees	750,000
Uninsured Motorists Program	3,400,000
Subtotal, Department of Transportation	<u>\$193,758,000</u>
Department of the Treasury:	
Assessments -- Cable TV	\$3,371,000
Assessments -- Public Utility	24,590,000
Coin Operated Telephones	5,274,000
Commercial Recording -- Expedited	2,803,000

Commissions	1,100,000
Dormitory Safety Trust Fund --	
Debt Service Recovery	2,850,000
Equipment Leasing Fund -- Debt Service Recovery ...	677,000
Escrow Interest -- Construction Accounts	127,000
General Revenue -- Fees	24,600,000
Higher Education Bond Interest Recoveries	221,000
Higher Education Capital Improvement Fund --	
Debt Service Recovery	9,376,000
Investment Earnings	29,205,000
Lease and Leaseback	40,000,000
Miscellaneous Revenue	230,000
New Jersey Housing and Mortgage Finance Agency .	2,800,000
Nuclear Emergency Response Assessment	3,054,000
ODS Mediation Fees	188,000
Public Defender Client Receipts	2,250,000
Public Utility -- Customer Specific Tax	2,300,000
Public Utility Fines	300,000
Public Utility Gross Receipts and Franchise	
Taxes (Water/Sewer)	68,400,000
Public Utility Tax -- Administration	2,000
Railroad Tax -- Class II	2,839,000
Railroad Tax -- Franchise	1,175,000
Rate Payer Advocate	5,387,000
Surplus Property	2,500,000
Transitional Energy Facilities Assessment	<u>126,400,000</u>
Subtotal, Department of the Treasury	<u>\$362,019,000</u>
Other Sources:	
Miscellaneous Revenue	<u>\$500,000</u>
Subtotal, Other Sources	<u>\$500,000</u>
Inter-Departmental Accounts:	
Administration and Investment of Pension	
and Health Benefit Funds - Recoveries ..	\$43,000,000
Employee Maintenance Deductions	300,000
Fringe Benefit Recoveries from Colleges	
and Universities	73,000,000
Fringe Benefit Recoveries from Federal	
and Other Funds	105,000,000
Fringe Benefit Recoveries from School Districts ...	18,000,000
Indirect Cost Recovery -- DEP Other Funds	10,700,000
MTF Revenue Fund	38,500,000
Rent of State Building Space	1,741,000
Social Security Recoveries from Federal	
and Other Funds	<u>44,500,000</u>
Subtotal, Inter-Departmental Accounts	<u>\$334,741,000</u>

The Judiciary:

Court Fees	\$59,644,000
Subtotal, Judicial Branch	<u>\$59,644,000</u>
Total -- Miscellaneous Taxes, Fees, Revenues	<u>\$1,861,642,000</u>

Interfund Transfers

Beaches and Harbor Fund	\$75,000
Clean Communities Account Fund	725,000
Clean Waters Fund	111,000
Correctional Facilities Construction Fund	22,000
Correctional Facilities Construction Fund -- 1987	301,000
Cultural Center and Historic Preservation Fund -- 1987	196,000
Developmental Disabilities Waiting List Reduction Fund	550,000
Emergency Flood Control Fund	6,000
Energy Conservation Fund	10,000
Enterprise Zone Assistance Fund	25,909,000
Fund for the Support of Free Public Schools	5,000,000
Hazardous Discharge Fund	15,000
Hazardous Discharge Site Cleanup Fund	16,049,000
Housing Assistance Fund	4,280,000
Human Services Facilities Construction Fund	15,000
Institutions Construction Fund	1,000
Jobs, Education and Competitiveness Fund	75,000
Jobs, Science and Technology Fund	2,000
Judiciary Bail Fund	1,900,000
Judiciary Child Support and Paternity Fund	1,350,000
Judiciary Probation Fund	450,000
Judiciary Special Civil Fund	140,000
Judiciary Superior Court Miscellaneous Fund	270,000
Legal Services Trust Fund	11,072,000
Mortgage Assistance Fund	869,000
Motor Vehicle Security Responsibility Fund	7,000
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund	740,000
Natural Resources Fund	107,000
New Jersey Bridge Rehabilitation and Improvement Fund	307,000
New Jersey Green Acres Fund (Act of 1983)	1,168,000
New Jersey Spill Compensation Fund	14,092,000
Pollution Prevention Fund	2,198,000
Public Purpose Buildings Construction Fund	12,000
Public Purpose and Community-Based Facilities Construction Fund	280,000
Resource Recovery and Solid Waste Disposal Facility Fund	226,000
Safe Drinking Water Fund	5,399,000
Sanitary Landfill Facility Contingency Fund	416,000
School Fund Investment Account	2,716,000
Shore Protection Fund	867,000

Solid Waste Services Tax Fund	50,000
State Disability Benefit Fund General Account	58,841,000
State Land Acquisition and Development Fund	67,000
State Lottery Fund	765,000,000
State Lottery Fund Administration	18,777,000
State Recreation and Conservation Land Acquisition and Development (Act of 1974)	78,000
State Recycling Fund	959,000
State of New Jersey Cash Management Fund	2,400,000
Stock Worker's Compensation Security Fund	10,000,000
Tobacco Settlement Fund	365,204,000
Transportation Rehabilitation and Improvement Fund of 1979	19,000
Unclaimed Insurance Payments	100,000
Unclaimed Personal Property Trust Fund	198,000,000
Unemployment Compensation Tax Auxiliary Fund	15,183,000
Unsatisfied Claim and Judgment Fund	2,369,000
Wage and Hour Trust Fund	75,000
Water Conservation Fund	37,000
Water Supply Fund	3,399,000
Water Supply Replacement Trust Fund	5,500,000
Worker and Community Right to Know Fund	362,000
Workforce Development Partnership Fund	11,793,000
Total -- Interfund Transfers	<u>\$1,558,141,000</u>
Total State Revenues, General Fund	<u>\$13,903,384,000</u>
Total Resources, General Fund	<u>\$14,100,862,000</u>

Surplus Revenue Fund

Undesignated Fund Balance, July 1, 2001	<u>\$720,000,000</u>
Total Resources, Surplus Revenue Fund	<u>\$720,000,000</u>

Debt Retirement Fund

Undesignated Fund Balance, July 1, 2001	<u>\$20,802,000</u>
Total Resources, Debt Retirement Fund	<u>\$20,802,000</u>

Property Tax Relief Fund

Undesignated Fund Balance, July 1, 2001	\$129,223,000
Gross Income Tax	<u>8,545,150,000</u>
Total Resources, Property Tax Relief Fund	<u>\$8,674,373,000</u>

Casino Control Fund

Undesignated Fund Balance, July 1, 2000	\$0
License Fees	<u>59,703,000</u>
Total Resources, Casino Control Fund	<u>\$59,703,000</u>

Casino Revenue Fund

Undesignated Fund Balance, July 1, 2001	\$0
Casino Simulcasting Fund	2,000,000

Gross Revenue Tax	359,400,000
Investment Earnings	<u>1,600,000</u>
Total Resources, Casino Revenue Fund	<u>\$363,000,000</u>

Gubernatorial Elections Fund

Undesignated Fund Balance, July 1, 2001	\$0
Taxpayers' Designations	<u>1,500,000</u>
Total Resources, Gubernatorial Elections Fund	<u>\$1,500,000</u>
 Total Resources, All State Funds	 <u>\$23,940,240,000</u>

Federal Revenue

Executive Branch --

Department of Agriculture:

Brucellosis Eradication	\$18,000
Child Nutrition -- Administration	3,351,000
Child Nutrition -- Child Care	47,559,000
Child Nutrition -- School Lunch	145,395,000
Child Nutrition -- Special Milk	1,519,000
Child Nutrition -- Summer Programs	9,754,000
Cooperative Gypsy Moth Suppression	480,000
Fish Inspection Services	140,000
Job's Bill	1,300,000
School Breakfast	24,957,000
Team Nutrition Training	225,000
Various Federal Programs and Accruals	<u>332,000</u>
Subtotal, Department of Agriculture	<u>\$235,030,000</u>

Department of Community Affairs:

Community Services Block Grant	\$16,339,000
Domestic Violence Fatality Review Board	75,000
Emergency Shelter Grants Program	1,480,000
Moderate Rehabilitation Housing Assistance	11,212,000
National Affordable Housing -- HOME Investment Partnerships	7,450,000
Section 8 Housing Voucher Program	133,510,000
Shelter Plus Care Program	602,000
Small Cities Block Grant Program	11,000,000
Weatherization Assistance Program	4,125,000
Various Federal Programs and Accruals	<u>81,000</u>
Subtotal, Department of Community Affairs ..	<u>\$185,874,000</u>

Department of Corrections:

State Criminal Alien Assistance Program	<u>\$11,855,000</u>
Subtotal, Department of Corrections	<u>\$11,855,000</u>

Department of Education:

AIDS Prevention Education	\$895,000
Adult Basic Education -- Administration/ Discretionary	16,916,000
Americorps -- America Reads Awards	389,000

Bilingual and Compensatory Education -- Homeless	
Children and Youth	862,000
Byrd Scholarship Program	1,136,000
Christa McAuliffe Fellowship Program	45,000
Class Size Reduction	37,081,000
Deaf/Blind Children Services --	
Administration/Discretionary	288,000
Drug-Free Schools and Communities --	
Administration	8,360,000
EESA, Title II -- Math/Science	
Training, Exemplary	10,001,000
Educational Technology	19,515,000
Eisenhower Math/Science Grant -- Critical Skills	1,696,000
Emergency Immigrants Education	
Assistance -- Administration	5,623,000
Even Start Family Literacy Grant -- Discretionary	5,439,000
IASA Consolidated Administration	3,628,000
IDEA -- Handicapped	208,813,000
IDEA -- Preschool Incentive Grant	
Administration -- Discretionary	11,621,000
Innovative Education, Title VI -- Discretionary	10,438,000
Migrant Education -- Administration/Discretionary	2,043,000
National Community Service -- Disability Funds	182,000
National Community Service -- Learn and	
Serve America (K-12)	676,000
National Community Service -- Program	
Development Assistance and Training	173,000
National Community Service -- State Commission	368,000
National Community Service -- Urban	
School Services Corp	6,955,000
Public Charter Schools	2,763,000
Reading Excellence	1,100,000
Safe & Drug-Free Schools -- Governor's	
Portion Discretionary	2,090,000
School Renovation Grants	23,445,000
State Improvement Grant, Administration	1,400,000
Technology Literacy Challenge Fund	9,463,000
Title I -- Accountability Grants	5,856,000
Title I -- Comprehensive School Reform	6,053,000
Title I -- LEA Disadvantaged	205,401,000
Title I, Part D -- Neglected & Delinquent	1,642,000
Tri-State Positive Behavior -- Discretionary, Admin.	54,000
Vocational Education -- Basic	
Grants, Administration	22,257,000
Vocational Education Technical Preparation	2,193,000
Various Federal Programs and Accruals	<u>1,172,000</u>

Subtotal, Department of Education	\$638,032,000
Department of Environmental Protection:	
319H Supplemental	\$2,000,000
Air Pollution Maintenance Program	6,319,000
Americorps	300,000
Appalachian Trail Improvement (ISTEA)	50,000
Appalachian Trail Viewshed Acquisition (ISTEA)	500,000
Archaeological & History/GIS Inventory (ISTEA)	500,000
Artificial Reef Program	1,125,000
Atlantic Coastal Cooperative Program	100,000
Boat Access (Fish and Game)	1,000,000
Cape May Point State Park Bikeway (ISTEA)	200,000
Clean Lakes Program	500,000
Clean Vessels	1,000,000
Climate Change Action Plan (Recycling of Landfill Gases)	100,000
Coastal Zone Management Implementation	4,950,000
Community Assistance Program	200,000
Conashank Point	215,000
Consolidated Forest Management	926,000
Construction Grants Program	57,600,000
Delaware and Raritan East Side Path (ISTEA)	565,000
Delaware and Raritan Canal Route #1 Crossing (ISTEA)	825,000
Delaware and Raritan Canal State Park Old Rose to Mulberry St. (ISTEA)	250,000
Delaware and Raritan Canal State Park Bordentown Outlet (ISTEA)	820,000
Endangered Species	60,000
Environmental Justice	100,000
Estuary Program	1,490,000
Fish and Wildlife Health	140,000
Forest Legacy	5,010,000
Forest Resource Management -- Cooperative Forest Fire Control	250,000
Forest Watershed Clean Water Action	120,000
Good Luck Point Land Acquisition	480,000
Hazardous Waste -- Resource Conservation Recovery Act	4,281,000
Historic Preservation Survey & Planning	2,000,000
Hunters' and Anglers' License Fund	7,810,000
Land and Water Conservation Fund	5,000,000
Liberty State Park Archival Facility (ISTEA)	660,000
Liberty State Park Ferry Slip Restoration (ISTEA)	1,000,000
Liberty State Park Train Sheds -- Structural Report (ISTEA)	350,000
Marine Fisheries Investigation and Management	1,150,000
Multi-Media	750,000

Multi-Media Enforcement Grant	1,000,000
NPDES Implementation Support Program	900,000
National Coastal Wetlands Conservation	2,000,000
National Dam Safety Program (FEMA)	90,000
National Geologic Mapping Program	140,000
National Recreational Trails	1,250,000
Non-Point Source Implementation (319H)	2,000,000
Particulate Monitoring Grant	1,500,000
Paulinskill Valley Trail Improvements (ISTEA)	550,000
Pesticide Technology	750,000
Pinelands Grant -- Acquisition	6,000,000
Pollution Prevention Incentive	100,000
Preliminary Assessments/Site Inspections	3,500,000
Radon Program	500,000
Safe Drinking Water Act	22,200,000
Seashore Line	500,000
Sloop/Maple Creek Acquisition	350,000
State Wetlands Conservation Plan	492,000
State/EPA Data Management Grant	750,000
Stout's Creek Land Acquisition	750,000
Strathmere Parcels	565,000
Superfund Grants	30,450,000
Sussex Branch Trail Improvements	575,000
Toxic Substance Compliance	50,000
Underground Storage Tanks - Compliance	
Inspection Program	50,000
Underground Storage Tanks	1,855,000
Various Federal Programs and Accruals	1,105,000
Voluntary Clean-up -- Site Specific	200,000
Voluntary Clean-up Program	400,000
Water Monitoring and Planning	1,000,000
Water Pollution Control Program	<u>3,850,000</u>
Subtotal, Department of	
Environmental Protection	<u>\$196,118,000</u>
Department of Health and Senior Services:	
AIDS Incarcerated Individuals in Corrections	\$1,231,000
Abstinence Education -- FHS	843,000
Asthma Surveillance and Coalition Building	200,000
Center for Birth Defects Research and Prevention	1,600,000
Childhood Lead Poisoning	1,100,000
Clinical Laboratory Improvement	
Amendments Program	500,000
Comprehensive AIDS Resources Grant	55,000,000
Comprehensive Breast and Cervical Cancer	3,200,000
Comprehensive State Based Tobacco Use	
Prevention Programs	1,300,000

Demonstration Program to Conduct	
Health Assessments	1,050,000
Design and Validation -- Silica Exposure Study	150,000
Early Hearing Detection and Intervention (EHDI)	
Tracking, Research	100,000
Early Intervention Program for Infants and Toddlers	
with Disabilities (Part H)	11,000,000
Endometrial Cancer Study	100,000
Essex County Healthy Start Initiative	1,500,000
Evaluating Client-Centered HIV	
Prevention Counseling	1,162,000
Evaluation of Lead Dust Study	250,000
Family Planning Program -- Title X	3,500,000
Federal Lead Abatement Program	300,000
Food Inspection	290,000
Geographic Research Project	450,000
HIV/AIDS Prevention and Education Grant	16,000,000
HIV/AIDS Surveillance Grant	5,593,000
Housing Opportunities for Persons with AIDS	3,405,000
Immunization Project	6,230,000
Lyme Disease Research	360,000
Maternal and Child Health Block Grant	12,700,000
Medicare/Medicaid Inspections	
of Nursing Facilities	9,831,000
Minority AIDS Demo	150,000
Morbidity & Mortality Review Program	150,000
National Family Caregiver Program	3,500,000
National Program of Cancer Registries	1,800,000
Nurse Aide Certification Program	400,000
Older Americans Act -- Title III	33,928,000
Pediatric AIDS Health Care Demonstration Project	2,500,000
Perform Assess of OPIOD Treatment Program	100,000
Pregnancy Risk Assessment Monitoring System	750,000
Preparedness and Response for Bioterrorism	178,000
Preventative Health and Health	
Services Block Grant	5,965,000
Research on Ecology of Lyme Disease in US	82,000
Senior Farmers Market Nutrition Program	420,000
State Regulation on Immunization	
Rates of Older Adults	160,000
Substance Abuse Block Grant	46,402,000
Supplemental Food Program -- W.I.C.	90,000,000
Surveillance, Epidemiology and	
End Results (SEER)	1,800,000
Testicular Cancer Study	100,000
Tools For School Implementation Project	60,000
Tuberculosis Control Program	8,200,000
USDA Older Americans Act -- Title III	3,900,000

Venereal Disease Project	3,200,000
Vital Statistics Component	850,000
WIC Farmer's Market Nutrition Program	500,000
Various Federal Programs and Accruals	<u>9,206,000</u>
Subtotal, Department of Health and Senior Services	<u>\$353,246,000</u>
Department of Human Services:	
Block Grant Mental Health Services	\$12,113,000
Child Care Block Grant	114,759,000
Child Support Enforcement Program	115,173,000
Community Based Residential Program Grant	1,000,000
Developmental Disabilities Council	1,577,000
Federal Independent Living	892,000
Food Stamp Program	72,991,000
Foster Grandparents Program	1,043,000
Independent Living (IV-E)	2,305,000
Low Income Energy Assistance Block Grant	55,834,000
Projects for Assistance in Transition from Homelessness (PATH)	1,285,000
Refugee Resettlement Program	5,355,000
Refugee Services Elderly Grant	200,000
Restricted Grant	3,853,000
Social Service Block Grant	51,405,000
Temporary Assistance to Needy Families Block Grant	510,924,000
Title IV-B - PSSF	6,200,000
Title IV-B Child Welfare Services	5,700,000
Title IV-E Foster Care	87,986,000
Title XIX Child Residential	44,457,000
Title XIX Community Care Waiver	201,519,000
Title XIX ICF/MR	186,019,000
Title XIX Medical Assistance	3,274,291,000
Title XXI Children's Health Insurance Program	33,765,000
Various Federal Programs and Accruals	3,633,000
Vocational Rehabilitation Act -- Section 120	<u>9,520,000</u>
Subtotal, Department of Human Services ...	<u>\$4,803,799,000</u>
Department of Labor:	
Comprehensive Services for Independent Living	\$700,000
Current Employment Statistics	2,491,000
Disability Determination Services	42,500,000
Disabled Veterans' Outreach Program	2,355,000
Employment Services	24,232,000
Employment Services Cost Reimbursable Grants -- Migrant Housing	50,000
Employment Services Grants -- Alien Labor Certification	2,329,000

Federal Public Employees Occupational Safety and Health Act	1,800,000
Local Veterans Employment Representatives	1,500,000
National Council on Aging - Senior Community Services Employment Project	3,000,000
OASI (DDS) Intelligent Workstation Activities	1,000,000
OSHA Data Collection Survey	78,000
Occupational Informational Coordinating Program	149,000
Occupational Safety Health Act , On-Site Consultation	1,910,000
One Stop Labor Market Information	822,000
Redesigned Occupational Safety and Health (ROSH)	410,000
Rehabilitation of Supplemental Security Income Beneficiaries	2,000,000
Supported Employment	1,200,000
Technical Assistance Training	1,700,000
Technology Related Assistance Project	700,000
Trade Adjustment Assistance Project	8,865,000
Unemployment Insurance	95,568,000
Various Federal Programs and Accruals	145,000
Vocational Rehabilitation Act of 1973	43,580,000
WIA Title IIID Discretionary Funding	15,000,000
Work Opportunity Tax Credit	725,000
Workforce Investment Act	66,133,000
Workforce Investment Act - Title III Dislocated Workers	<u>20,242,000</u>
Subtotal, Department of Labor	<u>\$341,184,000</u>
Department of Law and Public Safety:	
ABC	\$63,000
Attorney Advocacy Institute	500,000
Bulletproof Vest Partnership	400,000
CJI/BI Garden State Parkway	2,300,000
COPS MORE 2002 17 Secretaries	400,000
COPS TECH 2001 HI Technology Initiative	152,000
Challenge Grant	221,000
Checkpoints	145,000
Child Passenger Protection Education	200,000
Combat Underage Drinking -- Discretionary	400,000
Combating Underage Drinking	360,000
Community Prosecutors Block Grant	1,000,000
Computer Crime Grant Program	250,000
County Prosecutors Assistance Megan's Law Implementation	1,300,000
Criminal Justice Information System Master Plan Study	350,000
Digitized Mugshot Identification System	2,200,000
Distance Learning Law Enforcement Training Initiative	1,500,000

Domestic Marijuana Eradication	
Suppression Program	280,000
Domestic Preparedness Training	2,300,000
Drug Enforcement Administration and Grants	14,000,000
Drunk Driver Prevention	454,000
EMPG -- Non-Terrorism	3,601,000
EMPG -- Terrorism	1,000,000
Equal Employment Opportunity Commission	630,000
FIFIS Live Scan	210,000
Flood Mitigation Assistance	2,000,000
Forensic Crime Information Technology Center	4,000,000
Forensic Crime Laboratory Improvement Program	2,500,000
Forensic DNA Laboratory	300,000
Hazardous Materials Transportation	350,000
High Intensity Drug Trafficking Area (HIDTA)	250,000
Incident Command	750,000
Innovative Seat Belt Use	800,000
Internet Crime Command Center	2,500,000
Juvenile Accountability Incentive Block Grant	5,900,000
Juvenile Justice Delinquency Prevention	2,372,000
Law Enforcement Training Academy	12,000,000
Local Law Enforcement Block Grant	1,400,000
Medicaid Fraud Unit	2,550,000
National Criminal History Program -- OAG	1,500,000
NHTSA Section 402	4,887,000
NHTSA Section 405	271,000
NHTSA Section 411	25,000
Northeast Hazardous Waste Project -- RCRA	250,000
Police Integrity Program	250,000
Police Sentry Initiative	250,000
Project 2001	53,000
Recreational Boating Safety	2,000,000
Residential Treatment for Substance Abuse	1,600,000
Safety Incentive Grants	450,000
State Police Street Gang Initiative	2,500,000
State Police Training DOT	27,000
Title V Funding	1,100,000
Truth In Sentencing Incentive Grant	13,000,000
USS New Jersey Law Enforcement Facility	5,000,000
Various Federal Programs and Accruals	1,140,000
Victim Assistance Grants	12,000,000
Victim Compensation Award	1,800,000
Violence Against Women Act	4,000,000
Subtotal, Department of Law and Public Safety	<u>\$123,991,000</u>

Department of Military and Veterans' Affairs:	
Armory Renovations and Improvements	\$1,600,000
Army Facilities Service Contracts	1,800,000
Army National Guard Statewide Security Agreement	800,000
Army Training Technology Lab	600,000
Atlantic City Air Base -- Service Contracts	2,307,000
Atlantic City Operations and Maintenance	65,000
Cemetery New Construction	4,700,000
Combined Logistics Facility	24,400,000
Design and Construction of Vineland Memorial Veterans' Home	7,094,000
Facilities Support Contract	5,200,000
Federal VA Distance Learning Program	500,000
Fire Fighter/Crash Rescue Service Cooperative Funding Agreement	1,150,000
Hazardous Waste Environmental Protection Program	800,000
Maguire Air Force Base -- Service Contracts	1,870,000
Maguire Operations and Maintenance	73,000
Medicare Part A Receipts for Resident Care and Operational Costs	2,765,000
Menlo Adult Day Care Funds	690,000
National Guard Communications Agreement	1,100,000
New Jersey National Guard Challenge Youth Program	1,996,000
New Jersey National Guard Counter Drug Program Interservice State - Federal	12,000
Reefex Environmental Program	672,000
Training and Equipment Pool Sites	750,000
Transitional Housing	800,000
Various Federal Programs and Accruals	64,000
Veterans' Education Monitoring	<u>651,000</u>
Subtotal, Department of Military and Veterans' Affairs	<u>\$62,459,000</u>
Department of State:	
Basic Block Grant	\$111,000
Leveraging Educational Assistance Partnership	1,441,000
NJ GEAR UP	1,978,000
National Endowment for the Arts Partnership	632,000
National Health Service Corps -- Student Loan Repayment Program	158,000
National Telecommunications Information Agency	1,250,000
Student Loan Administrative Cost Deduction and Allowance	16,675,000
Various Federal Programs and Accruals	<u>315,000</u>
Subtotal, Department of State	<u>\$22,560,000</u>
Department of Transportation:	
Airport Fund	\$20,010,000
Highway Planning and Research	14,835,000

Metropolitan Planning Funds	8,125,000
Motor Carrier Safety Assistance Program	7,200,000
New Jersey Transportation Planning Assistance	3,000,000
Rail Freight Capital Projects	2,000,000
Supportive Services Highway Construction	
Training Program	500,000
Subtotal, Department of Transportation	<u>\$55,670,000</u>
Department of the Treasury:	
Diamond Shamrock Oil Overcharge Settlement	\$500,000
Division of Gas Expansion	600,000
State Energy Conservation Program	1,525,000
Subtotal, Department of the Treasury	<u>\$2,625,000</u>
The Judiciary	
Various Federal Programs and Accruals	<u>\$503,000</u>
Subtotal, The Judiciary	<u>\$503,000</u>
Special Transportation Fund -- Federal	
Department of Transportation:	
Federal Highway Administration	\$855,418,000
Federal Transit Administration	<u>445,202,000</u>
 Total -- Federal Revenue	 <u>\$8,333,566,000</u>
 Grand Total Resources, All Funds	 <u>\$32,273,806,000</u>

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

1. The appropriations herein or so much thereof as may be necessary are hereby appropriated out of the General Fund, or such other sources of funds specifically indicated or as may be applicable, for the respective public officers and spending agencies and for the several purposes herein specified for the fiscal year ending on June 30, 2002. Unless otherwise provided, the appropriations herein made shall be available during said fiscal year and for a period of one month thereafter for expenditures applicable to said fiscal year. Unless otherwise provided, at the expiration of said one-month period, all unexpended balances shall lapse into the State Treasury or to the credit of trust, dedicated or non-State funds as applicable, except those balances held by encumbrances on file as of June 30, 2002 with the Director of the Division of Budget and Accounting or held by pre-encumbrances on file as of June 30, 2002 as determined by the Director of the Division of Budget and Accounting. The Director of the Division of Budget and Accounting shall provide the Legislative Budget and Finance Officer with a listing of all pre-encumbrances outstanding as of July 31, 2002 together with an explanation of their status. Nothing contained in this section or in this act shall be construed to prohibit the payment due upon any encumbrance or pre-encumbrance made under any appropriation contained in any appropriation act of the previous year or years. Furthermore, balances held by pre-encumbrances as of June 30, 2001 are available for payments applicable to fiscal year 2001 as determined by the Director of the Division of

Budget and Accounting. The Director of the Division of Budget and Accounting shall provide the Legislative Budget and Finance Officer with a listing of all pre-encumbrances outstanding as of July 31, 2001 together with an explanation of their status. On or before December 1, 2001, the State Treasurer, in accordance with the provisions of section 37 of article 3 of P.L.1944, c.112 (C.52:27B-46), shall transmit to the Legislature the Annual Financial Report of the State of New Jersey for the fiscal year ending June 30, 2001, depicting the financial condition of the State and the results of operation for the fiscal year ending June 30, 2001.

31 LEGISLATURE

70 Government Direction, Management and Control

71 Legislative Activities

0001 Senate

DIRECT STATE SERVICES

01-0001 Senate	.....	<u>\$10,519,000</u>
Total Direct State Services Appropriation, Senate	.....	<u>\$10,519,000</u>

Direct State Services:

Personal Services:

Senators (40)	.....	(\$1,412,000)
Salaries and Wages	.....	(3,885,000)
Members' Staff Services	.....	(4,000,000)
Materials and Supplies	.....	(150,000)
Services Other Than Personal	.....	(962,000)
Maintenance and Fixed Charges	.....	(80,000)
Additions, Improvements and Equipment	...	(30,000)

The unexpended balance as of June 30, 2001 in this account is appropriated.

0002 General Assembly

DIRECT STATE SERVICES

01-0002 General Assembly	.....	<u>\$17,321,000</u>
Total Direct State Services Appropriation, General Assembly	.....	<u>\$17,321,000</u>

Direct State Services:

Personal Services:

Assemblypersons (80)	.....	(\$3,372,000)
Salaries and Wages	.....	(3,924,000)
Members' Staff Services	.....	(8,800,000)
Materials and Supplies	.....	(205,000)
Services Other Than Personal	.....	(820,000)
Maintenance and Fixed Charges	.....	(150,000)
Additions, Improvements and Equipment	...	(50,000)

The unexpended balance as of June 30, 2001 in this account is appropriated.

0003 Office of Legislative Services

DIRECT STATE SERVICES

01-0003 Legislative Support Services	.....	<u>\$25,238,000</u>
Total Direct State Services Appropriation, Office of Legislative Services	.....	<u>\$25,238,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	.....	(\$18,061,000)
Materials and Supplies	.....	(1,005,000)
Services Other Than Personal	.....	(2,547,000)
Maintenance and Fixed Charges	.....	(3,507,000)

Special Purpose:

03 Affirmative Action and Equal Employment Opportunities	.....	(29,000)
03 Henry J. Raimondo New Jersey Legislative Fellows Program	.....	(66,000)
Additions, Improvements and Equipment	...	(23,000)

The unexpended balance as of June 30, 2001 in this account is appropriated.

Such sums as may be required for the cost of information system audits performed by the State Auditor are funded from the departmental data processing accounts of the department in which the audits are performed.

In addition to the amounts appropriated hereinabove, there is appropriated an amount not to exceed \$4,900,000 less any funds previously appropriated in fiscal years 2000 and 2001 for this purpose, as determined by the Computer Executive Group of the Legislative Information Systems Committee of the Legislative Services Commission, for the continuation and expansion of data processing systems for the Legislature in order to plan, acquire and install a comprehensive electronic data processing system, including software acquisition and training in connection with the system. No amounts so determined shall be obligated, expended or otherwise made available without the written prior authorization of the Senate President and the Speaker of the General Assembly.

Receipts derived from fees and charges for public access to legislative information systems and the unexpended balance as of June 30, 2001 of such receipts are appropriated and shall be credited to a non-lapsing revolving fund established in and administered by the Office of Legislative Services for the purpose of continuing to modernize, maintain, and expand the dissemination and availability of legislative information.

Such sums as are required for Master Lease payments, subject to the approval of the Director of the Division of Budget and Accounting and the Legislative Budget and Finance Officer, are appropriated.

Such sums as are required to provide for payment of the legal defense of challenges to statutes passed into law by the Legislature in which matters the Attorney General does not provide the legal defense, are appropriated subject to the approval of the Speaker of the General Assembly and the President of the Senate. Such payments may be expended for costs incurred in current and prior fiscal years.

The Office of Legislative Services shall monitor, review and report to both houses of the Legislature on each new anti-smoking initiative funded in fiscal years 2001 and 2002 from the Tobacco Settlement Fund.

0010 Intergovernmental Relations Commission**DIRECT STATE SERVICES**

09-0010 Legislative Commission	<u>\$406,000</u>
Total Direct State Services Appropriation, Intergovernmental Relations Commission	<u>\$406,000</u>

Direct State Services:

Special Purpose:

09 Expenses of Commission	(\$30,000)
09 The Council of State Governments	(148,000)
09 National Conference of State Legislatures	(167,000)
09 Northeast States Association for Agriculture Stewardship, Council of State Governments	(25,000)
09 Eastern Trade Council - The Council of State Governments	(36,000)

The unexpended balance as of June 30, 2001 in this account is appropriated.

0014 Joint Committee on Public Schools**DIRECT STATE SERVICES**

09-0014 Legislative Commission	<u>\$350,000</u>
Total Direct State Services Appropriation, Joint Committee on Public Schools	<u>\$350,000</u>

Direct State Services:

Special Purpose:

09 Expenses of the Commission	(\$350,000)
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The unexpended balance as of June 30, 2001 in this account is appropriated.

0018 State Commission of Investigation**DIRECT STATE SERVICES**

09-0018 Legislative Commission	<u>\$3,860,000</u>
Total Direct State Services Appropriation, State Commission of Investigation	<u>\$3,860,000</u>

Direct State Services:

Special Purpose:

09 Expenses of the Commission	(\$3,860,000)
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The unexpended balance as of June 30, 2001 in this account is appropriated.

0026 Commission on Business Efficiency in the Public Schools**DIRECT STATE SERVICES**

09-0026 Legislative Commission	<u>\$115,000</u>
Total Direct State Services Appropriation, Commission on Business Efficiency in the Public Schools	<u>\$115,000</u>

Direct State Services:

Special Purpose:

09 Expenses of the Commission	(\$115,000)
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The unexpended balance as of June 30, 2001 in this account is appropriated.

0053 New Jersey Law Revision Commission**DIRECT STATE SERVICES**

09-0053 Legislative Commission	<u>\$325,000</u>
Total Direct State Services Appropriation,	
New Jersey Law Revision Commission	<u>\$325,000</u>

Direct State Services:

Special Purpose:

09 Expenses of the Commission (\$325,000)

The unexpended balance as of June 30, 2001 in this account is appropriated.

0056 New Jersey Redistricting Commission

Such sums as are required for the establishment and operation of the New Jersey Redistricting Commission are appropriated, subject to the approval of the Director of the Division of Budget and Accounting and the Legislative Budget and Finance Officer.

0058 State Capital Joint Management Commission**DIRECT STATE SERVICES**

09-0058 Legislative Commission	<u>\$7,420,000</u>
Total Direct State Services Appropriation,	
State Capital Joint Management Commission	<u>\$7,420,000</u>

Direct State Services:

Special Purpose:

09 Expenses of the Commission (\$7,420,000)

The unexpended balance as of June 30, 2001 in this account is appropriated.

Receipts from the rental of the Cafeteria and the Welcome Center and any other facility under the jurisdiction of the State Capitol Joint Management Commission are appropriated to defray custodial, security, maintenance and other related costs of these facilities.

0060 New Jersey Information Resources Management Commission

The unexpended balance as of June 30, 2001 in this account is appropriated.

0061 Clean Ocean and Shore Trust Committee**DIRECT STATE SERVICES**

09-0061 Legislative Commission	<u>\$125,000</u>
Total Direct State Services Appropriation, Clean	
Ocean and Shore Trust Committee	<u>\$125,000</u>

Direct State Services:

Special Purpose:

09 Expenses of the Commission (\$125,000)

The unexpended balance as of June 30, 2001 in this account is appropriated.

0062 School Transportation Study Commission

The unexpended balance as of June 30, 2001 in this account is appropriated.

The Legislature, Total State Appropriation \$65,679,000

Summary of Legislature Appropriations
(For Display Purposes Only)

Appropriations by Category:

Direct State Services \$65,679,000

Appropriation by Fund:

General Fund \$65,679,000

06 OFFICE OF THE CHIEF EXECUTIVE
70 Government Direction, Management and Control
76 Management and Administration
DIRECT STATE SERVICES

01-0300 Executive Management \$5,821,000

Total Direct State Services Appropriation,

The Office of the Chief Executive \$5,821,000

Direct State Services:

Personal Services:

Salaries and Wages (\$4,545,000)

Materials and Supplies (96,000)

Services Other Than Personal (561,000)

Maintenance and Fixed Charges (131,000)

Special Purpose:

01 National Governors' Association (175,000)

01 Coalition of Northeastern
Governors (48,000)

01 Education Commission
of the States (91,000)

01 National Conference of
Commissioners On Uniform
State Laws (42,000)

01 Brian Stack Intern Program (10,000)

01 Allowance to the Governor of Funds
Not Otherwise Appropriated, For
Official Reception on Behalf of the
State, Operation of an Official
Residence and Other Expenses (95,000)

Additions, Improvements and Equipment (27,000)

The unexpended balance as of June 30, 2001 in this account is appropriated.

Office of the Chief Executive,

Total State Appropriation \$5,821,000

Summary of The Office of the Chief Executive Appropriations
(For Display Purposes Only)

Appropriations by Category:

Direct State Services \$5,821,000

Appropriation by Fund:
 General Fund \$5,821,000

10 DEPARTMENT OF AGRICULTURE
40 Community Development and Environmental Management
49 Agricultural Resources, Planning and Regulation

DIRECT STATE SERVICES

02-3320 Animal and Plant Disease Control \$3,438,000
 03-3330 Resource Development Services 1,351,000
 04-3340 Dairy and Commodity Regulation 948,000
 06-3360 Marketing Services 2,716,000
 08-3380 Farmland Preservation 1,675,000
 99-3370 Administration and Support Services 1,204,000
 Total Direct State Services Appropriation, Agricultural
 Resources, Planning, and Regulation \$11,332,000

Direct State Services:

Personal Services:

Salaries and Wages (\$6,360,000)
 Materials and Supplies (165,000)
 Services Other Than Personal (395,000)
 Maintenance and Fixed Charges (289,000)

Special Purpose:

02 Plant Pest Detection Program (100,000)
 02 Expanded Johne's Disease
 Control Program (75,000)
 02 West Nile Virus Enhancement (183,000)
 03 Aquaculture Development (200,000)
 03 Fish and Seafood Development
 and Promotion (100,000)
 03 Warren County Soil Conservation
 District -- Soil Survey (90,000)
 03 Future Farmers' Youth Development .. (45,000)
 04 Dairy and Commodity Regulation (75,000)
 06 Promotion/Market Development .. (1,166,000)
 06 Wine Promotion Program (30,000)
 06 Temporary Emergency Food
 Assistance Program (338,000)
 08 Agricultural Right-to-
 Farm Program (100,000)
 08 Open Space Administrative Costs . (1,575,000)
 99 Expenses of State Board
 of Agriculture (18,000)
 99 Affirmative Action and Equal
 Employment Opportunity (28,000)

- Receipts from laboratory test fees are appropriated to support the Animal Health Laboratory program. The unexpended balance as of June 30, 2001 in the Animal Health Laboratory program is appropriated for the same purpose.
- Receipts from the seed laboratory testing and certification programs are appropriated for program costs. The unexpended balance as of June 30, 2001 in the seed laboratory testing and certification account is appropriated for the same purpose.
- In addition to the amounts hereinabove, there is appropriated up to \$35,000 for the Gypsy Moth program, subject to the approval of the Director of the Division of Budget and Accounting.
- In addition to the amounts hereinabove, there is appropriated up to \$75,000 for non-salary costs for completing the survey for Plum Pox Virus, subject to the approval of the Director of the Division of Budget and Accounting.
- Receipts from Nursery Inspection fees are appropriated for Nursery Inspection program costs. The unexpended balance as of June 30, 2001 in the Nursery Inspection fee account is appropriated for the same purpose.
- Receipts from the sale or studies of beneficial insects are appropriated to support the Beneficial Insect Laboratory. The unexpended balance as of June 30, 2001 in the Sale of Insects account is appropriated for the same purpose.
- Receipts from Stormwater Discharge Permit program fees are appropriated for program costs. The unexpended balance as of June 30, 2001 in the Stormwater Discharge Permit Program account is appropriated for the same purpose.
- Receipts from dairy licenses and inspections are appropriated for program costs.
- Receipts in excess of the amount anticipated from feed, fertilizer, and liming material registrations and inspections are appropriated for program costs.
- Receipts from inspection fees derived from fruit, vegetable, fish, red meat, and poultry inspections are appropriated for the cost of conducting fruit, vegetable, fish, and poultry inspections.
- The unexpended balance as of June 30, 2001 in the Promotion/Market Development account is appropriated for the same purpose.
- Receipts in excess of those anticipated, generated at the rate of \$.20 per gallon of wine, vermouth and sparkling wines sold by plenary winery and farm winery licenses issued pursuant to R.S.33:1-10, and certified by the Director of the Division of Taxation, are appropriated to the Department of Agriculture from the alcoholic beverage excise tax for expenses of the Wine Promotion Program. If receipts are less than anticipated, the appropriation shall be reduced proportionately.
- Receipts derived from the distribution of commodities, sale of containers, and salvage of commodities, in accordance with applicable federal regulations, are appropriated for Commodity Distribution expenses.

GRANTS-IN-AID

03-3330 Resource Development Services	\$1,174,000
06-3360 Marketing Services	630,000
08-3360 Farmland Preservation	<u>2,100,000</u>
Total Grants-in-Aid Appropriation, Agricultural	
Resources, Planning and Regulation	<u>\$3,904,000</u>

Grants-in-Aid:

03 Farm Management and Training Initiative	.....	(\$24,000)
03 Conservation Cost Share Program	...	(1,150,000)
06 Promotion/Market Development	.....	(250,000)
06 New Jersey Museum of Agriculture	...	(180,000)
06 Agricultural Fairs Association of New Jersey	.....	(50,000)
06 Farmers Against Hunger	.....	(50,000)
06 Gloucester County 4-H Association	.....	(50,000)
06 New Jersey State Fair/Sussex County Farm and Horse Show	.....	(50,000)
08 Farmland Stewardship Program	.....	(250,000)
08 Farmland Administration - County Grants	.....	(250,000)
08 Soil and Water Conservation Grants	.	(1,600,000)

The expenditure of funds for the Conservation Cost Share program shall be based upon an expenditure plan subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001 in the Conservation Cost Share Program account is appropriated for the same purpose.

In addition to the amount hereinabove for the Conservation Cost Share program, an amount not less than \$850,000 shall be transferred from the Department of Environmental Protection's Water Resources Monitoring and Planning - Constitutional Dedication account to support non--point source pollution control programs in the Department of Agriculture based upon an expenditure plan subject to the approval of the Director of the Division of Budget and Accounting. Further, such sums as may be necessary shall be transferred pursuant to an agreement between the Department of Environmental Protection and the Department of Agriculture, from the Department of Environmental Protection's Water Resources Monitoring and Planning-Constitutional Dedication account to support non--point source pollution control programs in the Department of Agriculture, subject to the approval of the Director of the Division of Budget and Accounting. The unexpended balance in this program as of June 30, 2001 is appropriated for the same purpose.

Notwithstanding the provisions of any other law to the contrary, the State Agriculture Development Committee, in determining eligibility for funding from the amount hereinabove for Soil and Water Conservation projects, shall give consideration to applications pursuant to the following priority: a. lands from which a development easement has been permanently conveyed pursuant to section 17 of P.L.1983, c.32 (C.4:1C-24), section 5 of P.L.1988, c.4 (C.4:1C-31.1), section 39 of P.L.1999, c.152 (C.13:8C-39), section 40 of P.L.1999, c.152 (C.13:8C-40) or section 1 of P.L.1999, c.180 (C.4:1C-43.1); b. lands certified by the State Agriculture Development Committee to be within a municipally approved program or other farmland preservation program on or before January 1, 2000 pursuant to P.L.1983, c.32; c. lands certified by the State Agriculture Develop-

ment Committee to be within a municipally approved program or other farmland preservation program subsequent to January 1, 2000 pursuant to P.L.1983, c.32. The unexpended balance as of June 30, 2001 in the Soil and Water Conservation Grants account is appropriated for the same purpose.

STATE AID

06-3360 Marketing Services	\$9,492,000
08-3380 Farmland Preservation	<u>150,000</u>
Total State Aid Appropriation, Agricultural Resources, Planning and Regulation	<u>\$9,642,000</u>

State Aid:

06 School Breakfast Program	(\$2,488,000)
06 Non-Public Nutrition Aid	(439,000)
06 School Lunch Aid	(6,565,000)
08 Payments in Lieu of Taxes	(50,000)
08 Right to Farm Program	(100,000)

The unexpended balance as of June 30, 2001 in the School Breakfast account is appropriated for the same purpose.

CAPITAL CONSTRUCTION

02-3320 Animal and Plant Disease Control	<u>\$50,000</u>
Total Capital Construction Appropriation, Agricultural Resources, Planning and Regulation	<u>\$50,000</u>

Capital Projects:

02 Renovations to Phillip Alampi Beneficial Insect Laboratory	(\$50,000)
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Department of Agriculture, Total State Appropriation . . . \$24,928,000

**Summary of Department of Agriculture Appropriations
(For Display Purposes Only)**

Appropriations by Category:

Direct State Services	\$11,332,000
Grants-in-Aid	3,904,000
State Aid	9,642,000
Capital Construction	50,000

Appropriation by Fund:

General Fund	\$24,928,000
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14 DEPARTMENT OF BANKING AND INSURANCE

50 Economic Planning, Development and Security

52 Economic Regulation

DIRECT STATE SERVICES

01-3110 Licensing and Regulatory Affairs	\$15,183,000
02-3120 Actuarial Services	5,292,000
03-3130 Regulation of the Real Estate Industry	2,814,000
04-3110 Public and Regulatory Services	1,610,000
05-3160 Unsatisfied Claims	1,868,000

06-3110 Insurance Fraud Prevention	32,085,000
07-3170 Supervision and Examination of Financial Institutions	3,910,000
99-3150 Administration and Support Services	<u>4,451,000</u>
Total Direct State Services Appropriation, Economic Regulation	<u>\$67,213,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$29,156,000)
Materials and Supplies	(342,000)
Services Other Than Personal	(5,780,000)
Maintenance and Fixed Charges	(208,000)

Special Purpose:

01 Ombudsman Program	(776,000)
02 Actuarial Services	(600,000)
06 Additional Investigators -- Insurance Fraud Prevention	(2,250,000)
06 Insurance Fraud Prosecution Services	(27,627,000)
99 Affirmative Action and Equal Employment Opportunity	(30,000)

Additions, Improvements and Equipment . . (444,000)

Receipts derived from extraordinary financial condition examinations or actuarial certifications of loss reserves are appropriated for the conduct of such examinations or certifications, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001 in the Public Adjusters' Licensing account, together with receipts derived from the "Public Adjusters' Licensing Act," P.L.1993, c.66 (C.17:22B-1 et seq.), are appropriated for the administration of the act, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from the investigation of out-of-State land sales are appropriated for the conduct of those investigations.

There are appropriated from the Real Estate Guaranty Fund such sums as may be necessary to pay claims.

There are appropriated from the assessments imposed by the New Jersey Individual Health Coverage Program Board, created pursuant to P.L.1992, c.161 (C.17B:27A-2 et seq.), and by the New Jersey Small Employer Health Benefits Program Board, created pursuant to P.L.1992, c.162 (C.17B:27A-17 et seq.), such sums as may be necessary to carry out the provisions of those acts, subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated out of the New Jersey Automobile Insurance Guaranty Fund such sums as may be necessary to satisfy the financial obligations of the New Jersey Automobile Full Insurance Underwriting Association, as set forth in the "Fair Automobile Insurance Reform Act of 1990," P.L.1990, c.8 (C.17:33B-1 et

al.), subject to the provisions of subsection e. of section 23 of P.L.1990, c.8 (C.17:33B-5).

Upon certification by the Commissioner of Banking and Insurance pursuant to subparagraph (b) of paragraph (9) of subsection a. of section 8 of P.L.1974, c.17 (C.17:30A-8) that loans in an amount less than \$160,000,000 per calendar year will satisfy the current and anticipated financial obligations of the Market Transition Facility without reference to the amount of funds remaining from the sale of the Market Transition Facility Senior Lien Revenue Bonds, there is appropriated out of the New Jersey Automobile Insurance Guaranty Fund such sums as may be necessary to satisfy the obligation of the New Jersey Property Liability Insurance Guaranty Fund to make refunds according to law in the amount of any exemption due pursuant to subparagraph (b) of paragraph (9) of subsection a. of section 8 of P.L.1974, c.17 (C.17:30A-8).

The amount hereinabove for Unsatisfied Claims is appropriated out of the Unsatisfied Claim and Judgment Fund and, in addition, there are appropriated out of that fund additional sums as may be necessary for the payment of claims pursuant to section 7 of P.L.1952, c.174 (C.39:6-67), and for such additional costs as may be required to administer the fund pursuant to P.L.1952, c.174 (C.39:6-61 et seq.).

Receipts in excess of anticipated revenues from examination and licensing fees, bank assessments, fines and penalties and the unexpended balances as of June 30, 2001, not to exceed \$250,000, are appropriated to the Division of Banking, subject to the approval of the Director of the Division of Budget and Accounting.

Proceeds from the sale of credits by the Pinelands Development Credit Bank pursuant to P.L.1985, c.310 (C.13:18A-30 et. seq.) shall be appropriated to the Pinelands Development Credit Bank for the same purpose.

The unexpended balance as of June 30, 2001 in the Pinelands Development Credit Bank account is appropriated for the same purpose.

In addition to the sum hereinabove, such other sums as the Director of the Division of Budget and Accounting shall determine are appropriated from the assessments of the insurance industry pursuant to P.L.1995, c.156 (C.17:1C-19 et seq.).

The amount hereinabove for the Division of Insurance accounts is payable from receipts received from the Special Purpose Assessment of insurance companies pursuant to section 2 of P.L.1995, c.156 (C.17:1C-20). If the Special Purpose Assessment cap calculation is less than the amount herein appropriated for this purpose for the Division of Insurance, the appropriation shall be reduced to the level of funding supported by the Special Purpose Assessment cap calculation.

All monies deposited in the Division of Motor Vehicles Surcharge Fund are appropriated to the Market Transition Facility Revenue Fund in accordance with the provisions of P.L.1994, c.57 (C.34:1B-21.1 et seq.).

The amount appropriated hereinabove for FAIR Act Administration shall be funded from the additional taxes on the taxable premiums of insurers for the payment of Department of Banking and Insurance administrative costs related to its statutory duties, pursuant to P.L.1990, c.8 (C.17:33B-1 et al.).

Notwithstanding any provisions of law to the contrary, any surplus balance remaining in the New Jersey Medical Malpractice Reinsurance Recovery Fund after all financial obligations of the New Jersey Medical Malpractice Reinsurance Association are funded, as determined by the Director of the Division of Budget

and Accounting, are appropriated for transfer to the General Fund as State revenue.

Department of Banking and Insurance,
 Total State Appropriation \$67,213,000

Summary of Department of Banking and Insurance Appropriations
 (For Display Purposes Only)

Appropriations by Category:
 Direct State Services \$67,213,000
Appropriation by Fund:
 General Fund \$67,213,000

22 DEPARTMENT OF COMMUNITY AFFAIRS
40 Community Development and Environmental Management
41 Community Development Management

DIRECT STATE SERVICES

01-8010 Housing Code Enforcement \$4,924,000
 02-8020 Housing Services 3,523,000
 03-8040 Special Urban Services 1,350,000
 04-8030 Local Government Services 8,246,000
 06-8015 Uniform Construction Code 5,305,000
 12-8025 Boarding Home Regulation and Assistance 1,316,000
 13-8027 Codes and Standards 226,000
 18-8017 Uniform Fire Code 4,838,000
 32-8015 Workplace Standards 962,000
 Total Direct State Services Appropriation, Community
 Development Management \$30,690,000

Direct State Services:

Personal Services:
 Board Members (7@ \$12,000) (\$84,000)
 Salaries and Wages (18,853,000)
 Materials and Supplies (166,000)
 Services Other Than Personal (1,289,000)
 Maintenance and Fixed Charges (682,000)
 Special Purpose:
 02 Prevention of Homelessness (243,000)
 02 Neighborhood Preservation-Fair
 Housing P.L.1985, c.222 (1,286,000)
 02 Council on Affordable Housing ... (1,467,000)
 02 Main Street New Jersey (200,000)
 03 Office of Neighborhood
 Empowerment (1,350,000)
 04 Special Municipal Aid Act --
 Administration (2,000,000)
 18 Local Fire Fighters' Training (375,000)

New Jersey State Library

04 Local Unit Budget Approval and Reporting System (LUBARS)	(1,500,000)
04 Local School Contracting Oversight and Assistance	(1,150,000)
32 Carnival Amusement Ride Safety Advisory Board	(1,000)
32 Safety Commission	(3,000)
Additions, Improvements and Equipment . . .	(41,000)

The amount hereinabove for the Housing Code Enforcement program classification is payable out of the fees and penalties derived from bureau activities. If the receipts are less than anticipated, the appropriation shall be reduced proportionately.

The unexpended balance as of June 30, 2001 in the Housing Code Enforcement program classification, together with any receipts in excess of the amount anticipated, is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001, in the several Uniform Construction Code program classification fee accounts, together with any receipts in excess of the amounts anticipated, is appropriated for expenses of code enforcement activities, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001 in the Planned Real Estate Development Full Disclosure Act fees account, together with any receipts in excess of the amount anticipated, is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The amounts received by the Uniform Construction Code Revolving Fund attributable to that portion of the surcharge fee in excess of \$0.0006, and to surcharges on other construction, shall be dedicated to the general support of the Uniform Construction Code Program, and, notwithstanding the provisions of section 2 of P.L.1979, c.121 (C.52:27D-124.1), shall be available for training and non-training purposes. Notwithstanding the provision of law to the contrary, unexpended balances as of June 30, 2001 in the Uniform Construction Code Revolving Fund are appropriated.

Such sums as may be required for the registration of builders and reviewing and paying claims under the "New Home Warranty and Builders' Registration Act," P.L.1977, c.467 (C.46:3B-1 et seq.), are appropriated from the New Home Warranty Security Fund in accordance with section 7 of P.L.1977, c.467 (C.46:3B-7), subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated for the Workplace Standards program are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001 in the Uniform Fire Code program classification, together with any receipts in excess of the amount anticipated, is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The amounts hereinabove for the Uniform Fire Code program classification are payable out of the fees and penalties derived from code enforcement activities. If these receipts are less than anticipated, the appropriations shall be reduced proportionately.

The amount hereinabove for the Council on Affordable Housing and Neighborhood Preservation-Fair Housing accounts shall be payable from the receipts of the portion of the realty transfer tax directed to be credited to the Neighborhood Preservation Nonlapsing Revolving Fund pursuant to section 4 of P.L. 1968, c. 49 (C.46:15-8) and from the receipts of the portion of the realty transfer tax directed to be credited to the Neighborhood Preservation Nonlapsing Revolving Fund pursuant to section 4 of P.L. 1975, c. 176 (C.46:15-10.1). Any receipts in excess of the amount anticipated, and any unexpended balance as of June 30, 2001 are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from the New Jersey Housing and Mortgage Finance Agency charges for the Affordable Housing Management Service to municipalities and the unexpended balance as of June 30, 2001 are appropriated for the operation of the Housing Affordability Service within the Division of Housing.

Pursuant to section 15 of P.L. 1983, c. 530 (C.55:14K-15), the Commissioner shall determine, at least annually, the eligibility of each boarding house resident for rental assistance payments; and notwithstanding any provision of P.L. 1983, c. 530 (C.55:14K-1 et seq.) to the contrary, moneys held in the Boarding House Rental Assistance Fund that were originally appropriated from the General Fund may be used by the Commissioner for the purpose of providing life safety improvement loans, and any moneys held in the Boarding House Rental Assistance Fund may be used for the purpose of providing rental assistance for repayment of such loans. Notwithstanding any provision of P.L. 1983, c. 530 (C.55:14K-1 et seq.), the Commissioner of the Department of Community Affairs shall have authority to disburse funds from the Boarding House Rental Assistance Fund established pursuant to section 14 of P.L. 1983, c. 530 (C.55:14K-14) for the purpose of repaying, through rental assistance or otherwise, loans made to the boarding house owners for the purpose of rehabilitating boarding houses.

Receipts from repayment of loans from the Urban Multi-Family Production Program, together with the unexpended balance of such loan repayments as of June 30, 2001 are appropriated for the purpose of funding additional urban multi-family housing projects.

Any receipts from the sale of truth in renting statements, including fees, fines, and penalties, are appropriated.

Receipts from the Division of Local Government Services are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Fees for local government, authority, and special district audits, education program administration, debt financing, expedited budget review and other fiscal services as authorized by the Local Finance Board are appropriated for associated expenses, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001 in the Special Urban Services program classification is appropriated.

The unexpended balance as of June 30, 2001 in the Special Municipal Aid Act - Administration account is appropriated.

Notwithstanding any provisions of P.L.1983, c.530 (C.55:14K-1 et seq.) to the contrary, the Commissioner of the Department of Community Affairs shall have the authority to disburse funds, not to exceed the difference between \$1,000,000 and any fiscal year 2001 disbursements from the Boarding Home Rental Assistance Fund established pursuant to section 14 of P.L.1983, c.530, (C.55:14K-14) for the purpose of making loans to assist fraternities and sororities in compliance with fire suppression system retrofit requirements in private housing used exclusively to provide sleeping quarters for college students.

There is appropriated from the Petroleum Overcharge Reimbursement Fund the sum of \$300,000 for the expenses of the Green Homes Office in the Division of Housing and Community Resources, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

01-8010 Housing Code Enforcement	\$919,000
02-8020 Housing Services	7,525,000
03-8040 Special Urban Services	13,500,000
04-8030 Local Government Services	47,838,000
18-8017 Uniform Fire Code	<u>8,571,000</u>
Total Grants-in-Aid Appropriation, Community	
Development Management	<u>\$78,353,000</u>

Grants-in-Aid:

01 Cooperative Housing Inspection	(\$919,000)
02 Supplemental Shelter Support	(1,000,000)
02 Shelter Assistance	(2,000,000)
02 Prevention of Homelessness	(4,460,000)
02 Spring House, Eatontown	(25,000)
02 Interfaith Hospitality Network of Monmouth County	(40,000)
03 New Jersey Redevelopment Authority - Mercer County Projects	(4,000,000)
03 Brownfields Redevelopment Grants ..	(5,000,000)
03 Downtown Living Initiative	(4,500,000)
04 Allentown Borough - Public Works Improvements	(30,000)
04 Alloway Township - Dam Repairs ...	(2,000,000)
04 Alloway Township - Youth Sports	(150,000)
04 Andover Borough - Fire Vehicle	(100,000)
04 Asbury Park City - Recreation	(12,000)
04 Asbury Park Job Training Center	(250,000)
04 Atlantic County - North/ South Artery Component II	(500,000)

04 Atlantic Highlands Borough - Public Works Vehicle	(81,000)
04 Avon Borough - Police Department Building Renovation	(20,000)
04 Beachwood Borough - Soccer and Lighting	(50,000)
04 Beachwood Borough -- Parks Upgrade .	(200,000)
04 Bergen County Police Athletic League	(20,000)
04 Belleville Township - Police Department	(250,000)
04 Bergen County - Police Department Bomb Squad Robot	(91,000)
04 Bloomfield Township - Riverbank Restoration and Erosion Control	(250,000)
04 Bordentown Township - Recreation Facility Upgrade and Improvement	(85,000)
04 Bordentown City - Public Facilities Improvements	(30,000)
04 Bordentown Township - Municipal Complex	(40,000)
04 Borough of Matawan - Main Street Improvements	(90,000)
04 Bradley Beach Borough - Beach Accessibility Equipment	(75,000)
04 Branchville Borough - Paulinskill River Cleanup	(250,000)
04 Brick Township -- Fire Vehicles	(45,000)
04 Bridgeton Office of Emergency Management - Rescue Vehicle	(40,000)
04 Bridgewater Township - Playground and Walking Trail	(60,000)
04 Burlington County -- Emergency Management Training Capabilities	(250,000)
04 Burlington Township - Fire Department Defibrillators	(20,000)
04 Burlington City - Neighborhood Health Center Building	(400,000)
04 Burlington Township - Police Department Equipment	(33,000)
04 Burlington County - New Jersey Eco Complex	(200,000)
04 Burlington County Sheriff's Department - Parent Connection Program	(10,000)
04 Burlington City Police Department - Laptop Computers	(25,000)

04 Caldwell Borough Township -	
Community Center	(50,000)
04 Camden County Fire Academy	(400,000)
04 Cape May County Animal Shelter	(50,000)
04 Cape May City - Traffic Assessment	(25,000)
04 Carlstadt Borough -	
Police Department	(150,000)
04 Carlstadt Borough - Athletic	
Field Improvements	(100,000)
04 Cedar Grove Township --	
Public Works	(230,000)
04 Cedar Grove Township - Community	
Park Playground Rehabilitation	(50,000)
04 Cedar Grove Township -	
Wrestling Equipment	(20,000)
04 Cedar Grove Township - Fire	
Department Truck Bay Extension	(100,000)
04 Chesterfield Township - Public Safety	(100,000)
04 Clark Township -- Recreation Fields	(150,000)
04 Clementon Borough -- Municipal	
Historical Display	(75,000)
04 Cliffside Park Borough -	
Public Safety	(175,000)
04 Clifton City - Geographical	
Information System	(250,000)
04 Clifton City - Infrastructure	
Improvements	(350,000)
04 Clifton City - Refurbish	
Community Center	(250,000)
04 Clifton City Police Department -	
Automated Integrated Booking System	(150,000)
04 Clifton City - Fire Department -	
Ambulance	(225,000)
04 Cresskill Borough --	
Downtown Improvement	(75,000)
04 Delran Township - ADA Compliance	(25,000)
04 Dunellen Borough - Community	
Recreation Center	(100,000)
04 East Rutherford Borough -	
Public Safety	(195,000)
04 East Rutherford Borough -	
Riggins Field Improvements	(100,000)
04 East Brunswick Township --	
Senior Citizens' Bus	(60,000)
04 East Brunswick Township - Police	
Motorcycle Training Unit	(100,000)
04 East Windsor Township - Senior	
Citizen Center	(100,000)

04 Edgewater Park Township - Storm Drainage Repair and Upgrade	(150,000)
04 Egg Harbor City - Municipal Building Roof Repairs	(25,000)
04 Elmer Borough - Municipal Improvements	(66,000)
04 Elmer Borough - Police Vehicle	(40,000)
04 Elmwood Park Borough - Fire Department Equipment	(103,000)
04 Elsinboro Township - Public Safety	(225,000)
04 Emerson Borough -- Public Safety Equipment	(225,000)
04 Englishtown Borough - Weamaconk Lake Dredging	(100,000)
04 Erskine Lakes Volunteer Fire Department, Ringwood Borough - Building Repair	(200,000)
04 Evesham Township -- Police Equipment	(125,000)
04 Fair Lawn Borough - Recreational Facilities	(450,000)
04 Fairfield Township -- Recreation Equipment	(50,000)
04 Fanwood Borough -- Downtown Improvement	(100,000)
04 Fieldsboro Borough - Recreation Equipment	(20,000)
04 Florence Township Redevelopment Agency - Roebling Steel Mill Site Rehabilitation	(120,000)
04 Florham Park Borough - Community Policing Project	(65,000)
04 Frankford Township - Paulinskill River Cleanup	(250,000)
04 Franklin Lakes Borough - Municipal Improvements	(275,000)
04 Franklin Township (Gloucester) - Municipal Complex ADA compliance	(100,000)
04 Fredon Township - Community Center/ EMS Building	(300,000)
04 Freehold Township - Police Communications Modernization	(100,000)
04 Freehold Township -- Police Training and Equipment	(125,000)
04 Freehold Borough - Athletic Facility Improvement	(75,000)

04 Lyndhurst Township -	
Recreation Department	(20,000)
04 Madison Borough - Public Safety	(99,000)
04 Mahwah Borough - Senior	
Citizen Center	(250,000)
04 Manalapan Township -	
Police Equipment	(50,000)
04 Manalapan Township -	
Storm Damage Costs	(100,000)
04 Manasquan Borough -- Parking Lot	
Rehabilitation	(300,000)
04 Mannington Township - Public	
Works Department	(80,000)
04 Manville Borough -	
Police Department	(129,000)
04 Maple Shade Township - Recreation	
Field Project	(25,000)
04 Marlboro Township -	
Public Safety Equipment	(100,000)
04 Matawan Borough --	
Police Equipment	(50,000)
04 Medford Township -	
Public Safety Equipment	(140,000)
04 Mercer County Park Commission -	
Soccer Facility Improvements	(260,000)
04 Middletown Township - Bayshore	
Recreation Center	(35,000)
04 Middletown Township - Croydon	
Hall and Senior Center Improvements	(90,000)
04 Middletown Township -	
Downtown Streetscapes	(160,000)
04 Middletown Township - Parking Lot	
Improvements	(155,000)
04 Midland Park Borough -	
Streetscape Project	(300,000)
04 Millburn Township --	
Municipal Purposes	(240,000)
04 Monmouth Beach Borough --	
Griffin Street Project	(50,000)
04 Moonachie Borough -	
Police Equipment	(116,000)
04 Mount Laurel Township -	
Public Safety Vehicle	(75,000)
04 Mount Olive Township -	
Youth Center	(150,000)
04 Mount Olive Township - Budd	
Lake Beach Complex Improvements	(100,000)

04 Mountainside Borough - Recreational Fields Improvement	(90,000)
04 Neptune City Borough -- Senior/ Recreation Center	(100,000)
04 Neptune Township, Project ANCHOR . .	(10,000)
04 Netcong Borough - Police Vehicle	(28,000)
04 New Hanover Township - Recreational Facilities	(25,000)
04 New Milford Borough - Open Space Acquisition	(83,000)
04 New Providence Borough - Public Safety Equipment	(75,000)
04 North Arlington Borough - Public Works	(65,000)
04 North Caldwell Borough - Lightning Prediction and Warning System	(20,000)
04 North Arlington Borough - Roadway Improvements	(400,000)
04 North Hanover Township - Emergency Equipment	(50,000)
04 North Wildwood City - Boardwalk Emergency Access Ramp	(50,000)
04 Northern Monmouth/Bayshore Pistol Range	(210,000)
04 Northern Monmouth Fire Academy Groundwater Remediation	(180,000)
04 Nutley Township - Parks Department . .	(150,000)
04 Nutley Township - Public Works	(166,000)
04 Oakland Borough -- Public Safety Equipment	(130,000)
04 Oakland Borough -- Library Technology Upgrade	(14,000)
04 Ocean City - Boardwalk Motorized Vehicle Project	(20,000)
04 Ocean City - Emergency Evacuation Apparatus	(50,000)
04 Ocean County Police Academy -- Police Memorial	(55,000)
04 Ocean Township (Ocean) - Senior Recreation Complex	(100,000)
04 Ocean Township (Monmouth) -- Historical Museum	(100,000)
04 Old Bridge Township - Madison Park Field Improvements	(125,000)
04 Old Bridge Township - Traffic Signal . . .	(30,000)

04 Special Aid to Essex County	(5,000,000)
04 Stafford Township - Emergency Medical Services Building	(75,000)
04 Stillwater Township - Fire Truck	(100,000)
04 Stockton Borough -- Community Park Project	(20,000)
04 Stow Creek Township - Emergency Management Vehicle	(40,000)
04 Summit City - Community Pool	(150,000)
04 Surf City Borough - Bulkhead Repair and Replacement	(250,000)
04 Sussex - Wantage Branch Library	(190,000)
04 Sussex County - Court House Adaptive Reuse and Preservation	(500,000)
04 Sussex Borough - First Aid Vehicle	(90,000)
04 Sussex County - Law Enforcement Training Center	(400,000)
04 Sussex County - Transportation Mobility Study	(90,000)
04 Sussex County - Traffic and Weather Equipment	(90,000)
04 Teterboro Borough - Public Works Vehicle	(29,000)
04 Tinton Falls Borough - Municipal Building	(75,000)
04 Union Beach Borough - Public Safety Equipment	(155,000)
04 Union Township (Union) - Fire Safety House	(40,000)
04 Upper Freehold Township - Public Works Improvement	(65,000)
04 Upper Pittsgrove Township - Handicapped Accessibility of Town Hall	(150,000)
04 Ventnor City - Boardwalk Renovation	(500,000)
04 Vernon Township - Fire Vehicle	(100,000)
04 Verona Township - Senior Bus	(95,000)
04 Vineland City - City Parks Sanitary Facilities	(150,000)
04 Wallington Borough - Recreation Department	(55,000)
04 Wallington Borough - Public Safety Facilities Improvements	(265,000)
04 Wanaque Borough - Traffic signal	(150,000)
04 Warren County -- Emergency Management Rapid Equipment Deployment Services	(12,000)

04 Warren Township - Recreational Fields	(100,000)
04 Washington Township (Gloucester) -- Township Park Rangers	(100,000)
04 Washington Township (Gloucester) - Parks and Recreation	(125,000)
04 Washington Township (Gloucester) - Performing Arts Center	(75,000)
04 Washington Township (Gloucester) - Public Safety	(25,000)
04 Washington Township (Gloucester) - DARE and Security Programs	(50,000)
04 Washington Township (Mercer) - Police Department Equipment	(75,000)
04 Washington Township (Mercer) - Meals on Wheels Program	(20,000)
04 Watchung Borough - Veteran's Memorial	(10,000)
04 West Caldwell Township - Communication and Community Awareness Project	(94,000)
04 West Long Branch Borough - Valenzano Park Field Lighting	(50,000)
04 Westampton Township Police Department - Vehicle	(40,000)
04 Westwood Borough -- Recreational Field Lighting	(50,000)
04 Wildwood Crest Borough - Handicapped Access Walkways	(50,000)
04 Willingboro Township - Carl Lewis Track Rehabilitation	(300,000)
04 Woodbine Borough - Municipal Building	(250,000)
04 Woodland Township - Public Works	(100,000)
04 Mount Ephraim Borough - Recreation Fields	(25,000)
04 Gloucester City - Streetscape Project ..	(150,000)
04 Somerdale Borough - Municipal Renovations	(250,000)
04 Sayreville Borough - Municipal Purpose	(300,000)
04 Wyckoff Township - Streetscape Beautification Project	(275,000)
04 Upper Deerfield Township - Recreation Facilities	(18,000)

04 Hopewell Township (Cumberland) - Municipal Vehicle	(40,000)
04 Peapack Gladstone Borough -- Fire Department	(200,000)
18 Uniform Fire Code -- Local Enforcement Agency Rebates	(8,425,000)
18 Uniform Fire Code -- Continuing Education	(146,000)

The amount hereinabove for the Housing Code Enforcement program classification is payable out of the fees and penalties derived from bureau activities. If these receipts are less than anticipated, the appropriation shall be reduced proportionately.

The unexpended balance as of June 30, 2001, in the Housing Code Enforcement program classification, together with any receipts in excess of the amount anticipated, is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Uniform Fire Code program classification is payable out of the fees and penalties derived from inspection and enforcement activities. If these receipts are less than anticipated, the appropriation shall be reduced proportionately.

The unexpended balance as of June 30, 2001 in the Uniform Fire Code program classification together with any receipts in excess of the amount anticipated is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as June 30, 2001 in the Thermal Imaging Camera Grant Program is appropriated for grants to regional and local fire organizations. The thermal imaging cameras shall be procured by the Department of Community Affairs.

The amount hereinabove for Shelter Assistance is payable from the receipts of the portion of the realty transfer tax directed to be credited to the Neighborhood Preservation Nonlapsing Revolving Fund pursuant to section 4 of P.L. 1968, c.49 (C.46:15-8) and from the receipts of the portion of the realty transfer tax directed to be credited to the Neighborhood Preservation Nonlapsing Revolving Fund pursuant to section 4 of P.L.1975, c.176 (C.46:15-10.1). If the receipts are less than anticipated, the appropriation shall be reduced proportionately.

The unexpended balance as of June 30, 2001 in the Shelter Assistance account is appropriated.

The Commissioner of the Department of Community Affairs shall report to the Director of the Division of Budget and Accounting and the Joint Budget Oversight Committee, not later than March 1, 2002, statistical and financial information on the expenditure of funds from the Shelter Assistance account for fiscal year 2002. Such information shall specifically include the number, types, location and costs of beds made available for occupancy with the funds appropriated herein.

Upon determination by the Commissioner that all eligible shelter assistance projects have received funding from the amount appropriated for Shelter Assistance from receipts of the portions of the realty transfer tax dedicated to the Neighborhood

Preservation Nonlapsing Revolving Fund, any available balance in the Shelter Assistance account may be transferred to the Neighborhood Preservation Fair Housing account, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001 in the Prevention of Homelessness account is appropriated.

There is appropriated to the Revolving Housing Development and Demonstration Grant Fund an amount not to exceed 50% of the penalties derived from bureau activities in the Housing Code Enforcement program classification, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from repayment of loans from the Downtown Business Improvement Loan Fund, together with the unexpended balance of such loan fund as of June 30, 2001 and any interest thereon, are appropriated for the purposes of P.L.1998, c.115 (C.40:56-71.1 et seq.).

The amount appropriated hereinabove for Brownfields Redevelopment Grants shall be allocated to the New Jersey Redevelopment Authority to pay site acquisition, remediation and demolition costs of brownfield redevelopment projects in eligible municipalities, provided that the remediation plan for any brownfield site shall be subject to the approval of the Department of Environmental Protection and subject to the approval of the State Treasurer. Brownfields redevelopment moneys may take the form of grants, recoverable grants or loans, and all loans or recovered grants shall be repaid to the General Fund and reappropriated for the same purposes or reallocated subject to the approval of the State Treasurer. The authority shall develop project financing criteria that are consistent with the provisions and objectives of the "New Jersey Urban Redevelopment Act," P.L.1996, c.62 (C.55:19-20 et al.).

Of the amount hereinabove for Brownfields, \$750,000 is appropriated for Brownfields Redevelopment Grants for the support of a private nonprofit economic development corporation authorized to undertake redevelopment projects and activities for the city of Trenton.

Such amounts necessary for the payment of principal and interest on outstanding notes of the Hackensack Meadowlands Development Commission are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of section 35 of P.L.1975, c.326 (C.13:17-10.1), sections 10 and 11 of P.L.1981, c.306 (C.13:1E-109 and C.13:1E-110), section 8 of P.L.1985, c.368 (C.13:1E-176), or any rules and regulations adopted pursuant thereto, or any order issued by the Board of Public Utilities to the contrary, an amount equal to \$3,205,000 of the calendar year 2001 interest shall be withdrawn from the escrow accounts by the Hackensack Meadowlands Development Commission and paid to the State Treasurer for deposit in the General Fund and the amount so deposited shall be appropriated to the Hackensack Meadowlands Development Commission for operational costs. Of the amount so deposited and appropriated to the Hackensack Meadowlands Development Commission, \$110,000 shall be made available to the Hackensack Meadowlands Municipal Committee for operational costs.

Notwithstanding the provisions of section 35 of P.L.1975, c.326 (C.13:17-10.1), sections 10 and 11 of P.L.1981, c.306 (C.13:1E-109 and C.13:1E-110), section 8 of P.L.1985, c.368 (C.13:1E-176), or any rules and regulations adopted pursuant thereto, or any order issued by the Board of Public Utilities to the contrary, an amount equal to \$164,000 of the calendar year 2001 interest earnings on the aggregate balance in the closure and post-closure monitoring of the sanitary landfill facilities operated by the Hackensack Meadowlands Development Commission shall be withdrawn from the escrow accounts by the commission and paid to the State Treasurer for deposit in the General Fund, and the amount so deposited is appropriated for payment to the Hackensack Meadowlands Tax Sharing Stabilization Fund and paid to the commission in accordance with the certification of the fund's requirements, for distribution by the commission to municipalities entitled to payments from the fund for 2001. Notwithstanding any provision of law to contrary, the Hackensack Meadowlands Development Commission shall certify calendar 2002 tax sharing stabilization payments in amounts equal to those certified in calendar year 2001.

Notwithstanding any other law to the contrary, there is appropriated from the Sanitary Landfill Contingency Fund an amount equal to any moneys remaining in the escrow account of the Kingsland Sanitary Landfill, established pursuant to section 10 of P.L.1981, c.306 (C.13:1E-109), subsequent to its proper and complete closure pursuant to law, for the funding of the proper closure of sanitary landfills owned or to be acquired by the Hackensack Meadowlands Development Commission, subject to the approval of the Director of the Division of Budget and Accounting.

During the fiscal year ending June 30, 2002, the Borough of Mountainside may remit the amount of \$75,000 to the Department of Community Affairs from the grant-in-aid received by the borough in fiscal year 2000 for a Senior Citizen Bus, and upon the return of that amount, \$75,000 is appropriated to the borough for recreation projects.

During the fiscal year ending June 30, 2002, Monroe Township (Gloucester County) may remit the amount of \$10,000 to the Department of Community Affairs from the grant-in-aid received by the borough in fiscal year 2000 for an Engineering Plan for Spruce Lake Dam, and upon the return of that amount, \$10,000 is appropriated to the township for a recreation complex.

There is appropriated an amount not to exceed \$191,000 for a grant to Union Beach Township for a match to the Federal Emergency Management Agency funds awarded to the township for damages that occurred during a winter storm in December, 1992, subject to the approval of the Director of the Division of Budget and Accounting.

STATE AID

02-8020 Housing Services	\$17,425,000
04-8030 Local Government Services	958,548,000
<i>(From General Fund</i>	<i>\$991,000)</i>
<i>(From Property Tax Relief Fund</i>	<i>957,557,000)</i>
06-8015 Uniform Construction Code	<u>46,000</u>
Total State Aid Appropriation, Community	
Development Management	<u>\$976,019,000</u>

(Total From General Fund \$18,462,000)
(Total From Property Tax
Relief Fund 957,557,000)

State Aid:

02 Neighborhood Preservation
(P.L.1975, c.248 and c.249) (\$2,750,000)
02 Neighborhood Preservation --
Fair Housing (P.L.1985, c.222) (13,925,000)
02 Relocation Assistance (750,000)
04 Extraordinary Aid (C.52:27D-
118.36) (PTRF) (25,000,000)
04 Consolidated Municipal Property
Tax Relief Aid (PTRF) (831,635,000)
04 County Prosecutors Salary Increase
(P.L.1996, c.99) (741,000)
04 Legislative Initiative Municipal Block
Grant Program (PTRF) (33,825,000)
04 Domestic Violence Training Cost
Reimbursement -- Local Law
Enforcement Agencies (250,000)
04 Regional Efficiency Development
Incentive Grant Program (PTRF) (5,000,000)
04 Regional Efficiency Aid
Program (PTRF) (20,000,000)
04 Watershed Moratorium Offset
Aid (PTRF) (3,382,000)
04 Special Municipal Aid Act (PTRF) . (38,715,000)
06 Municipal Memberships in Building
Codes Association (46,000)

Of the sum hereinabove for Neighborhood Preservation -Fair Housing, a sum not to exceed \$300,000 may be used for matching on a 50/50 basis for the administrative costs of the Federal Small Cities Block Grant.

Any receipts in excess of the amount anticipated in the Neighborhood Preservation-Fair Housing account are appropriated.

The unexpended balance as of June 30, 2001, in the Relocation Assistance account is appropriated.

The amount hereinabove for Neighborhood Preservation-Fair Housing is payable from the receipts of the portion of the realty transfer tax directed to be credited to the Neighborhood Preservation Nonlapsing Revolving Fund pursuant to section 4 of P.L.1968, c.49 (C.46:15-8), and from the receipts of the portion of the realty transfer tax directed to be credited to the Neighborhood Preservation Nonlapsing Revolving Fund pursuant to section 4 of P.L.1975, c.176 (C.46:15-10.1). If the receipts are less than anticipated, the appropriation shall be reduced proportionately.

Of the amount hereinabove for Neighborhood Preservation-Fair Housing, an amount not to exceed \$2,500,000 may be used to provide technical assistance grants to

- non-profit housing organizations and authorities for creating and supporting affordable housing opportunities.
- The unexpended balance as of June 30, 2001 in the Neighborhood Preservation-Fair Housing account is appropriated.
- Notwithstanding any law to the contrary, funds appropriated for Neighborhood Preservation-Fair Housing may be provided directly to the housing project being assisted; provided, however, that any such project have the support by resolution of the governing body of the municipality in which it is located.
- In addition to the sum hereinabove for Relocation Assistance, such amounts as may be required to fund relocation costs of boarding home residents are appropriated from the Boarding Home Rental Assistance Fund.
- The unexpended balance as of June 30, 2001 in the Aid for GAAP Accounting Implementation is appropriated. Any training from Aid for GAAP Accounting Implementation shall be through purely voluntary local interest and nothing provided in this act shall require any municipality to adopt GAAP accounting or to participate in a program to encourage GAAP accounting.
- Notwithstanding any provisions of the "Local Budget Law," P.L.1960, c.169 (C.40A:4-1 et seq.), to the contrary, the Director of the Division of Local Government Services may require any municipality which is determined to be experiencing fiscal distress pursuant to the provisions of the "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-118.24 et seq.), to anticipate and include in its annual budget any additional item or amount of revenue as the director deems to be appropriate and fiscally prudent.
- Notwithstanding any provision of law to the contrary, municipal appropriations for "Reserve for Tax Appeals" may be made in exception to spending limitations pursuant to section 3 of P.L.1976, c.68 (C.40A:4-45.3).
- Notwithstanding any provision of law to the contrary, any qualified municipality as defined in section 1 of P.L.1978, c.14 (C.52:27D-178) for fiscal year 2001, and the Borough of Keansburg, shall continue to be a qualified municipality thereunder for fiscal year 2002.
- The unexpended balance as of June 30, 2001 in the Domestic Violence Training Cost Reimbursement-Local Law Enforcement Agencies account is appropriated.
- The amount hereinabove for Special Municipal Aid has been reduced to reflect savings provided to eligible municipalities from the reduced PFRS local employers' contributions afforded pursuant to the "Pension Cost Stabilization Act," P.L.2001 c.44 (C.43:16A-15).
- The amount hereinabove for Consolidated Municipal Property Tax Relief Aid shall be distributed on the following schedule: on or before July 15, 35% of the total amount due; August 1, 10% of the total amount due; September 1, 30% of the total amount due; October 1, 15% of the total amount due; November 1, 5% of the total amount due; and December 1, 5% of the total amount due.
- Notwithstanding any law to the contrary, from the amount received from the Consolidated Municipal Property Tax Relief Aid program, each municipality shall be required to distribute to each fire district within its boundaries the amount received by the fire district from the Supplementary Aid for Fire Services program pursuant to the provisions of the fiscal year 1995 annual appropriations act, P.L.1994, c.67.

Municipalities that received Municipal Revitalization Program aid in fiscal year 1995 pursuant to the provisions of P.L.1994, c.67 shall continue to be subject to the provisions of the "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-118.24 et seq.), and the Director of the Division of Local Government Services may withhold aid payments or portions thereof from any municipality that fails to comply with those provisions, until such time as the director determines the municipality to be in compliance.

Notwithstanding any law to the contrary, the amount hereinabove for Consolidated Municipal Property Tax Relief Aid shall be distributed in the same amounts, and to the same municipalities which received funding pursuant to the fiscal year 2001 annual appropriations act, P.L.2000, c.53, and adjusted according to the provisions of P.L.1999, c.168, or pursuant to other amendatory or supplementary law except that the amount received by the City of Newark shall be reduced by an amount certified by the Division of Taxation and appropriated to the Division of Taxation for any aspect of the revaluation of real property in Newark, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amount appropriated hereinabove for Consolidated Municipal Property Tax Relief Aid, \$13,091,746 is appropriated to those municipalities which have experienced a loss in business personal property tax revenues as a result of reductions in the assessed value of personal property of local exchange telephone companies - Taxable Value of Machinery, Implements, and Equipment of Telephone Messenger System - between 1998 and 2000 as a result of the use of new tax depreciation methods by such companies and which further qualify for the receipt of such State aid in accordance with this paragraph. The Director of the Division of Taxation shall certify to the Director of the Division of Local Government Services the amount of the decrease in assessed value of such personal property of local exchange telephone companies for each municipality between 1998 and 2000. The Director of the Division of Local Government Services shall then utilize this information to calculate the amount of total property taxes lost by each municipality in calendar year 2000 and shall identify those municipalities whose loss in property taxes is equal to or greater than one percent of the total municipal property tax levy in 2000. Such qualified municipalities shall receive State aid from the amount appropriated hereinabove, in the amounts certified by the Director of the Division of Local Government Services, to offset the loss of such property taxes. Such State aid shall be added to the amount of Consolidated Municipal Property Tax Relief Aid otherwise allocated to the municipalities for Fiscal Year 2002. The Director shall further take such actions as may be necessary to ensure that the proportion of State aid that would have otherwise been used for the support of public schools will be used to reduce the school property tax levy for those affected school districts with the remaining State Aid used as municipal property tax relief. The chief financial officer of the municipality shall pay to the school districts such amounts as may be due by December 31, 2001.

Notwithstanding any law to the contrary, whenever funds appropriated as State aid and payable to any municipality, which municipality requests and receives the approval of the Local Finance Board, such funds may be pledged as a guarantee

for payment of principal and interest on any bond anticipation notes issued pursuant to N.J.S.40A:2-8 and any tax anticipation notes issued pursuant to N.J.S.40A:4-64 by such municipality. Such funds, if so pledged, shall be made available by the State Treasurer upon receipt of a written notification by the Director of the Division of Local Government Services that the municipality does not have sufficient funds available for prompt payment of principal and interest on such notes, and shall be paid by the State Treasurer directly to the holders of such notes at such time and in such amounts as specified by the director, notwithstanding that payment of such funds does not coincide with any date for payment otherwise fixed by law.

Any unexpended balance as of June 30, 2001 in the Extraordinary Aid (C.52:27D-118.36) (PTRF) account previously designated by law to fund or reimburse costs incurred by any local government unit to implement the Gov-Connect - Government-to-Government Network, as determined by the Director of the Division of Budget and Accounting, is appropriated.

The amount appropriated hereinabove for the Legislative Initiative Municipal Block Grant Program (PTRF) shall be distributed to the same municipalities and in the same proportions as the distributions received therefrom during fiscal year 2001.

In addition to the amount hereinabove for the Legislative Initiative Municipal Block Grant program there are appropriated such sums as may be necessary, not to exceed \$1,000,000, to hold harmless any town that lost population between the 1990 and 2000 U.S. Census counts.

Notwithstanding the provision of any law to the contrary, any local unit that is eligible for funding of REAP aid under P.L.1999, c.61 (C.54:4-8.76 et seq.) in the fiscal year ending June 30, 2002, and that received REAP aid in the prior fiscal year shall receive REAP aid funding in the current fiscal year in an amount that is not less than the amount received in the prior fiscal year.

55 Social Services Programs
DIRECT STATE SERVICES

05-8050 Community Resources	\$413,000
15-8051 Women's Programs	<u>1,099,000</u>
Total Direct State Services Appropriation,	
Social Services Programs	<u>\$1,512,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$941,000)
Materials and Supplies	(70,000)
Services Other Than Personal	(195,000)
Maintenance and Fixed Charges	(6,000)

Special Purpose:

15 Address Confidentiality Program	(93,000)
15 Expenses of the New Jersey	
Commission on Women	(7,000)
15 Office on the Prevention of Violence	
Against Women	(200,000)

There is appropriated from the Petroleum Overcharge Reimbursement Fund such amount as may be required to provide the State 25% cost share for the Low-Income Weatherization Assistance Program, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from divorce filing fees pursuant to P.L.1993, c.188 are appropriated.

GRANTS-IN-AID

05-8050 Community Resources	\$27,880,000
15-8051 Women's Programs	<u>4,398,000</u>
Total Grants-in-Aid Appropriation,	
Social Services Programs	<u>\$32,278,000</u>

Grants-in-Aid:

05 Center for Hispanic Policy, Research and Development	(\$2,625,000)
05 Recreation for the Handicapped	(650,000)
05 Special Olympics	(450,000)
05 Trenton Urban Gardening Program	(50,000)
05 Camden Urban Gardening Project	(50,000)
05 Newark Symphony Hall	(250,000)
05 Battleship New Jersey	(250,000)
05 Playground Safety	(1,000,000)
05 Faith-Based Community Development Initiative	(5,000,000)
05 Grant to ASPIRA	(100,000)
05 Accountants for the Public Interest	(25,000)
05 America Legion Post 166, Lakewood - Handicapped Accessible Bathrooms	(25,000)
05 American Red Cross - Jersey Coast Chapter	(50,000)
05 Asbury Park Consortium - Leadership Initiative	(10,000)
05 Atlantic County Children and Family Initiative - Parents as Teachers Pilot Program	(270,000)
05 Bayshore Senior Center, Keansburg	(50,000)
05 Berkeley Township Underwater Search and Rescue Unit, Inc.	(100,000)
05 Berkeley Little League - Improvements to Fields and Complex	(130,000)
05 Blue Ridge Rescue Squad, Branchville - Ambulance Building	(50,000)
05 Bordentown City - Black Education Monument	(15,000)
05 Boys and Girls Club, Camden	(300,000)
05 Boys and Girls Club of Passaic	(30,000)

05 Boys and Girls Club of Burlington County - Site Work	(120,000)
05 Boys and Girls Club of Monmouth County	(75,000)
05 Branch Brook Alliance	(100,000)
05 Branchville Hose Company No. 1 - Fire Truck	(100,000)
05 Broaden Your Horizons, Vineland	(25,000)
05 Business Partnership, Somerset County . .	(75,000)
05 Cape May County Chamber of Commerce - Environmental Education Observation Deck	(25,000)
05 Cathedral Assembly by the Shore - Youth Improvement Program	(5,000)
05 Catholic Charities, Trenton Diocese - Emergency Services	(250,000)
05 Catholic Charities, Trenton Diocese - BRIDGE	(45,000)
05 Catholic Community Services, Newark .	(250,000)
05 Center Players, Inc., Freehold	(9,000)
05 Closter Borough - Parsells Lane Improvements	(170,000)
05 Coastal Caregivers, Point Pleasant Beach	(25,000)
05 Cohanzick Zoo, Bridgeton	(50,000)
05 Conquer Hunger and Needy Together (CHANT), Neptune	(5,000)
05 Cora Hartshorn Arboretum and Bird Sanctuary, Short Hills	(50,000)
05 Crawford Crews American Legion Post No. 251, Bloomfield - Resource Center for Seniors and Veterans	(125,000)
05 Cumberland Players - Facilities	(5,000)
05 Delaney Hall Drug Treatment Program	(6,000,000)
05 Deepwater Fire Company, Pennsville - Fire Station Improvements	(50,000)
05 Environmental Learning Center of Ocean County	(170,000)
05 Evesham Township Fire District No. 1 -- Equipment	(75,000)
05 Fairton Fire Co. No. 1, - Vehicle	(40,000)
05 Family Service of Morris County -- Property Acquisition	(50,000)
05 Family Services of Burlington County - Preschool Program	(35,000)
05 First Aid and Rescue Squad, Inc., Somerville - Equipment Upgrade	(150,000)

05 Focus on Literacy, Inc.	(65,000)
05 Four Seasons Community Association Inc., Lakewood - Emergency Generator ...	(75,000)
05 Senior Citizen and Recreation Center, Berkeley Heights Township	(100,000)
05 Friends of the J. Thompson Baker House Restoration, Wildwood	(50,000)
05 Good Will Fire Company, Pemberton - Air Packs	(24,000)
05 Greater Long Branch NAACP/Long Branch Board of Education - Cultural Diversity Program	(20,000)
05 Hamilton 2001 World Series, Inc.	(10,000)
05 Hammonton Fire Department - Tanker Truck	(100,000)
05 Harmony Senior Drum Corps	(25,000)
05 Hatzolah Emergency Medical Services - Central Station Building	(75,000)
05 Hazlet Youth Athletic League -Field Improvements	(125,000)
05 Hazlet First Aid and Rescue Squad - Equipment	(50,000)
05 Hillsborough Little League	(50,000)
05 Hispanic Affairs and Resource Center of Monmouth County	(8,000)
05 Hispanic Organization of Lakewood - Family Center	(75,000)
05 Home Instruction Program for Preschool Youngsters (HIPPY)	(50,000)
05 Interfaith Neighbors Inc., Asbury Park ...	(25,000)
05 Isles, Inc. -- Healthy Region Initiative ...	(35,000)
05 Jackson Township Board of Fire Commissioners District No. 1 - Communications Equipment	(150,000)
05 Jacksonville Volunteer Fire Company, Bordentown - Breathing Apparatus	(47,000)
05 Ely Field, Lambertville City	(50,000)
05 Lakewood Community Services Corporation	(125,000)
05 Lazarus at the Gate, Camden	(25,000)
05 Leisure Village East Association, Inc., Lakewood - Emergency Generator	(100,000)
05 Leisure Village First Aid Squad, Lakewood - Training	(6,000)
05 Lindenwold Fire Company No. 2	(175,000)

05 Literacy Volunteers of America - Monmouth County	(10,000)
05 Literacy Volunteers of America, Mercer County	(60,000)
05 Macedonia Community Rites of Passage, Lakewood	(25,000)
05 Macedonia Housing and Development Corporation, Lakewood - Recreation Area	(100,000)
05 Matawan - Aberdeen Babe Ruth League - Athletic Field Upgrade	(80,000)
05 Medford Lakes PTA - Books	(150,000)
05 Medford Emergency Medical Services Inc. - Facility	(125,000)
05 Mercy Center Corporation, Asbury Park	(50,000)
05 Metuchen-Edison YMCA and the Jewish Community Center of Middlesex County	(150,000)
05 Missionary Pentecostal Church of God, Inc., Lakewood - Soup Kitchen ..	(20,000)
05 Monmouth County Incubator Center - Asbury Park	(20,000)
05 Monmouth Housing Alliance - Asbury Park and Long Branch Revitalization Programs	(50,000)
05 Monmouth Park Charities	(25,000)
05 Monmouth County M-26 Local Bus Service Enhancement Project	(5,000)
05 Montclair Operetta Club	(50,000)
05 Morris 2000 - Quality of Life Index Report	(35,000)
05 Morris Center YMCA - Child Care Facility	(50,000)
05 Morristown Neighborhood Housing Association, Inc. - Preschool and School Age Child Care Program	(100,000)
05 Mt. Zion House of Prayer, Red Bank - Capital Improvements	(18,000)
05 Naval Air Station Wildwood Aviation Museum Restoration Project	(60,000)
05 Neptune Township Little League	(5,000)
05 New John Howard Gospel Caravan	(90,000)
05 New Egypt First Aid and Emergency Squad Inc. - Rescue Truck	(50,000)
05 New Jersey Crime Victims' Law Center, Sparta	(85,000)
05 Newark Do Something	(100,000)

05	Niagra Hose Co. No. 6, Burlington City - Equipment	(22,000)
05	North Ward Center, Newark - Administrative Support	150,000)
05	North Wall Little League - Lighting	(50,000)
05	Northwest New Jersey Community Action Program - Building Renovation ..	(283,000)
05	Ocean Grove Historic Preservation Society - Neptune Performing Arts Center Restoration	(25,000)
05	Ocean Acres Community Center	(50,000)
05	Omega Community Development, Inc. - Technology Enhancement	(40,000)
05	Our Gang Players, Inc., Beach Haven	(75,000)
05	Palmyra Cinnaminson Riverton Emergency Medical Services - Ambulance Refurbishment	(75,000)
05	Paramus Borough - Historical Museum	(169,000)
05	Point Pleasant Boro Fire Co. Number 2	(6,000)
05	Point Pleasant First Aid and Emergency Squad, Point Pleasant Beach	(16,000)
05	Police Athletic League of Parsippany - Troy Hills	(90,000)
05	Powhatan Renape Nation Rankokus Indian Reservation - Youth Programs	(25,000)
05	Puerto Rican Action Committee, Penns Grove - Child Care Center	(30,000)
05	Puerto Rican Congress - Digital Technological Media Arts Center	(30,000)
05	Puerto Rican Action Committee, Inc. - Woodbine Office Renovation	(30,000)
05	Quinton Fire and Rescue - Communications Equipment	(25,000)
05	River Edge Borough - Abatement of Erosion and Environmental Problems in Oak Avenue Ditch	(150,000)
05	River Edge Cultural Center - Exhibit and Concerts	(5,000)
05	Robert Wood Johnson University Hospital at Hamilton - Grounds for Healing Project	(25,000)
05	Ronald McDonald House, Long Branch - Building Improvements	(5,000)

05 Saint Mary of the Lake, Lakewood - Guild Hall Upgrade	(75,000)
05 Saint Cassian - Montclair Community Outreach Program	(35,000)
05 Saint Stephen Child Care Development Center, Asbury Park	(45,000)
05 Saint Aloysius, Jackson - Gym and Classroom Improvements	(30,000)
05 Scotch Plains - Fanwood Board of Education, Athletic Facilities	(500,000)
05 Senior Citizens' Activities Network (SCAN)	(25,000)
05 Servicios Latinos de Burlington County	(50,000)
05 Somerset Hills School District - Playground Replacement	(150,000)
05 South Brunswick Family YMCA	(50,000)
05 South Jersey Survivors of Violent Crimes, Inc. - Traumatic Unanticipated Grief Program	(50,000)
05 South Bound Brook/Franklin Township Rescue Squad	(101,000)
05 South County Recreational and Educational Foundation (Hunterdon) - Recreation	(25,000)
05 Special Olympics New Jersey - Training and Research Center	(500,000)
05 Spring Lake Heights Little League - Facility Upgrade	(35,000)
05 St. Francis Center, LBICC, Inc. -- Swimming Pool Complex	(100,000)
05 Surfflight Theater, Beach Haven	(50,000)
05 Sussex County YMCA - Facility	(100,000)
05 Tewksbury First Aid and Rescue Squad - Building	(100,000)
05 The Work Group, Pennsauken - Youth Program	(84,000)
05 The Child in All of Us Foundation, Rockaway Township	(50,000)
05 Union County Alliance	(150,000)
05 UrbanPromise - Rosedale Tavern, Pennsauken Renovation	(66,000)
05 Van Riper House, Nutley - Reconstruction and Repair	(350,000)
05 Village of Grassy Sound Civic Association, Inc., Middle Township - Sewerage Project	(35,000)

05 Waldor Memorial Library of the Jewish Education Association of MetroWest	(25,000)
05 Western Monmouth Chamber of Commerce - Small Business Owners Training	(5,000)
05 Westside Community Center Inc., Asbury Park	(15,000)
05 Whitesboro Historical Museum	(50,000)
05 Wildwood Independent Business Community Association - Scholarship Project	(15,000)
05 William J Hocking American Legion Post #91, Wharton - Sinkhole Remediation	(358,000)
05 Woolwich Fire Co. - Fire Truck	(80,000)
05 Fortescue Fire / Rescue Co., No. 1, Inc. - Dive Van	(100,000)
05 Angels Athletic Association, Toms River	(50,000)
05 Police Athletic League of New Jersey	(20,000)
05 Center for Grace, Fort Lee	(20,000)
05 FireWatch of Somerset County	(5,000)
05 Nora Gardens Senior Housing Corporation III, Union	(75,000)
05 New Jersey State and County Teen Arts Program	(50,000)
05 Jeanette Shell Book Scholarship Fund, Inc., Vauxhall	(8,000)
05 Michael Gerard Puharic Memorial Fund, Inc., Matawan	(10,000)
05 Yeshiva Ktana (Passaic City) -- Facilities Upgrade	(150,000)
15 Community Christian Choirs, Mercer County	(5,000)
15 Cumberland County Women's Center	(50,000)
15 Displaced Homemakers Network of New Jersey	(120,000)
15 Girls Mentoring Pilot Program	(15,000)
15 Providence House - Ocean -- Domestic Violence Services	(150,000)
15 Sea Shelter Inc., Dottie's House	(200,000)
15 Shelter Our Sisters - Project SMILES	(25,000)

15 The Unity Group, Inc., Millburn -- Shelter	(90,000)
15 The Center for Women and Families, Scotch Plains	(50,000)
15 Women Helping Women, Metuchen	(50,000)
15 Women's Club of Red Bank - Building Preservation	(63,000)
15 Women's Center of Monmouth County	(60,000)
15 Women's Commission Network	(35,000)
15 Women's Crisis Services - Housing Program	(50,000)
15 Grants to Hispanic Women's Resource Centers	(400,000)
15 Women's Referral Central	(25,000)
15 Rape Prevention	(500,000)
15 Job Training Center for Urban Women Act	(315,000)
15 Grants to Women's Shelters	(25,000)
15 Grants to Displaced Homemaker Centers	(1,420,000)
15 Women's Micro-Business Pilot Program	(750,000)
The unexpended balance as of June 30, 2001 in the Faith-Based Community Development Initiative account is appropriated.	
The unexpended balance as of June 30, 2001 in the Women's Micro-Business Pilot Program is appropriated.	
During the fiscal year ending June 30, 2002, the Big Brothers Big Sisters of Ocean County may remit the amount of \$50,000 to the Department of Community Affairs from the grant-in-aid received by the organization in fiscal year 2001 for Mentoring Programs, and upon the return of that amount, \$50,000 is appropriated to the Big Brothers Big Sisters of Ocean County for operating expenses.	

70 Government Direction, Management and Control

72 Governmental Review and Oversight

DIRECT STATE SERVICES

39-8450 Office of State Planning	<u>\$2,105,000</u>
Total Direct State Services Appropriation, Governmental Review and Oversight	<u>\$2,105,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$1,529,000)
Materials and Supplies	(85,000)
Services Other Than Personal	(300,000)
Maintenance and Fixed Charges	(6,000)

Special Purpose:

39 Brownfields Site Inventory and
 Redevelopment Task Force (125,000)
 Additions, Improvements and Equipment . . . (60,000)

The Office of State Planning is authorized to collect reasonable fees for the distribution of its publications, and receipts derived from such fees are appropriated for the Office of State Planning.

The unexpended balances as of June 30, 2001 in the Brownfields Site Inventory and Redevelopment Task Force Account is appropriated for the same purposes.

76 Management and Administration

DIRECT STATE SERVICES

99-8070 Administration and Support Services \$4,417,000
 Total Direct State Services Appropriation, Management
 and Administrative Services \$4,417,000

Direct State Services:

Personal Services:

Salaries and Wages (\$3,101,000)
 Materials and Supplies (10,000)
 Services Other Than Personal (444,000)
 Maintenance and Fixed Charges (26,000)

Special Purpose:

99 Affirmative Action and Equal
 Employment Opportunity (60,000)
 Additions, Improvements and Equipment . . (776,000)

GRANTS-IN-AID

99-8070 Administration and Support Services \$3,000,000
 Total Grants-in-Aid Appropriation, Management and
 Administrative Services \$3,000,000

Grants:

99 Planning Assistance for Counties
 and Other Local Agencies (\$3,000,000)

Notwithstanding the provisions of any prior law or statute to the contrary, movement of any funds into the Revolving Housing Development and Demonstration Grant Fund is subject to prior approval of the Director of the Division of Budget and Accounting.

Department of Community Affairs,
 Total State Appropriation \$1,128,374,000

Summary of Department of Community Affairs Appropriations
 (For Display Purposes Only)

Appropriations by Category:

Direct State Services \$38,724,000
 Grants-in-Aid 113,631,000

State Aid	976,019,000
<i>Appropriation by Fund:</i>	
General Fund	\$170,817,000
Property Tax Relief Fund	957,557,000

26 DEPARTMENT OF CORRECTIONS
10 Public Safety and Criminal Justice
16 Detention and Rehabilitation
7025 System-Wide Program Support
DIRECT STATE SERVICES

07-7025 Institutional Control and Supervision	\$19,806,000
13-7025 Institutional Program Support	<u>63,291,000</u>
Total Direct State Services Appropriation, System- Wide Program Support	<u>\$83,097,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$28,128,000)
Services Other Than Personal	(829,000)

Special Purpose:

07 Central Office Transportation Unit ...	(273,000)
07 Special Operations Group	(75,000)
07 Tower Staffing	(2,626,000)
13 Institutional Program Support	(1,000)
13 Integrated Information Systems Development	(12,714,000)
13 Augment Medical Care At Institutions	(862,000)
13 Inmate Work Details Program	(1,690,000)
13 Return of Escapees and Absconders	(223,000)
13 Mutual Agreement Program	(4,261,000)
13 Recruit Screening Program	(180,000)
13 Radio Maintenance	(177,000)
13 Drug Courts	(800,000)
13 Drug Court Treatment Programs ...	(4,125,000)
13 Safety Vests	(148,000)
13 Maintenance of McCorkle/ Sea Girt Facilities	(709,000)
13 DOC/DOT Work Details	(537,000)
13 Video Conferencing	(300,000)
13 Additional Mental Health Treatment Services	(20,025,000)
13 Expand Custody Recruit Training ..	(1,291,000)
13 State Match -- Women's Assessment Center	(489,000)
13 State Match -- Edward Byrne Drug Treatment Grant	(53,000)

- 13 Drug Testing -- Assumption of Federal Funding (314,000)
 - 13 Release Notification - Discharge Planning (2,026,000)
 - Additions, Improvements and Equipment . . (241,000)
- The unexpended balance as of June 30, 2001 in the Integrated Information Systems Development account is appropriated to provide funding for the cost of replacing the Department of Corrections S/36 Correctional Management Information System, subject to the approval of the Director of the Division of Budget and Accounting, the expenditures of which shall directly improve the department's ability to collect fines, restitutions, penalties, surcharges or other debts owed by inmates.
- The appropriation hereinabove for Drug Courts shall be transferred to the appropriate agencies in the amounts necessary to implement this initiative, subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balance as of June 30, 2001 in the Drug Courts account is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.
- Of the sums appropriated hereinabove for Video Teleconferencing, an amount shall be transferred to the Judiciary and the Office of the Public Defender for telephone line charges, subject to the approval of the Director of the Division of Budget and Accounting.
- In addition to the sums appropriated above, funds may be transferred from the Victims of Crime Compensation Board to the Department of Corrections for the department's new computer system, which will facilitate the collection of monies owed by inmates, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

13-7025 Institutional Program Support	<u>\$90,105,000</u>
Total Grants-in-Aid Appropriation, System-Wide	
Program Support	<u>\$90,105,000</u>

Grants-in-Aid:

- 13 Purchase of Service for Inmates Incarcerated In County Penal Facilities (\$16,004,000)
- 13 Purchase of Service for Inmates Incarcerated In Out-of State Facilities . . . (100,000)
- 13 Additional Bed Spaces - Essex County (10,000,000)
- 13 Purchase of Community Services . . (62,501,000)
- 13 Life Skills Academy (1,500,000)

A portion of the total amount appropriated in the Purchase of Service for Inmates Incarcerated in County Penal Facilities account is available for operational costs of additional State facilities for inmate housing which become ready for occupancy and other programs which reduce the number of State inmates in

county facilities, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001 in the Purchase of Service for Inmates Incarcerated in County Penal Facilities account is appropriated for the same purpose.

CAPITAL CONSTRUCTION

13-7025 Institutional Program Support \$400,000
 Total Capital Construction Appropriation, System-
 Wide Program Support \$400,000

Capital Projects:

13 Integrated Information
 Systems Development (\$400,000)

7040 New Jersey State Prison

DIRECT STATE SERVICES

07-7040 Institutional Control and Supervision \$38,322,000
 08-7040 Institutional Care and Treatment 12,605,000
 99-7040 Administration and Support Services 7,948,000
 Total Direct State Services Appropriation,
 New Jersey State Prison \$58,875,000

Direct State Services:

Personal Services:

Salaries and Wages (\$43,454,000)
 Food in Lieu of Cash (199,000)
 Materials and Supplies (7,271,000)
 Services Other Than Personal (6,853,000)
 Maintenance and Fixed Charges (936,000)

Special Purpose:

99 Administrative and Support Services . . (1,000)
 Additions, Improvements and Equipment . . (161,000)

7045 Vroom Central Reception and Assignment Facility

DIRECT STATE SERVICES

07-7045 Institutional Control and Supervision \$17,429,000
 08-7045 Institutional Care and Treatment 11,966,000
 99-7045 Administration and Support Services 2,898,000
 Total Direct State Services Appropriation,
 Vroom Central Reception and
 Assignment Facility \$32,293,000

Direct State Services:

Personal Services:

Salaries and Wages (\$22,756,000)
 Food in Lieu of Cash (116,000)
 Materials and Supplies (4,807,000)
 Services Other Than Personal (3,930,000)
 Maintenance and Fixed Charges (523,000)
 Additions, Improvements and Equipment . . (161,000)

7050 East Jersey State Prison**DIRECT STATE SERVICES**

07-7050 Institutional Control and Supervision	\$32,399,000
08-7050 Institutional Care and Treatment	15,603,000
99-7050 Administration and Support Services	<u>6,859,000</u>
Total Direct State Services Appropriation, East Jersey State Prison	<u>\$54,861,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$37,354,000)
Food in Lieu of Cash	(168,000)
Materials and Supplies	(6,695,000)
Services Other Than Personal	(9,177,000)
Maintenance and Fixed Charges	(1,305,000)

Special Purpose:

Other Special Purpose	(1,000)
Additions, Improvements and Equipment ..	(161,000)

7055 South Woods State Prison**DIRECT STATE SERVICES**

07-7055 Institutional Control and Supervision	\$41,823,000
08-7055 Institutional Care and Treatment	24,982,000
99-7055 Administration and Support Services	<u>11,853,000</u>
Total Direct State Services Appropriation, South Woods State Prison	<u>\$78,658,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$51,835,000)
Food in Lieu of Cash	(263,000)
Materials and Supplies	(12,287,000)
Services Other Than Personal	(12,457,000)
Maintenance and Fixed Charges	(1,566,000)

Special Purpose:

08 State Match -- Edward Byrne Drug Treatment Grant	(89,000)
Additions, Improvements and Equipment ..	(161,000)

7060 Bayside State Prison**DIRECT STATE SERVICES**

07-7060 Institutional Control and Supervision	\$28,471,000
08-7060 Institutional Care and Treatment	15,841,000
99-7060 Administration and Support Services	<u>6,302,000</u>
Total Direct State Services Appropriation, Bayside State Prison	<u>\$50,614,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$33,537,000)
Food in Lieu of Cash	(165,000)
Materials and Supplies	(6,315,000)
Services Other Than Personal	(8,617,000)
Maintenance and Fixed Charges	(1,818,000)

Special Purpose:

Other Special Purpose	(1,000)
Additions, Improvements and Equipment ..	(161,000)

7065 Southern State Correctional Facility**DIRECT STATE SERVICES**

07-7065 Institutional Control and Supervision	\$27,283,000
08-7065 Institutional Care and Treatment	11,358,000
99-7065 Administration and Support Services	<u>5,198,000</u>
Total Direct State Services Appropriation, Southern State Correctional Facility	<u>\$43,839,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$31,366,000)
Food in Lieu of Cash	(143,000)
Materials and Supplies	(4,829,000)
Services Other Than Personal	(6,152,000)
Maintenance and Fixed Charges	(1,188,000)
Additions, Improvements and Equipment ..	(161,000)

7070 Mid-State Correctional Facility**DIRECT STATE SERVICES**

07-7070 Institutional Control and Supervision	\$11,621,000
08-7070 Institutional Care and Treatment	4,878,000
99-7070 Administration and Support Services	<u>2,589,000</u>
Total Direct State Services Appropriation, Mid-State Correctional Facility	<u>\$19,088,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$14,299,000)
Food in Lieu of Cash	(64,000)
Materials and Supplies	(1,787,000)
Services Other Than Personal	(2,400,000)
Maintenance and Fixed Charges	(377,000)
Additions, Improvements and Equipment ..	(161,000)

7075 Riverfront State Prison**DIRECT STATE SERVICES**

07-7075 Institutional Control and Supervision	\$17,927,000
08-7075 Institutional Care and Treatment	10,415,000

99-7075 Administration and Support Services 3,827,000
 Total Direct State Services Appropriation,
 Riverfront State Prison \$32,169,000

Direct State Services:

Personal Services:

Salaries and Wages (\$21,786,000)
 Food in Lieu of Cash (102,000)
 Materials and Supplies (3,320,000)
 Services Other Than Personal (6,311,000)
 Maintenance and Fixed Charges (488,000)

Special Purpose:

Other Special Purpose (1,000)
 Additions, Improvements and Equipment .. (161,000)

7080 Edna Mahan Correctional Facility for Women

DIRECT STATE SERVICES

07-7080 Institutional Control and Supervision \$18,506,000
 08-7080 Institutional Care and Treatment 9,349,000
 99-7080 Administration and Support Services 5,651,000
 Total Direct State Services Appropriation,
 Edna Mahan Correctional Facility for Women \$33,506,000

Direct State Services:

Personal Services:

Salaries and Wages (\$23,370,000)
 Food in Lieu of Cash (125,000)
 Materials and Supplies (4,454,000)
 Services Other Than Personal (4,419,000)
 Maintenance and Fixed Charges (936,000)

Special Purpose:

08 State Match -- Social Services
 Block Grant (41,000)
 Additions, Improvements and Equipment .. (161,000)

7085 Northern State Prison

DIRECT STATE SERVICES

07-7085 Institutional Control and Supervision \$40,861,000
 08-7085 Institutional Care and Treatment 19,749,000
 99-7085 Administration and Support Services 6,565,000
 Total Direct State Services Appropriation,
 Northern State Prison \$67,175,000

Direct State Services:

Personal Services:

Salaries and Wages (\$45,974,000)
 Food in Lieu of Cash (216,000)
 Materials and Supplies (7,663,000)
 Services Other Than Personal (11,644,000)
 Maintenance and Fixed Charges (970,000)

Special Purpose:

07 Gang Management Unit	(546,000)
Other Special Purpose	(1,000)
Additions, Improvements and Equipment . .	(161,000)

7090 Adult Diagnostic and Treatment Center, Avenel**DIRECT STATE SERVICES**

07-7090 Institutional Control and Supervision	\$28,564,000
08-7090 Institutional Care and Treatment	7,556,000
99-7090 Administration and Support Services	<u>2,360,000</u>
Total Direct State Services Appropriation, Adult Diagnostic and Treatment Center, Avenel	<u>\$38,480,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$15,832,000)
Food in Lieu of Cash	(73,000)
Materials and Supplies	(1,920,000)
Services Other Than Personal	(4,799,000)
Maintenance and Fixed Charges	(371,000)

Special Purpose:

07 Civilly Committed Sexual Offender Facility	(7,938,000)
07 Civilly Committed Sexual Offender Facility - Annex	(7,386,000)
Additions, Improvements and Equipment . .	(161,000)

The unexpended balance as of June 30, 2001 in the Civilly Committed Sexual Offender Facility account is appropriated for the same purpose.

In order to permit flexibility and ensure the appropriate levels of services to the civilly committed, amounts may be transferred between the Civilly Committed Sexual Offender Facility and the Civilly Committed Sexual Offender Facility - Annex accounts, subject to the approval of the Director of the Division of Budget and Accounting.

7110 Garden State Youth Correctional Facility**DIRECT STATE SERVICES**

07-7110 Institutional Control and Supervision	\$22,235,000
08-7110 Institutional Care and Treatment	13,741,000
99-7110 Administration and Support Services	<u>3,814,000</u>
Total Direct State Services Appropriation, Garden State Youth Correctional Facility	<u>\$39,790,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$26,552,000)
Food in Lieu of Cash	(126,000)
Materials and Supplies	(4,494,000)
Services Other Than Personal	(7,510,000)
Maintenance and Fixed Charges	(645,000)

Special Purpose:

08 State Match -- Residential Substance
 Abuse Treatment Grant (301,000)
 Other Special Purpose (1,000)
 Additions, Improvements and Equipment . . (161,000)

7120 Albert C. Wagner Youth Correctional Facility**DIRECT STATE SERVICES**

07-7120 Institutional Control and Supervision \$27,375,000
 08-7120 Institutional Care and Treatment 10,055,000
 99-7120 Administration and Support Services 4,820,000
 Total Direct State Services Appropriation, Albert C.
 Wagner Youth Correctional Facility \$42,250,000

Direct State Services:

Personal Services:

Salaries and Wages (\$27,553,000)
 Food in Lieu of Cash (129,000)
 Materials and Supplies (3,864,000)
 Services Other Than Personal (5,450,000)
 Maintenance and Fixed Charges (619,000)

Special Purpose:

07 Adult Offender Boot Camp (4,424,000)
 07 Auto and Trucking Job
 Training Program (50,000)
 Additions, Improvements and Equipment . . (161,000)

Receipts derived from the Upholstery Program at the Albert C. Wagner Youth Correctional Facility, and any unexpended balance as of June 30, 2001 are appropriated for the operation of the program with surplus funds being credited to the institution's Inmate Welfare Fund, subject to the approval of the Director of the Division of Budget and Accounting.

7130 Mountainview Youth Correctional Facility**DIRECT STATE SERVICES**

07-7130 Institutional Control and Supervision \$21,013,000
 08-7130 Institutional Care and Treatment 8,289,000
 99-7130 Administration and Support Services 4,821,000
 Total Direct State Services Appropriation,
 Mountainview Youth Correctional Facility \$34,123,000

Direct State Services:

Personal Services:

Salaries and Wages (\$24,723,000)
 Food in Lieu of Cash (120,000)
 Materials and Supplies (3,524,000)
 Services Other Than Personal (4,696,000)
 Maintenance and Fixed Charges (753,000)

Special Purpose:

99 Sewage Hauling and Disposal Costs . . (145,000)
 Other Special Purpose (1,000)
 Additions, Improvements and Equipment . . (161,000)

10 Public Safety and Criminal Justice**17 Parole****7010 Office of Parole****DIRECT STATE SERVICES**

03-7010 Parole \$41,141,000
 Total Direct State Services Appropriation,
 Office of Parole \$41,141,000

Direct State Services:

Personal Services:

Salaries and Wages (\$22,531,000)
 Materials and Supplies (403,000)
 Services Other Than Personal (429,000)
 Maintenance and Fixed Charges (330,000)

Special Purpose:

03 Payments to Inmates Discharged
 from Facilities (100,000)
 03 Parolee Electronic
 Monitoring Program (4,306,000)
 03 Intensive Supervision/
 Surveillance Program (5,130,000)
 03 High Impact Diversion Program . . (4,228,000)
 03 Parolee Drug Treatment (2,639,000)
 03 State Match -- Truth in
 Sentencing Grant (509,000)
 03 Voice Tracking (375,000)
 Additions, Improvements and Equipment . . (161,000)

7280 State Parole Board**DIRECT STATE SERVICES**

05-7280 State Parole Board \$12,070,000
 Total Direct State Services Appropriation,
 State Parole Board \$12,070,000

Direct State Services:

Personal Services:

Salaries and Wages (\$9,476,000)
 Materials and Supplies (175,000)
 Services Other Than Personal (370,000)
 Maintenance and Fixed Charges (125,000)

Special Purpose:

05 Parole Board Enhancements (1,225,000)
 05 Eligibility Determinations
 and Monitoring (454,000)
 Additions, Improvements and Equipment . . (245,000)

**10 Public Safety and Criminal Justice
19 Central Planning, Direction and Management**

DIRECT STATE SERVICES

99-7000 Administration and Support Services \$17,528,000
 Total Direct State Services Appropriation,
 Central Planning, Direction and Management \$17,528,000

Direct State Services:

Personal Services:

Salaries and Wages (\$12,851,000)
 Materials and Supplies (632,000)
 Services Other Than Personal (2,409,000)
 Maintenance and Fixed Charges (815,000)

Special Purpose:

99 Affirmative Action and Equal
 Employment Opportunity (629,000)
 Additions, Improvements and Equipment . . (192,000)

CAPITAL CONSTRUCTION

99-7000 Administration and Support Services \$18,777,000
 Total Capital Construction Appropriation,
 Central Planning, Direction
 and Management \$18,777,000

Capital Projects:

99 Perimeter Security Enhancements,
 Various Facilities (\$5,000,000)
 99 Fire Safety Code Compliance (7,275,000)
 99 Critical Repairs (2,002,000)
 99 Roof Replacements/Repairs (4,500,000)

Department of Corrections,

Total State Appropriation \$888,839,000

Balances on hand as of June 30, 2001 of funds held for the benefit of inmates in the several institutions, and such funds as may be received, are appropriated for the use of such inmates.

Payments received by the State from employers of prisoners on their behalf, as part of any work release program, are appropriated for the purposes provided under P.L.1969, c.22 (C.30:4-91.4 et seq.).

Summary of Department of Corrections Appropriations

(For Display Purposes Only)

Appropriations by Category:

Direct State Services \$779,557,000
 Grants-In-Aid 90,105,000
 Capital Construction 19,177,000

Appropriation by Fund:

General Fund \$888,839,000

34 DEPARTMENT OF EDUCATION
31 Educational, Cultural and Intellectual Development
31 Direct Educational Services and Assistance

DIRECT STATE SERVICES

04-5064 Adult and Continuing Education \$387,000
05-5064 Bilingual Education and Equity Issues 352,000
07-5065 Special Education 191,000
Total Direct State Services Appropriation,
Direct Educational Services and Assistance \$930,000

Direct State Services:

Personal Services:

Salaries and Wages (\$578,000)
Materials and Supplies (21,000)
Services Other Than Personal (69,000)
Maintenance and Fixed Charges (1,000)

Special Purpose:

General Education Development -- GED . (261,000)

STATE AID

01-5120 General Formula Aid \$4,459,449,000
(From General Fund \$683,000,000)
(From Property Tax Relief Fund . . . 3,776,449,000)
02-5120 Nonpublic School Aid 97,043,000
03-5120 Miscellaneous Grants-in-Aid 110,045,000
(From General Fund 1,682,000)
(From Property Tax Relief Fund 108,363,000)
04-5064 Adult and Continuing Education 2,448,000
05-5120 Bilingual Education and Equity Issues 65,578,000
(From Property Tax Relief Fund 65,578,000)
06-5064 Programs for Disadvantaged Youths 199,512,000
(From Property Tax Relief Fund 199,512,000)
07-5120 Special Education 911,420,000
(From Property Tax Relief Fund 911,420,000)
Total State Aid Appropriation, Direct Educational
Services and Assistance \$5,845,495,000
(Total From General Fund 784,173,000)
(Total From Property Tax Relief . . 5,061,322,000)

State Aid:

01 Core Curriculum Standards Aid .. (683,000,000)
01 Core Curriculum Standards
Aid (PTRF) (2,397,318,000)
01 Abbott v. Burke Parity
Remedy (PTRF) (429,056,000)
01 Supplemental Core Curriculum
Standards Aid (PTRF) (251,768,000)

01 Early Childhood Aid (PTRF)	(330,630,000)
01 Rewards and Recognition (PTRF) . .	(9,957,000)
01 Instructional Supplement (PTRF) . .	(15,621,000)
01 Stabilization Aid (PTRF)	(111,626,000)
01 County Special Services Tuition Stabilization (PTRF)	(250,000)
01 Large Efficient District Aid (PTRF) . .	(5,250,000)
01 Aid for Districts with High Senior Citizen Populations (PTRF)	(1,231,000)
01 Stabilization Aid II (PTRF)	(2,491,000)
01 Stabilization Aid III (PTRF)	(11,402,000)
01 Additional <u>Abbott v. Burke</u> State Aid (PTRF)	(248,674,000)
01 Regionalization Incentive Aid (PTRF)	(18,295,000)
01 Aid for Enrollment Adjustments (PTRF)	(16,456,000)
02 Nonpublic Textbook Aid	(11,413,000)
02 Nonpublic Handicapped Aid	(27,163,000)
02 Nonpublic Auxiliary Services Aid	(32,736,000)
02 Nonpublic Auxiliary/Handicapped Transportation Aid	(3,578,000)
02 Nonpublic Nursing Services Aid . .	(13,891,000)
02 Nonpublic Technology Initiative	(8,237,000)
02 Saint Bartholomew Interparochial School	(25,000)
03 Emergency Fund	(100,000)
03 Educational Information and Resource Center	(450,000)
03 Payments for Institutionalized Children - Unknown District of Residence (PTRF)	(13,610,000)
03 Distance Learning Network Aid (PTRF)	(59,162,000)
03 Character Education (PTRF)	(4,750,000)
03 Teacher Quality Mentoring (PTRF) . .	(2,000,000)
03 Adult and Postsecondary Education Grants (PTRF)	(28,721,000)
03 Belvidere School District - Tuition Anomaly Aid	(300,000)
03 Hasbrouck Heights Board of Education -Athletic Fields	(75,000)
03 Milford School District - Boiler Replacement	(44,000)
03 The Wonder of Minerals Program	(35,000)

03 New Jersey Learning Through	
Listening Project	(200,000)
03 The Bayshore Consortium	(90,000)
03 Academy Charter High School, South	
Belmar - Gymnasium Improvement	(38,000)
03 Wallington Public Schools -	
Language Immersion	(75,000)
03 Cape May County Special Services	
School District - Mark Himebaugh	
Book Fund	(25,000)
03 Montclair Board of Education --	
Minority Student Achievement	
Network	(250,000)
03 Distance Learning Network Grants --	
County Special Services School	
Districts (PTRF)	(120,000)
04 Evening School for the Foreign Born . . .	(211,000)
04 High School Equivalency	(1,213,000)
04 Adult Literacy	(1,024,000)
05 Bilingual Education Aid (PTRF) . . .	(65,578,000)
06 Demonstrably Effective	
Program Aid (PTRF)	(199,512,000)
07 Special Education Aid (PTRF) . . .	(896,420,000)
07 Extraordinary Special Education	
Costs Aid (PTRF)	(15,000,000)

Less:**Stabilization Growth**

Limitation (PTRF) 73,576,000

Of the amount hereinabove for Direct Educational Services and Assistance, an amount equal to the total earnings of investments of the School Fund in excess of the amount allocated for School Construction and Renovation shall first be charged to such fund.

Notwithstanding the provisions of section 14 of P.L.1977, c.193 (C.18A:46A-19.8) for the purpose of computing Nonpublic Handicapped Aid for pupils requiring the following services, the per pupil amounts shall be: \$1,185.64 for an initial evaluation or reevaluation for examination and classification; \$355.50 for an annual review for examination and classification; \$901.06 for speech correction; and \$785.81 for supplementary instruction services.

Notwithstanding the provisions of section 9 of P.L.1977, c.192 (C.18A:46A-9), the per pupil amount for compensatory education for the 2001-2002 school year for the purposes of computing Nonpublic Auxiliary Services Aid shall equal \$739.60.

Notwithstanding the provisions of section 8 of P.L.1991, c.226 (C.18A:40-30), the amount appropriated hereinabove for Nonpublic Nursing Services Aid shall be made available to local school districts based upon the number of pupils enrolled in each nonpublic school on the last day prior to October 16, 2000.

Nonpublic Technology Initiative aid shall be paid to school districts and allocated for nonpublic school pupils at the rate of \$40 per pupil in a manner that is consistent with the provisions of the federal and State constitutions.

Of the amount hereinabove in the High School Equivalency and the Adult Literacy accounts, such sums as are necessary may be transferred to an applicant State department.

Notwithstanding section 11 of P.L.1996, c.138 (C.18A:7F-11), the required appropriation for the State's Core Curriculum Standards Aid contribution for the 2001- 2002 school year has been reduced by \$5,000,000, to be held in reserve pending the determination of income appeals filed pursuant to section 15 of P.L.1996, c.138 (C.18A:7F-15). In addition to the amount appropriated hereinabove for Core Curriculum Standards Aid, there is appropriated \$5,000,000 for payment of income appeals, subject to the approval of the Director of the Division of Budget and Accounting. In determining income appeals the property value multiplier and income multiplier shall be the same as originally calculated.

The Commissioner of Education shall not authorize the disbursement of funds to any "Abbott district" until the commissioner is satisfied that all educational expenditures in the district will be spent effectively and efficiently in order to enable those students to achieve the core curriculum content standards. The commissioner shall be authorized to take any necessary action to fulfill this responsibility. The commissioner may deduct from the State aid of any "Abbott district" the expenses required to manage, control and supervise the implementation of that State aid. In order to expeditiously fulfill the responsibilities of the commissioner under the Abbott order, determinations by the commissioner hereunder shall be considered to be final agency action and appeal of that action shall be directly to the Appellate Division of the Superior Court.

Notwithstanding any other law to the contrary, State aid for each "Abbott district" whose per pupil regular education expenditure for 2001-2002 under P. L. 1996, c.138 is below the estimated per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2001-2002 shall be increased. The amount of increase shall be appropriated as Abbott v. Burke Parity Remedy aid and shall be determined as follows: funds shall be allocated in the amount of the difference between each "Abbott district's" per pupil regular education expenditure for 2001-2002 and the actual per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2000-2001 indexed by the actual percentage increase in the per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2000-2001 over the per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 1999-2000. In calculating the per pupil regular education expenditure of each "Abbott district" for 2001-2002, regular education expenditure shall equal the sum of the general fund tax levy for 2000-2001, Core Curriculum Standards Aid, Supplemental Core Curriculum Standards Aid and all forms of stabilization aid pursuant to section 10 of P.L.1996, c.138 (C.18A:7F-10); enrollments shall initially be those resident enrollments for preschool through grade 12 contained on the Application for State School Aid for 2001-2002 indexed by the annual growth rates used to determine

the estimated enrollments of October 2001 for calculation of Core Curriculum Standards Aid and T&E budgets for 2001-2002; enrollments shall be calculated at their full-time equivalent and reduced by preschool and one half of full-day kindergarten enrollments. State aid shall be adjusted upon receipt of resident enrollment for the "Abbott districts" as of October 15, 2001 as reflected on the Application for State School Aid for 2002-2003. State aid shall also be adjusted based on the actual per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2001-2002. In calculating the actual per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2001-2002, regular education expenditure shall equal the sum of the general fund tax levy for 2001-2002, Core Curriculum Standards Aid, Supplemental Core Curriculum Standards Aid and all forms of stabilization aid pursuant to section 10 of P.L.1996, c.138 (C.18A:7F-10); enrollments shall be the resident enrollment for preschool through grade twelve as of October 15, 2001 as reflected on the Application for State School Aid for 2002-2003; enrollments shall be calculated at their full-time equivalent and reduced by preschool and one half of full-day kindergarten enrollments in districts receiving Early Childhood Program Aid.

The expenditures associated with the amounts appropriated herein for Abbott v. Burke Parity Remedy aid and Additional Abbott v. Burke State Aid shall not be included in the calculation of the actual cost per pupil for tuition purposes, pursuant to a sending/receiving agreement.

Notwithstanding any other law to the contrary, as a condition of receiving Abbott v. Burke Parity Remedy aid, an "Abbott district" shall raise a general fund tax levy which shall be no less than the difference between (a) the product of the actual per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2000-2001 indexed by the actual percentage increase in the per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2000-2001 over the per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 1999-2000 multiplied by each "Abbott district's" estimated "resident enrollment" for October 15, 2001 less one half of kindergarten enrollments and (b) the sum of Core Curriculum Standards Aid, Supplemental Core Curriculum Standards Aid, all forms of stabilization aid pursuant to section 10 of P.L.1996, c.138 (C.18A:7F-10) and Abbott v. Burke Parity Remedy aid.

Notwithstanding any other provision of P.L.1996, c.138 (C.18A:7F-1 et seq.) the county special services school districts' tuition losses provided for in subsection b. of section 3 of P.L.1971, c.271 (C.18A:46-31) as amended by section 77 of P.L.1996, c.138 shall be calculated by using the enrollment counts taken on October 15 in order to compare the budget to the pre-budget year.

Each district eligible for State aid pursuant to subsection d. of section 10 of P.L.1996, c.138 (C.18A:7F-10) shall be entitled to receive aid in the net amount calculated pursuant to the provisions of section 1 of P.L.1999, c.438 (C.18A:7F-32.1), or \$1,250,000 per school district, whichever is greater, except that if the amount calculated pursuant to the provisions of section 1 of P.L.1999, c.438 is greater than \$1,250,000 the district shall also receive an additional amount of \$500,000, or a district that has a projected T&E budget equal to its projected minimum T&E

budget shall also receive an additional amount of \$1,250,000, for the purposes of subsection d. of section 10 of P.L.1996, c.138 (C.18A:7F-10).

Notwithstanding any other law to the contrary, the amount of State aid made available to the Department of Human Services pursuant to "The State Facilities Education Act of 1979," P.L.1979, c.207 (C.18A:7B-1 et al.), to defray the costs of educating eligible children in approved private schools under contract with the Department of Human Services shall not exceed the actual costs of the education of those children in such private schools.

Notwithstanding any other law to the contrary, Special Education Aid for pupils classified as eligible for day training shall be paid directly to the resident school district; provided however, that for pupils under contract for service in a regional day school operated by or under contract with the Department of Human Services, tuition shall be withheld and paid to the Department of Human Services.

The unexpended balance as of June 30, 2001, in the *Abbott v. Burke* Parity Remedy account is appropriated for the same purpose and with the same conditions as are applied to the fiscal year 2002 appropriation for this purpose.

Notwithstanding any other law to the contrary, "district income" for the purposes of section 14 of P.L.1996, c.138 (C.18A:7F-14) shall mean the aggregate of total income reported on NJ-1040 for 1998 and all public assistance including Temporary Assistance to Needy Families for 1998 of the residents of the taxing district or taxing districts.

Pursuant to subsection a. of section 5 of P.L.1996, c.138 (C.18A:7F-5), the net amount hereinabove appropriated for 2000-2001 enrollment adjustments in the Aid for Enrollment Adjustments and Debt Service account shall be determined by using the actual October 13, 2000 pupil counts to recalculate the State aid amounts payable to each district for the 2000-2001 school year, for each aid category impacted by enrollment under the provisions of the "Comprehensive Educational Improvement and Financing Act of 1996," other than Rewards and Recognition and Stabilization Aid II that shall not be recalculated, except for Stabilization Aid II determined in accordance with the paragraphs for districts with an October 15, 1999 resident enrollment greater than 9,500 and for districts with a T&E tax rate greater than 125% of the State average T&E tax rate that shall also be recalculated, and comparing the recalculated amounts to the amounts originally determined as payable to the district for the 2000- 2001 school year for each aid category based upon the projected October 13, 2000 pupil counts. For the purposes of this recalculation, the State's Core Curriculum Standards Aid contribution for the 2000-2001 school year shall be determined by indexing the amount for the 1999-2000 school year by the sum of 1.0, the CPI and the actual State average enrollment growth percentage between the 2000-2001 and 1999-2000 school years and the Core Curriculum Standards Aid amount payable to each district shall be calculated using the October 13, 2000 pupil counts, the formulas and criteria contained in sections 12 through 15 of P.L.1996, c.138 (C.18A:7F-12 through 18A:7F-15) and based upon this indexed amount of Statewide available Core Curriculum Standards Aid. The percentage concentration of low income pupils for each district or each individual school used for the purposes of recalculating Early Childhood Program Aid, Demonstrably Effective

- Program Aid and Instructional Supplement aid shall remain the same as the percentage concentration originally determined for the 2000-2001 school year. The percentage concentration of low income pupils for individual schools in operation on October 13, 2000 that would otherwise qualify for Demonstrably Effective Program Aid that were not in operation on October 15, 1999 shall be redetermined based upon the actual October 13, 2000 pupil counts for the school.
- Notwithstanding the provisions of section 19 of P.L.1996, c.138 (C.18A:7F-19), the amounts hereinabove in the Special Education Aid account payable to each school district, other than a county vocational school district, for Tier II special education categorical aid shall be calculated by reducing each district's pupil count for the perceptually impaired pupils in Tier II by two-thirds of the amount of the pupil count reduction required by this section for the 2001-2002 school year.
- Notwithstanding the provisions of section 10 of P. L.1996, c.138 (C.18A:7F-10) to the contrary, the amounts hereinabove for the Stabilization Growth Limitation shall be calculated for all school districts, other than "Abbott districts" that received Abbott v. Burke Parity Remedy aid in the 2000-2001 school year, having a total aid increase in excess of their stabilization aid growth limit.
- Notwithstanding the provisions of section 10 of P.L.1996, c.138 (C.18A:7F-10), the amounts hereinabove for Stabilization Aid shall be calculated for all school districts based upon a 2000-2001 prebudget year total that includes Core Curriculum Standards Aid, Supplemental Core Curriculum Standards Aid, Stabilization Aid received pursuant to subsection b. of section 10 of P.L.1996, c.138 (C.18A:7F-10), Stabilization Aid II, Distance Learning Network Aid, categorical aids for special education programs, bilingual education programs, county vocational programs, Early Childhood Program Aid, Demonstrably Effective Program Aid, Instructional Supplement aid, Transportation Aid, aid for adult and post-secondary programs, and academic achievement rewards calculated pursuant to sections 15 through 22, 25, 28, and 29 of P.L.1996, c.138 (C.18A:7F-15 through 18A:7F-22), (C.18A:7F-25), (C.18A:7F-28), and (C.18A:7F-29) and school choice aid calculated pursuant to section 7 of P.L.1999, c.413 (C.18A:36B-8). The 2000-2001 prebudget total for each school district for Stabilization Aid calculation purposes shall also be adjusted to reflect the amounts payable in the 2000-2001 school year in each aid category based upon the actual pupil counts for the prior school year.
- Notwithstanding the provisions of section 10 of P.L.1996, c.138 (C.18A:7F-10), the amounts hereinabove for the Stabilization Growth Limitation shall be calculated for all school districts based upon a 2000-2001 prebudget year total that includes Core Curriculum Standards Aid, Supplemental Core Curriculum Standards Aid, Stabilization Aid received pursuant to subsection b. of section 10 of P.L.1996, c.138 (C.18A:7F-10), Stabilization Aid II, Distance Learning Network Aid, categorical aids for special education programs, bilingual education programs, county vocational programs, Early Childhood Program Aid, Demonstrably Effective Program Aid, Instructional Supplement aid, Transportation Aid, aid for adult and post-secondary programs, and academic achievement rewards calculated pursuant to sections 15 through 22, 25, 28, and 29 of P.L.1996, c.138 (C.18A:7F-15 through C.18A:7F-22), (C.18A:7F-25), (C.18A:7F-28), and

(C.18A:7F-29) and school choice aid calculated pursuant to section 7 of P.L.1999, c.413 (C.18A:36B-8).

Notwithstanding the provisions of subsection b. of section 10 of P.L.1996, c.138 (C.18A:7F-10), the amounts hereinabove for Stabilization Aid for all school districts shall be the greater of (a) the lesser of \$100,000 or an amount calculated for the district based upon the difference between 100% of the district's prebudget total and the sum of the district's aid payments for the 2001-2002 school year other than the aid provided pursuant to subsection d. of section 10 of P.L.1996, c.138 (C.18A:7F-10) and for School Building Aid or (b) the greater of an amount calculated for the district based upon either the difference between 98% of the district's prebudget total and the sum of the district's aid payments for the 2001-2002 school year other than the aid provided pursuant to subsection d. of section 10 of P.L.1996, c.138 (C.18A:7F-10) and for School Building Aid or the difference between 92% of the district's prebudget total for the 1997-98 school year and the sum of the district's aid payments for the 2001-2002 school year other than the aid provided pursuant to subsection d. of section 10 of P.L.1996, c.138 (C.18A:7F-10) and for School Building Aid.

Notwithstanding the provisions of section 17 of P.L.1996, c.138 (C.18A:7F-17), the amounts hereinabove in the Supplemental Core Curriculum Standards Aid account for each school district shall be calculated by summing the amount initially calculated for the district in accordance with the requirements of this section and an amount calculated as follows if the calculated result is greater than zero: 1.) Determine the district's T&E tax rate by dividing the remainder determined by subtracting the amount of aid initially calculated in accordance with section 17 of P.L.1996, c.138 (C.18A:7F-17) from its local share calculated pursuant to section 14 of P.L.1996, c.138 (C.18A:7F-14) by its equalized valuation. For this purpose a district's local share shall be limited to the amount of its T&E budget. 2.) For districts in district factor groups "A", "B", "CD", "DE", "FG", "GH" and in both district factor groups "I" and "J" having an equalized valuation per pupil and an income per pupil below the State average determine the difference between a tax rate of \$1.72 per \$100 of equalized valuation per pupil and the district's T&E tax rate per \$100 of equalized valuation. 3.) Multiply the difference obtained in step two by the district's equalized valuation. Aid pursuant to the provisions of subsection b. of section 5 of P.L.1996, c.138 (C.18A:7F-5) and subsections c., e., f., and h. of section 10 of P.L.1996, c.138 (C.18A:7F-10) is eliminated.

Notwithstanding the provisions of section 3 of P.L.1971, c.271 (C.18A:46-31), a portion of the district tuition amounts payable to a county special services school district operating an extended school year program may be transferred to the county special services school district prior to the first of September in the event the board shall file a written request with the Commissioner of Education stating the needs for the funds. The commissioner shall review the board's request and determine whether to grant the request after an assessment of whether the district needs to spend the funds prior to September and after considering the availability of district surplus. The Commissioner of Education shall transfer the payment for the portion of the tuition payable for which need has been demonstrated.

Notwithstanding any other law to the contrary, districts that were projected as qualified for Stabilization Aid II for the 2000-2001 school year pursuant to the provision for districts with an increase in their Core Curriculum Standards Aid payment for the 2000-2001 school year that also had a decrease in their total aid payments for the 2000-2001 school year shall also receive Stabilization Aid II for the 2001-2002 school year in an amount equal to the decrease in their total aid payments for the 2001-2002 school year other than the payment for School Building Aid.

Notwithstanding any other law to the contrary, districts that were projected as qualified for Stabilization Aid II for the 2000-2001 school year pursuant to the provision for districts with a T&E and general fund tax rate greater than or equal to \$2.00 per \$100 of equalized valuation shall also receive Stabilization Aid II in the amount necessary to provide the district a total aid payment for the 2001-2002 school year, other than the payment for School Building Aid, that is equal to the sum of its total aid payment for the 2000-2001 school year, other than the payment for School Building Aid, and either 1% of the district's 2000-2001 net budget or \$100,000, whichever amount is greater, except that no district shall receive an aid amount that is less than zero.

Notwithstanding the provisions of section 29 of P.L. 1996, c. 138 (C.18A:7F-29), the amount appropriated hereinabove for Rewards and Recognition shall be made available to qualifying schools based upon a per pupil amount for the projected number of pupils enrolled in qualifying schools for the budget year in the grade levels eligible to take the most recent grade eight proficiency assessment and the high school proficiency test and schools that administered the grade eight proficiency assessment shall qualify for an absolute success reward with 80% of the pupils performing above the passing scores. In addition, no more than \$1,000,000 of the amount appropriated hereinabove for Rewards and Recognition shall be made available to qualifying school districts as Academic Achievement Rewards Aid II determined in the following manner: (a) all school districts with a general education passing rate on the most recent grade eight proficiency assessment shall be ranked based upon a three year average of the general education passing rate on the grade eight proficiency assessment; (b) these districts shall also be ranked in descending order based on the "Budget 1999-00 Per Pupil Cost" from the "Total Cost Per Pupil" table in the March, 2000, "Comparative Spending Guide"; (c) the two rankings shall be summed; (d) within each district factor group, districts with combination ranks within the top 10% of the district factor group shall be provided \$6.25 per projected resident pupil, except that districts with a 1999-2000 net budget greater than their 1999-2000 net T&E budget, as defined in section 3 of P.L. 1996, c. 138 (C.18A:7F-3), shall be excluded, however the exclusion shall not apply to a district sending more than 10 pupils as of October 15, 1999, with an average tuition amount per pupil greater than the district's average weighted T&E amount per sent pupil in the 1999-2000 school year. These calculations shall be repeated substituting the high school proficiency test for the grade eight proficiency assessment, and the aid from both calculations shall be combined. Aid provided to a district pursuant to this paragraph shall be included in the budget year for the purposes of calculating a district's stabilization reduction and Stabilization Aid.

The amount hereinabove for the New Jersey Character Education Partnership Initiative shall be made available to school districts according to a formula to be administered by the Commissioner of Education which will assure that each district that elects to participate shall receive funding for at least one school. Of the amount appropriated hereinabove, up to \$100,000 may be used to fund the costs of operating this program, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of section 19 of P.L.1996, c.138 (C.18A:7F-19) and the recommendation in the March, 2000, Report on the "Cost of Providing a Thorough and Efficient Education," the Tier III cost factor for the purpose of calculating special education aid pursuant to section 19 of P.L.1996, c.138 (C.18A:7F-19) shall be \$5,975 for fiscal year 2002.

Notwithstanding any other law to the contrary, each district having a reduction in State aid from prebudget totals after the application of the language provisions of this annual appropriation act for determining Stabilization Aid and Stabilization Aid II, shall also receive Stabilization Aid III for the 2001-2002 school year in an amount equal to the remaining difference between 100% of the district's prebudget total and the sum of the district's aid payments for the 2001-2002 school year, other than the aid provided for School Building Aid after the Stabilization Aid and Stabilization Aid II calculations.

Notwithstanding the provisions of section 16 of P.L.1996, c.138 (C.18A:7F-16), a level II district and a non-Abbott district that is required to comply with this section with respect to the establishment of a preschool and full-day kindergarten for all four and five year olds in the 2001-2002 school year, that has a district aid percentage equal to or greater than 55% pursuant to P.L.2000, c.72 (C.18A:7G-1 et seq.), and is entitled to receive Early Childhood Aid, may use its unexpended Early Childhood Aid balances as of June 30, 2001 to enter into an agreement with the New Jersey Economic Development Authority by June 30, 2002 to fund the local share of an early childhood school facilities project constructed by the authority and approved by the Commissioner of Education.

32 Operation and Support of Educational Institutions

DIRECT STATE SERVICES

12-5011 Marie H. Katzenbach School for the Deaf	\$11,185,000
13-5011 Program For Behaviorally Difficult Deaf Pupils	<u>643,000</u>
Total Appropriation, State and All Other Funds	<u>\$11,828,000</u>

Less:

All Other Funds

<i>Marie H. Katzenbach School</i>	
<i>for the Deaf</i>	<i>\$8,092,000</i>
<i>Program for Behaviorally Difficult</i>	
<i>Deaf Pupils</i>	<i>643,000</i>
<i>Total Deductions</i>	<i><u>\$8,735,000</u></i>
Total Direct State Services Appropriation, Operations and Support of Educational Institutions	<u>\$3,093,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$9,218,000)
Employee Benefits	(152,000)
Materials and Supplies	(1,142,000)
Services Other Than Personal	(369,000)
Maintenance and Fixed Charges	(460,000)

Special Purpose:

12 Transportation Expenses for Students . .	(40,000)
Additions, Improvements and Equipment . .	(447,000)

Less:

All Other Funds 8,735,000

Notwithstanding the provisions of N.J.S.18A:61-1 and N.J.S.18A:46-13, or any other statute, for the 2001-2002 academic year, local boards of education shall reimburse the Marie H. Katzenbach School for the Deaf at an annual rate and payment schedule adopted by the Commissioner of Education and the Director of the Division of Budget and Accounting.

Any income from the rental of vacant space at the Marie H. Katzenbach School for the Deaf is appropriated for the operation and maintenance cost of the facility and for capital costs at the school, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001, in the receipt account of the Marie H. Katzenbach School for the Deaf is appropriated for expenses of operating the school. The unexpended balance as of June 30, 2001, in the receipt account of the Positive Learning Understanding Support (PLUS) program is appropriated for the expenses of operating the Marie H. Katzenbach School for the Deaf.

CAPITAL CONSTRUCTION

12-5011 Marie H. Katzenbach School for the Deaf	<u>\$1,380,000</u>
Total Capital Construction Appropriation, Operation and Support of Educational Institutions	<u>\$1,380,000</u>

Capital Projects:

Marie H. Katzenbach School for the Deaf:

12 Re-Roofing of Various Buildings	(75,000)
12 Fire Protection	(135,000)
12 Electrical Upgrades	(245,000)
12 Bathroom Renovations	(400,000)
12 Upgrade Campus Lighting	(125,000)
12 Building Renovation Project	(400,000)

33 Supplemental Education and Training Programs**DIRECT STATE SERVICES**

20-5062 General Vocational Education	<u>\$514,000</u>
Total Direct State Services Appropriation, Supplemental Education and Training Programs	<u>\$514,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$457,000)
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Materials and Supplies (26,000)
 Services Other Than Personal (31,000)

GRANTS-IN-AID

20-5062 General Vocational Education \$3,000,000
 Total Grants-in-Aid Appropriation, Supplemental
 Education and Training Programs \$3,000,000

Grants-in-Aid:

20 Apprenticeship Training Program ... (3,000,000)

STATE AID

20-5062 General Vocational Education \$44,408,000
 (From Property Tax Relief Fund ... \$44,408,000)
 Total State Aid Appropriation, Supplemental Education
 and Training Program \$44,408,000
 (Total From Property Tax
 Relief Fund \$44,408,000)

State Aid:

20 Vocational Education (PTRF) (\$5,460,000)
 20 County Vocational Program
 Aid (PTRF) (38,948,000)

34 Educational Support Services

DIRECT STATE SERVICES

29-5029 Educational Technology \$320,000
 30-5063 Academic Programs and Standards 20,793,000
 31-5060 Grants Management and Development 328,000
 32-5061 Professional Development and Licensure 1,771,000
 33-5067 Service to Local Districts 6,028,000
 34-5068 Office of School Choice 1,336,000
 35-5069 Early Childhood Education 558,000
 36-5120 Pupil Transportation 531,000
 38-5120 Facilities Planning and School Building Aid 2,770,000
 40-5064 Health, Safety and Community Services 3,309,000
 Total Direct State Services Appropriation, Educational
 Support Services \$37,744,000

Direct State Services:

Personal Services:

Salaries and Wages (\$15,158,000)
 Materials and Supplies (350,000)
 Services Other Than Personal (753,000)
 Maintenance and Fixed Charges (46,000)

Special Purpose:

30 Improved Basic Skills/
 Special Review Assessment (95,000)
 30 Statewide Assessment Program
 (Grades 4, 8, 11) (16,688,000)

- 30 Core Curriculum Standards (100,000)
 - 30 Professional Development --
 - Training Centers (200,000)
 - 30 Virtual Academy (1,000,000)
 - 30 Continuing Education (242,000)
 - 30 NJ School of the Arts (290,000)
 - 33 Educational Facilities Construction -
 - Field Services (265,000)
 - 34 Charter School Innovation Network . . . (150,000)
 - 38 Educational Facilities Construction
 - and Financing (1,951,000)
 - 40 Advisory Council on
 - Holocaust Education (244,000)
 - Additions, Improvements and Equipment . . (212,000)
- Receipts from the NJ School of the Arts and the unexpended balance of such receipts as of June 30, 2001, are appropriated for the cost of operation.
- The unexpended balance as of June 30, 2001 in the Statewide Assessment Program (Grades 4, 8, 11) account is appropriated for the operation of the assessment program, subject to the approval of the Director of the Division of Budget and Accounting.
- Receipts from the State Board of Examiners' fees in excess of those anticipated and the unexpended balances of such receipts as of June 30, 2001, are appropriated for the operation of the Professional Development and Licensure programs.
- The unexpended balance as of June 30, 2001, in the inspection of school construction account and receipts in excess of the amount anticipated, are appropriated for the operation of the school construction inspection program.

GRANTS-IN-AID

- 30-5063 Academic Programs and Standards \$7,316,000
- 40-5064 Health, Safety and Community Services 10,000
- Total Grants-in-Aid Appropriation,
- Educational Support Services \$7,326,000

Grants-in-Aid:

- 30 Professional Development --
 - Training Centers (\$225,000)
 - 30 Governor's School (1,754,000)
 - 30 Teacher Recruitment (5,000,000)
 - 30 The Children's Institute, Verona -
 - ADA Compliance (87,000)
 - 30 Liberty Science Center -- School Visit
 - Subsidy Program (250,000)
 - 40 Commission on Holocaust Education --
 - Greek Islands During the Holocaust (10,000)
- The amount appropriated hereinabove for the Governor's School is payable to the six Governor's Schools: The College of New Jersey - Governor's School of the Arts, The Richard Stockton College of New Jersey - Governor's School on the Environment, Monmouth University - Governor's School on Public Issues, Drew

University - Governor's School in the Sciences, Ramapo College of New Jersey - Governor's School on International Issues, and Rutgers, The State University - Governor's School of Engineering/Technology.

The amount appropriated hereinabove for the Teacher Recruitment program shall be expended for the incentive packages for new teachers in accordance with provisions established by the Department of Education. The incentives may only be provided to individuals who are not currently teaching in New Jersey, and who agree to teach preschool in a district defined as an Abbott district under section 3 of P.L.1996, c.138 (C.18A:7F-3), or for a community provider under contract with an Abbott district to provide preschool programs to 3 and 4 year old children. The first year recruitment incentive for eligible recipients shall consist of a laptop computer and a cash award. The cash award for High Achiever recipients, defined as those teachers with a GPA of 3.0 or higher, will be \$6,000. For Regular Incentive recipients, defined as those teachers with a GPA below 3.0, the cash award is \$3,500. In years two through four, non-cash incentives will be provided to eligible teachers to have a portion of their outstanding student loan indebtedness cancelled and/or to receive a tuition coupon for graduate studies at any of New Jersey's four-year colleges and universities. The total value of the non-cash incentives for High Achiever recipients is \$10,000 and \$6,500 for Regular Incentive recipients. For teachers to be eligible, the school districts in which they are working or in which they are employed by a community provider under contract with the district must enter into a participation agreement with the department and the district must provide, in a manner specified by the department, information regarding the teachers qualified for incentives working in said district and certifications of completion of each full year of teaching service. For all years other than the first year, incentives may only be paid upon satisfactory completion of each full year of teaching service and will be contingent upon the teacher's completion of all applicable professional development requirements and other conditions of employment, such as satisfactory evaluations by supervisors. One-half of the first year cash award will be provided at the start of the school year, with the remainder paid upon the satisfactory completion of a full year of teaching service. Laptops will remain the property of the State until the satisfactory completion of a full year of teaching service. Of the amount hereinabove, an amount not to exceed \$85,000 is available for transfer to the Direct State Services accounts of the department, an amount not to exceed \$35,000 is available for transfer to the Direct State Services accounts of Commission on Higher Education, and an amount not to exceed \$100,000 is available for transfer to the Department of Human Services. These transfers are for the administrative expenses of this program and are subject to the approval of the Director of the Division of Budget and Accounting.

STATE AID

34-5068 Office of School Choice	\$15,195,000
<i>(From Property Tax Relief Fund \$15,195,000)</i>	
36-5120 Pupil Transportation	302,137,000
<i>(From Property Tax Relief Fund 302,137,000)</i>	

38-5120 Facilities Planning and School Building Aid . . .	146,357,000
<i>(From Property Tax Relief Fund 146,357,000)</i>	
39-5095 Teachers' Pension and	
Annuity Assistance	<u>905,736,000</u>
<i>(From Property Tax Relief Fund 905,736,000)</i>	
Total State Aid Appropriation,	
Educational Support Services	<u>\$1,369,425,000</u>
<i>(Total From Property</i>	
<i> Tax Relief Fund \$1,369,425,000)</i>	

State Aid:

34 School Choice/Charter	
School Aid (PTRF)	(\$7,945,000)
34 Charter Schools - Council on Local	
Mandates Decision Offset	
Aid (PTRF)	(5,600,000)
36 Transportation Aid (PTRF)	(303,187,000)
36 School Bus Crossing Arms (PTRF)	(600,000)
38 School Building Aid Debt	
Service (PTRF)	(5,484,000)
38 School Building Aid (PTRF)	(140,873,000)
39 Teachers' Pension and	
Annuity Fund (PTRF)	(244,464,000)
39 Social Security Tax (PTRF)	(552,578,000)
39 Minimum Pension for Pre-1955	
Retirees (PTRF)	(2,000)
39 Additional Health	
Benefits (PTRF)	(36,027,000)
40 Debt Service on Pension Obligation	
Bonds (PTRF)	(72,665,000)

Each district entitled to School Building Aid for school bond and lease purchase agreement payments for interest and principal payable during the 2001-2002 school year pursuant to section 10 of P.L.2000, c.72 (C.18A:7G-10) shall have its debt service adjusted for corrections to the 1999-2000 principal and interest amounts.

In addition to the amounts hereinabove for Social Security Tax, there are appropriated such sums as are required for payment of Social Security Tax on behalf of members of the Teachers' Pension and Annuity Fund.

Notwithstanding the provisions of section 2 of P.L.1999, c.385, amounts appropriated hereinabove for School Choice/ Charter School Aid shall be used to distribute aid to any charter school which operates a full-day kindergarten program and which is located in an "Abbott district" in accordance with the formula contained in section 1 of P.L.1999, c.385, except that "KPP" which is defined therein as the amount paid by the district to the charter school for each kindergarten pupil pursuant to section 12 of P.L.1995, c.426 (C.18A:36A-12), shall be the sum of the amount paid by the district and the State to the charter school for each kindergarten pupil; and to distribute aid to charter schools

pursuant to the provisions of subsection d. of section 12 of P.L.1995, c.426 (C.18A:36A-12).

Notwithstanding the provisions of section 11 of P.L.1996, c.138 (C.18A:7F-11) as amended by P.L.1999, c.413 the State's core curriculum standards aid contribution for the 2001-2002 school year shall be reduced by one-half of the total projected Statewide school choice aid for the school choice districts for the 2001-2002 school year.

Notwithstanding the provisions of section 4 of P.L.1996, c.138 (C.18A:7F-4) and the recommendation in the March, 2000, "Report on the Cost of Providing a Thorough and Efficient Education," the incentive factor for the purpose of calculating Transportation Aid pursuant to section 25 of P.L.1996, c.138 (C.18A:7F-25) shall equal 1.0.

Notwithstanding the provisions of section 9 of P.L.2000, c.72 (C.18A:7G-9), for the purpose of calculating a district's State debt service aid, "DAP x 1.15" shall not be less than 40%.

Notwithstanding section 25 of P.L.1996, c.138 (C.18A:7F-25), the Commissioner of Education shall apportion Transportation Aid among the districts by providing each district 95.43% of the amount of Transportation Aid that would have been apportioned to the district had the full amount of State aid required by section 25 of P.L.1996, c.138 (C.18A:7F-25) been appropriated.

In addition to the amount appropriated hereinabove for Pupil Transportation, there is appropriated an amount determined by the Commissioner of Education to be necessary, subject to the approval of the Director of the Division of Budget and Accounting, to reimburse school districts for payments made for the expanded eligibility for transportation costs as provided as follows: Notwithstanding the provisions of N.J.S.18A:39-1 to the contrary, if a school district is located in a county of the third class or a county of the second class with a population of less than 235,000, according to the 1990 federal decennial census, transportation shall be provided to school pupils residing in this school district in going to and from any remote school other than a public school, not operated for profit in whole or in part, located within the State not more than 30 miles from the residence of the pupil.

35 Education Administration and Management

DIRECT STATE SERVICES

42-5120 School Finance	\$3,608,000
43-5092 Compliance and Auditing	1,169,000
99-5095 Administration and Support Services	<u>9,559,000</u>
Total Direct State Services Appropriation, Education	
Administration and Management	<u>\$14,336,000</u>

Direct State Services:

Personal Services:	
Salaries and Wages	(\$11,266,000)
Materials and Supplies	(304,000)
Services Other Than Personal	(1,203,000)
Maintenance and Fixed Charges	(68,000)

Special Purpose:

- 42 Urban Education Leadership
 - Academy (250,000)
- 42 Educational Facilities
 - Construction - Finance (148,000)
- 43 Educational Facilities Construction -
 - Compliance (132,000)
- 99 State Board of Education Expenses . . (82,000)
- 99 Affirmative Action and Equal
 - Employment Opportunity (68,000)
- 99 Information Technology --
 - Abbott Support (335,000)
- 99 Educational Facility Construction
 - Financing - Technology
 - Administration (132,000)
- Additions, Improvements and Equipment . . (348,000)

Such sums as may be necessary for the operating costs of the audit of enrollment registers are appropriated from revenues that may be received or are receivable for this program, subject to the recommendation of the Commissioner of Education and the approval of the Director of the Division of Budget and Accounting.

Receipts derived from fees for school district personnel background checks and unexpended balances as of June 30, 2001 of such receipts are appropriated for the cost of operation.

In addition to the amount appropriated, such sums as may be necessary for the Department of Education to conduct comprehensive compliance investigations are appropriated, subject to the recommendation of the Commissioner of Education and the approval of the Director of the Division of Budget and Accounting.

Additional sums as may be necessary for the Department of Education in preparation for implementation of P.L.1987, c.399 (C.18A:7A-34 et seq.) are appropriated, subject to the recommendation of the Commissioner of Education and the approval of the Director of the Division of Budget and Accounting and the Joint Budget Oversight Committee or its successor.

Additional sums as may be necessary for the Department of Education for the cost of the internal audit function in a State-operated school district pursuant to section 8 of P.L.1987, c.399 (C.18A:7A-41) are appropriated, subject to the recommendation of the Commissioner of Education and the approval of the Director of the Division of Budget and Accounting.

CAPITAL CONSTRUCTION

- 99-5095 Administration and Support Services \$1,550,000
- Total Capital Construction Appropriation, Education
 - Administration and Management \$1,550,000

Capital Projects:

- 99 Preservation Projects, Regional
 - Day Schools (\$250,000)

99 Roof Replacement and HVAC Repairs,
Regional Day Schools (1,300,000)

Department of Education, Total State Appropriation . \$7,329,201,000

Of the amount appropriated hereinabove for the Department of Education, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule included in the Governor's Budget Recommendation Document dated January 23, 2001, first shall be charged to the State Lottery Fund.

The unexpended balances as of June 30, 2001 in the State Aid accounts, not to exceed \$650,000, are appropriated to the State Aid Supplemental Funding account.

In the event that sufficient funds are not appropriated to fully fund any State Aid item, the Commissioner of Education shall apportion such appropriation among the districts in proportion to the State Aid each district would have been apportioned had the full amount of State Aid been appropriated.

Notwithstanding any law to the contrary, should appropriations in the Property Tax Relief Fund exceed available revenues, the Director of the Division of Budget and Accounting is authorized to transfer General Fund revenues into the Property Tax Relief Fund, provided unrestricted balances are available from the General Fund, as determined by the Director of the Division of Budget and Accounting.

Notwithstanding any other provision of law to the contrary, the repayment by the Hudson Milestone (formerly Hudson Association for Retarded Citizens) to the Department of Education of the unexpended balance of a Special Education Programs grant from federal funds received from a fiscal year 1990 appropriation made pursuant to the early intervention program, Part H, under a grant agreement for an AIDS infant-parent pilot program, and of any other funds remaining to be paid to the department from unexpended balances from fiscal year 1990 State appropriations shall be deferred during fiscal year 2002.

The Director of the Division of Budget and Accounting may transfer from one appropriations account for the Department of Education in the Property Tax Relief Fund to another account in the same department and fund such funds as are necessary to effect the intent of the provisions of the appropriations act governing the allocation of State Aid to local school districts, provided that sufficient funds are available in the appropriations for that department.

Notwithstanding the provisions of any law to the contrary, there shall not be required of a former constituent district of a grade 9 through 12 limited purpose regional school district which dissolved on June 30, 1997, any reimbursement or withholding of State aid as reimbursement of State aid provided in the 1998-99 school year to reduce the school tax increase of that former constituent district. Such district shall apply the savings from this provision to its originally certified General fund tax levy for the 2000-2001 school year and shall file a revised certificate and report of school taxes form A4F with its county board of taxation.

The Director of the Division of Budget and Accounting may transfer from one State Aid appropriations account for the Department of Education in the General Fund to another appropriations account in the same department in the Property Tax

Relief Fund such funds as are necessary to effect the intent of the provisions of the appropriations act governing the allocation of State Aid to local school districts and to effect the intent of legislation enacted subsequent to the enactment of the appropriations act, provided that sufficient funds are available in the appropriations for that department.

Summary of Department of Education Appropriations
(For Display Purposes Only)

Appropriations by Category:

Direct State Service	\$56,617,000
Grants-in-Aid	10,326,000
State Aid	7,259,328,000
Capital Construction	2,930,000

Appropriation by Fund:

General Fund	\$854,046,000
Property Tax Relief Fund	6,475,155,000

42 DEPARTMENT OF ENVIRONMENTAL PROTECTION

40 Community Development and Environmental Management

42 Natural Resource Management

DIRECT STATE SERVICES

11-4870 Forest Resource Management	\$7,372,000
12-4875 Parks Management	39,724,000
13-4880 Hunters' and Anglers' License Fund	11,944,000
14-4885 Shellfish and Marine Fisheries Management	1,684,000
20-4880 Wildlife Management	1,336,000
21-4895 Natural Resources Engineering	2,529,000
24-4876 Palisades Interstate Park Commission	<u>2,299,000</u>
Total Direct State Services Appropriation, Natural Resource Management	<u>\$66,888,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$44,075,000)
Materials and Supplies	(4,513,000)
Services Other Than Personal	(2,080,000)
Maintenance and Fixed Charges	(3,414,000)

Special Purpose:

11 Statewide Community Forestry Program	(160,000)
11 Fire Fighting Costs	(1,905,000)
12 Cape May Point State Park -- Staffing	(85,000)
12 Green Acres/Open Space Administration	(4,696,000)
12 Historic Site Management	(500,000)
12 Liberty State Park Commission	(22,000)

12 Expenses of the Delaware and Raritan Canal Commission	(223,000)
12 Natural Lands Trust	(146,000)
12 Natural Areas Council	(5,000)
20 Wildlife Monitoring - West Nile Virus	(79,000)
20 Endangered Species Tax Check-Off Donations	(230,000)
20 Black Bear Response Team	(1,027,000)
21 Office of Dredging and Sediment Technology	(350,000)
21 Dam Safety	(1,316,000)
Additions, Improvements and Equipment	(2,062,000)

An amount equivalent to 75% of receipts in excess of the amount anticipated from fees and permit receipts from the use of State park and marina facilities, and the unexpended balance as of June 30, 2001 of such receipts, are appropriated for Parks Management, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001 in the Greenway Mapping Municipal Assistance account is appropriated.

Notwithstanding the provisions of P.L.1985, c.533 (C.13:1E-99.1 et seq.) or any other law to the contrary, of the amount hereinabove for Parks Management up to \$725,000 is appropriated from the Clean Communities Fund to offset the cost of Parks' litter pickup program.

Receipts from police court, stands, concessions and self-sustaining activities operated or supervised by the Palisades Interstate Park Commission, and the unexpended balance as of June 30, 2001 of such receipts, are appropriated.

The unexpended balance as of June 30, 2001 in the Black Bear Response Team account is appropriated.

The amount hereinabove for the Hunters' and Anglers' License Fund is payable out of that Fund and any amount remaining therein and the unexpended balance as of June 30, 2001 in the Hunters' and Anglers' License Fund, together with any receipts in excess of the amount anticipated, are appropriated. If receipts to that fund are less than anticipated, the appropriation shall be reduced proportionately.

Pursuant to section 2 of P.L.1993, c.303 (C.23:3-1f) there are appropriated such sums as may be necessary to offset revenue losses associated with the issuance of free hunting and fishing licenses to active members of the New Jersey State National Guard and disabled veterans. The amount to be appropriated shall be certified by the Division of Fish and Wildlife and is subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Endangered Species Tax Check-Off Donations account is payable out of receipts, and the unexpended balances in the Endangered Species Tax Check-Off Donations account as of June 30, 2001, together with receipts in excess of the amount anticipated, are appropriated. If receipts are less than anticipated, the appropriation shall be reduced proportionately.

An amount not to exceed \$1,664,000 is allocated from the capital construction appropriation for Shore Protection Fund Projects for costs attributable to planning, operation, and administration of the shore protection program, subject to the approval of the Director of the Division of Budget and Accounting.

An amount not to exceed \$305,000 is allocated from the capital construction appropriation for Shore Protection Fund Projects for the operation and maintenance of the Bayshore Flood Control facility.

GRANTS-IN-AID

11-4870 Forest Resource Management	\$900,000
12-4875 Parks Management	200,000
20-4880 Wildlife Management	75,000
21-4895 Natural Resources Engineering	<u>2,900,000</u>
Total Grants-in-Aid Appropriation, Natural Resource Management	<u>\$4,075,000</u>

Grants:

11 Statewide Community Forestry Program	(\$900,000)
12 Griggstown Historical Society - Restoration of Historical Griggstown Site	(200,000)
20 Hunters Helping the Hungry Food Bank	(75,000)
21 Bergen County - Flood Mitigation Study	(500,000)
21 Mountain Lakes Borough - Birchwood and Crystal Lake Dams Restoration Project	(400,000)
21 Atlantic County - Regional Drainage Basin, Northfield	(2,000,000)

The unexpended balance as of June 30, 2001 in the Statewide Community Forestry Program account is appropriated.

The unexpended balance as of June 30, 2001 in the Hudson River Waterfront Walkway account is appropriated.

The unexpended balance as of June 30, 2001 in the Historic New Bridge Landing Park Commission account is appropriated.

The unexpended balance as of June 30, 2001 for public and private dam repair, made available through a transfer to the Department of Environmental Protection from the unexpended balances in accounts established pursuant to the "Emergency Disaster Relief Act of 1999," and from the Emergency Services Fund allocation for Hurricane Floyd, is appropriated.

CAPITAL CONSTRUCTION

12-4875 Parks Management	\$16,500,000
13-4880 Hunters' and Anglers' License Fund	3,500,000
21-4895 Natural Resources Engineering	37,300,000

24-4876 Palisades Interstate Park Commission	<u>800,000</u>
Total Capital Construction Appropriation,	
Natural Resource Management	<u>\$58,100,000</u>

Capital Projects:

12 Historical Preservation/ Renovation -- Buildings, Structures and Monuments	(\$5,500,000)
12 Sanitary Facilities	(1,100,000)
12 Barnegat Lighthouse Exterior Coating	(500,000)
12 Buildings - Rehabilitation and Renovation	(1,200,000)
12 Site Areas/Facilities - Development, Rehabilitation and Repair	(1,600,000)
12 Overnight Facilities - Development, Rehabilitation, Improvement and Repair . .	(400,000)
12 Day Use Areas - Development, Rehabilitation, Improvement and Repair . .	(600,000)
12 Demolition of Unused Structures	(250,000)
12 Dam Repairs and Inspections	(2,500,000)
12 Health, Safety and Environmental Compliance	(1,000,000)
12 Road, Bridge and Parking Area Repairs	(1,250,000)
12 Bulkhead Repair and Rehabilitation . . .	(600,000)
12 Bridge and Pedestrian Overpass Repairs	(450,000)
12 Building Life/Safety and Code Compliance - Repairs	(350,000)
12 Dam Repair, Maintenance and Renovation	(1,415,000)
12 Hackettstown Hatchery Renovation . .	(2,000,000)
12 Pequest Road Repair	(75,000)
12 ADA Sanitary Facility Renovation	(10,000)
21 Shore Protection Fund Projects	(25,000,000)
21 Absecon Bay/Lakes Bay - Dredging . .	(2,300,000)
21 High Hazard Dams	(10,000,000)

The amounts hereinabove for the Division of Parks and Forestry totaling \$16,500,000 and the Division of Fish and Wildlife totaling \$3,500,000, are payable from the receipts of the portion of the realty transfer fee dedicated to the State Lands Stewardship Investment Fund.

Notwithstanding the provisions of P.L.1954, c.48 (C.52:34-6 et seq.), the Department of Environmental Protection may enter into a contract with the Waterloo Foundation for the Arts for improvements to existing State-owned structures or for the construction of new facilities at Waterloo Village.

The amount hereinabove for Shore Protection Fund Projects is payable from the receipts of the portion of the realty transfer tax directed to be credited to the Shore Protection Fund pursuant to section 1 of P.L. 1992, c.148 (C.13:19-16.1).

An amount not to exceed \$500,000 is allocated from the capital construction appropriation for Shore Protection Fund Projects for repairs to the Bayshore Flood Control facility.

Of the amount hereinabove for High Hazard Dams, such sums as are necessary may be transferred to Grants-In-Aid for the repair of non-State owned dams, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001 for public and private dam repair, made available through a transfer to the Department of Environmental Protection from the unexpended balances in accounts established pursuant to the "Emergency Disaster Relief Act of 1999," and from the Emergency Services Fund allocation for Hurricane Floyd, is appropriated.

Federal monies in the amount of \$2,500,000 from the federal Land and Water Conservation Fund shall be allocated for local park development.

43 Science and Technical Programs

DIRECT STATE SERVICES

02-4801 Air Pollution Control	\$4,654,000
05-4810 Water Supply and Watershed Management	4,630,000
07-4850 Water Monitoring and Planning	1,242,000
18-4810 Science, Research and Technology	3,533,000
22-4861 New Jersey Geological Survey	1,311,000
29-4850 Environmental Remediation and Monitoring	10,380,000
90-4801 Watershed Management Planning	<u>5,569,000</u>
Total Direct State Services Appropriation, Science and Technical Programs	<u>\$31,319,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$5,397,000)
Materials and Supplies	(304,000)
Services Other Than Personal	(3,831,000)
Maintenance and Fixed Charges	(192,000)

Special Purpose:

05 Safe Drinking Water Fund	(1,330,000)
05 Environmental Testing Laboratory	(3,000,000)
05 Drinking Water Quality Institute	(300,000)
18 Environmental Indicators and Monitoring	(900,000)
18 Greenhouse Gas Action Plan	(526,000)
18 Hazardous Waste Research	(500,000)
29 Water Resources Monitoring and Planning - Constitutional Dedication	(7,880,000)

- 29 Action Now Projects -
 Constitutional Dedication (2,500,000)
- 90 Water Resources Monitoring
 and Planning (1,795,000)
- 90 Action Now Projects - Safe
 Drinking Water Fund (2,500,000)
- Additions, Improvements and Equipment . . (364,000)
- There is allocated from the Commercial Vehicle Enforcement Fund, established pursuant to section 17 of P.L.1995, c.157 (C.39:8-75), such sums as may be necessary to fund the costs of the regulation of the Diesel Exhaust Emissions program, subject to the approval of the Director of the Division of Budget and Accounting.
- There is allocated from the Motor Vehicle Inspection Fund, established in subsection j. of R.S.39:8-2 such sums as may be necessary to administer and implement the Inspection and Maintenance program, subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding the provisions of P.L.1991, c.235 (C.13:1D-35 et seq.) or any other law to the contrary, the amount appropriated hereinabove for Greenhouse Gas Action Plan is chargeable to receipts anticipated from the Pollution Prevention Fund.
- The amount hereinabove for the Hazardous Waste Research account is appropriated from interest earned by the New Jersey Spill Compensation Fund for research on the prevention and the effects of discharges of hazardous substances on the environment and organisms, on methods of pollution prevention and recycling of hazardous substances, and on the development of improved cleanup, removal and disposal operations, subject to the approval of the Director of the Division of Budget and Accounting.
- The amount hereinabove for the Environmental Remediation and Monitoring program classification shall be provided from revenue received from the Corporation Business Tax, pursuant to the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as dedicated by Article VIII, Section II, paragraph 6 of the State Constitution. The unexpended balance as of June 30, 2001 in the Water Resources Monitoring and Planning - Constitutional Dedication account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding the provisions of P.L.1983, c.443 (C.58:12A-12 et seq.) or any other law to the contrary, the amount appropriated hereinabove for Action Now Projects - Safe Drinking Water Fund is appropriated from the Safe Drinking Water Fund.
- The amount appropriated hereinabove for the Environmental Testing Laboratory is available for expenditure in a manner consistent with the provisions of Senate Bill, No.2136 of 2001, subject to the approval of the Director of the Division of Budget and Accounting.
- The amount appropriated hereinabove for the Drinking Water Quality Institute is available for expenditure in a manner consistent with the provisions of Senate Bill, No.2129 of 2001, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

07-4850 Water Monitoring and Planning	\$35,000
90-4850 Watershed Management Planning	<u>6,500,000</u>
Total Grants-in-Aid Appropriation, Science and Technical Programs	<u>\$6,535,000</u>

Grants:

07 Rockaway River Watershed Cabinet - Water Quality Monitoring Program	(\$35,000)
90 Watershed Management Area Education Grants	(500,000)
90 Clean Water Initiatives	(6,000,000)

The amount appropriated hereinabove for Watershed Management Area Education Grants is available for expenditure in a manner consistent with the provisions of Senate Bill, No.2132 of 2001, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove for Clean Water Initiatives, an amount not to exceed \$15,000,000 is appropriated, subject to the approval of the Director of the Budget and Accounting.

STATE AID

02-4801 Air Pollution Control	\$10,000
90-4801 Watershed Management Planning	<u>35,000</u>
Total State Aid Appropriation, Science and Technical Programs	<u>\$45,000</u>

State Aid:

02 Warren County - Air Quality Monitoring System	(\$10,000)
90 Ten Towns Great Swamp Watershed Committee	(\$35,000)

44 Site Remediation**DIRECT STATE SERVICES**

19-4815 Publicly-Funded Site Remediation	\$5,207,000
27-4815 Responsible Party Site Remediation	22,789,000
29-4815 Environmental Remediation and Monitoring	<u>5,600,000</u>
Total Direct State Services Appropriation, Site Remediation	<u>\$33,596,000</u>

Direct State Services:

Personal Services:	
Salaries and Wages	(\$7,263,000)
Materials and Supplies	(195,000)
Services Other Than Personal	(2,491,000)
Maintenance and Fixed Charges	(367,000)
Special Purpose:	
27 Hazardous Discharge Site Cleanup Fund -- Responsible Party	(16,049,000)
27 Underground Storage Tanks	(723,000)

29 Cleanup Projects Administrative

Costs -- Constitutional Dedication . (5,600,000)

Additions, Improvements and Equipment . . (908,000)

In addition to site specific charges, the amounts hereinabove for the Publicly-Funded Site Remediation and the Responsible Party Site Remediation program classifications, excluding the Hazardous Discharge Site Cleanup Fund-Responsible Party, and the Underground Storage Tanks accounts, are appropriated from the New Jersey Spill Compensation Fund, in accordance with the provisions of P.L.1976, c.141 (C.58:10-23.11 et seq.), together with an amount not to exceed \$4,857,000, for administrative costs associated with the cleanup of hazardous waste sites, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the federal funds amount for the Publicly-Funded Site Remediation program classification, such additional sums that may be received from the federal government for the Superfund Grants program are hereby appropriated.

There are appropriated from the New Jersey Spill Compensation Fund such sums as may be required for cleanup operations, adjusters and paying approved claims for damages in accordance with the provisions of P.L.1976, c.141 (C.58:10-23.11 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Hazardous Discharge Site Cleanup Fund-Responsible Party account is appropriated from responsible party cost recoveries deposited in the Hazardous Discharge Site Cleanup Fund, together with an amount not to exceed \$8,943,000, for administrative costs associated with the cleanup of hazardous waste sites, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Underground Storage Tanks account is appropriated from responsible party cost recoveries deposited in the Hazardous Discharge Site Cleanup Fund, together with an amount not to exceed \$487,000, for administrative costs associated with the cleanup of hazardous waste sites, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Environmental Remediation and Monitoring program classification shall be provided from revenue received from the Corporation Business Tax, pursuant to the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as dedicated by Article VIII, Section II, paragraph 6 of the State Constitution. The unexpended balance as of June 30, 2001 in the Cleanup Projects Administrative Costs-Constitutional Dedication account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from the sale of salvaged materials are appropriated to offset costs incurred in the cleanup and removal of hazardous substances.

CAPITAL CONSTRUCTION

29-4815 Environmental Remediation and Monitoring . . . \$46,290,000

Total Capital Construction Appropriation,

Site Remediation \$46,290,000

Capital Projects:

29 Hazardous Substance Discharge Remediation -- Constitutional Dedication	(\$25,530,000)
29 Private Underground Tank Remediation -- Constitutional Dedication	(20,760,000)

The amounts hereinabove for Hazardous Substance Discharge Remediation -- Constitutional Dedication and Private Underground Storage Tank Remediation - Constitutional Dedication shall be provided from revenue received from the Corporation Business Tax, pursuant to the "Corporation Business Tax Act (1945)," P.L. 1945, c.162 (C.54:10A-1 et seq.), as dedicated by Article VIII, Section II, paragraph 6 of the State Constitution.

Of the amount hereinabove appropriated for Hazardous Substance Discharge Remediation - Constitutional Dedication, \$4,000,000 shall be made available for the proper closure, remediation, and capping of landfills which meet the requirements of the constitutional dedication.

Notwithstanding the provisions of P.L.1981, c.306 (C.13:1E-100 et seq.), there is appropriated from the Sanitary Landfill Facility Contingency Fund up to \$6,000,000 for the proper closure, remediation, and capping of landfills, subject to the approval of the Director of the Division of Budget and Accounting.

**45 Environmental Regulation
DIRECT STATE SERVICES**

01-4820 Radiation Protection	\$5,280,000
02-4892 Air Pollution Control	6,176,000
05-4840 Water Supply and Watershed Management	7,749,000
08-4891 Water Pollution Control	8,116,000
09-4860 Public Wastewater Facilities	2,896,000
15-4890 Land Use Regulation	8,465,000
23-4910 Solid and Hazardous Waste Management	<u>11,002,000</u>
Total Direct State Services Appropriation, Environmental Regulation	<u>\$49,684,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$29,276,000)
Materials and Supplies	(426,000)
Services Other Than Personal	(5,536,000)
Maintenance and Fixed Charges	(279,000)

Special Purpose:

01 Nuclear Emergency Response	(1,256,000)
01 Quality Assurance -- Lab Certification Programs	(1,496,000)
05 Administrative Costs Water Supply Bond Act of 1981 -- Management	(1,208,000)

05	Administrative Costs Water Supply Bond Act of 1981 -- Watershed and Aquifer	(1,321,000)
05	Administrative Costs Water Supply Bond Act of 1981 -- Planning and Standards	(870,000)
05	Water/Wastewater Operators Licenses	(43,000)
05	Office of Rivermaster	(58,000)
05	Safe Drinking Water Fund	(1,569,000)
15	Tidelands Resource Council	(25,000)
15	Tidelands Peak Demands	(1,970,000)
15	Office of Permit Information and Assistance	(580,000)
23	Pollution Prevention	(1,672,000)
23	Sanitary Landfill Facility Contingency Fund -- Administration	(416,000)
23	Major Hazardous Waste Facilities Siting Act -- Siting Commission	(60,000)
23	Administration of Resource Recovery and Solid Waste Disposal Facility Fund	(226,000)
23	Recycling of Solid Waste	(959,000)
	Additions, Improvements and Equipment	(438,000)

The amount hereinabove for the Nuclear Emergency Response account is payable from receipts received pursuant to the assessments of electrical utility companies under P.L.1981, c.302 (C.26:2D-37 et seq.), and the unexpended balances as of June 30, 2001 in the Nuclear Emergency Response account, together with receipts in excess of the amount anticipated, not to exceed \$888,000, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The amounts hereinabove for the Administrative Costs Water Supply Bond Act of 1981 - Water Supply Management; Watershed and Aquifer; and Planning and Standards accounts are appropriated from the "Water Supply Bond Act of 1981," P.L.1981, c.261, together with an amount, not to exceed \$1,480,000, for costs attributable to administration of water supply programs, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the federal funds amount hereinabove for the Water Supply and Watershed Management program classification, such additional sums that may be received from the federal government for the Drinking Water State Revolving Fund program are appropriated.

Any funds received by the New Jersey Environmental Infrastructure Trust from any State agency to offset the Trust's annual operating expenses are appropriated.

In addition to the federal funds amount for the Public Wastewater Facilities program classification, such additional sums that may be received from the federal government for the Clean Water State Revolving Fund program are appropriated.

The amount hereinabove for the Sanitary Landfill Facility Contingency Fund - Administration account is appropriated from the Sanitary Landfill Facility Contingency Fund, together with an amount not to exceed \$186,000, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Administration of Resource Recovery and Solid Waste Disposal Facility Fund account is appropriated from the Resource Recovery and Solid Waste Disposal Facility Fund, together with an amount not to exceed \$40,000, for administrative costs related to the Resource Recovery and Solid Waste Disposal Facility program, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of P.L.1981, c.278 (C.13:1E-92 et seq.), as amended by P.L.1985, c.533, the amount hereinabove for the Recycling of Solid Waste account is appropriated from the State Recycling Fund, together with an amount not to exceed \$365,000, for the administration of the Recycling of Solid Waste program, subject to the approval of the Director of the Division of Budget and Accounting. If receipts are less than anticipated, the appropriation shall be reduced proportionately.

There are appropriated from the Sanitary Landfill Facility Contingency Fund such sums as may be required to carry out the provisions of the "Sanitary Landfill Facility Closure and Contingency Fund Act," P.L.1981, c.306 (C.13:1E-100 et seq.).

Receipts deposited to the Resource Recovery Investment Tax Fund and the Solid Waste Services Tax Fund are appropriated.

The unexpended balance as of June 30, 2001 in the Major Hazardous Waste Facilities Siting Act--Siting Commission account is appropriated.

The amount hereinabove for the Pollution Prevention account is appropriated from receipts received pursuant to the "Pollution Prevention Act," P.L.1991, c.235 (C.13:1D-35 et seq.), together with an amount not to exceed \$692,000, subject to the approval of the Director of the Division of Budget and Accounting, for administration of the Pollution Prevention program. If receipts are less than anticipated, the appropriation shall be reduced proportionately.

GRANTS-IN-AID

The unexpended balance as of June 30, 2001 in the Cranford Township, Cranford Northeast Quadrant Flood Control Project grant account is appropriated for the same purpose except that the 50-50 matching requirement of P.L.2000, c.170 shall not apply.

STATE AID

09-4860 Public Wastewater Facilities	\$2,500,000
23-4910 Solid and Hazardous Waste Management	<u>13,681,000</u>
Total State Aid Appropriation, Environmental Regulation	<u>\$16,181,000</u>
<i>State Aid:</i>	
09 Quinton Township - Wastewater Project	(\$2,500,000)

- 23 Pollution Control Financing Authority
of Salem County (9,681,000)
- 23 Carney's Point Regional Wastewater
Management Project (4,000,000)

The amount appropriated hereinabove for the Carney's Point Regional Wastewater Management Project is payable to the Pollution Control Financing Authority of Salem County subject to the determination by the Director of the Division of Budget and Accounting that there will be a substantial commercial/ industrial expansion within the Pilesgrove Township industrial region.

Notwithstanding any other law to the contrary, there is appropriated from the Sanitary Landfill Facility Contingency Fund up to \$5,500,000 for recycling grants, subject to the approval of the Director of the Division of Budget and Accounting.

CAPITAL CONSTRUCTION

- 05-4840 Water Supply and Watershed Management \$8,285,000
- Total Capital Construction Appropriation,
Environmental Regulation \$8,285,000

Capital Projects:

- 05 Flood Control -- HR6 Projects (\$8,285,000)

Notwithstanding the provisions of P.L.1981, c.306 (C.13:1E-100 et seq.), there is appropriated up to \$2,400,000 from the Sanitary Landfill Facility Contingency Fund for scrap tire pile management and reuse, subject to the approval of the Director of the Division of Budget and Accounting.

46 Environmental Planning and Administration

DIRECT STATE SERVICES

- 26-4805 Regulatory and Governmental Affairs \$2,124,000
- 99-4800 Administration and Support Services 17,193,000
- Total Direct State Services Appropriation,
Environmental Planning and Administration \$19,317,000

Direct State Services:

Personal Services:

- Salaries and Wages (\$14,602,000)
- Materials and Supplies (280,000)
- Services Other Than Personal (1,166,000)
- Maintenance and Fixed Charges (172,000)

Special Purpose:

- 99 Affirmative Action and Equal
Employment Opportunity (98,000)
- 99 E-Government Software and
Hardware Upgrades (90,000)
- Additions, Improvements and Equipment (2,909,000)

GRANTS-IN-AID

- 99-4800 Administration and Support Services \$350,000

Total Grants-in-Aid Appropriation, Environmental
 Planning and Administration \$350,000

Grants-in-Aid:

99 Black Fly Treatment --
 Delaware River (\$350,000)

STATE AID

99-4800 Administration and Support Services \$13,590,000

(From General Fund \$6,220,000)

(From Property Tax Relief Fund 7,370,000)

Total State Aid Appropriation, Environmental
 Planning and Administration \$13,590,000

(From General Fund \$6,220,000)

(From Property Tax Relief Fund 7,370,000)

State Aid:

99 Mosquito Control, Research,
 Administration and Operations (\$1,278,000)

99 Payment in Lieu of Taxes (PTRF) (7,370,000)

99 Administration, Planning and
 Development Activities of the
 Pinelands Commission (4,127,000)

99 Moorestown Township -
 Strawbridge Lake Dredging (200,000)

99 Fortescue Inlet Dredging (450,000)

99 Grants to Local Environmental
 Commissions (165,000)

An amount not to exceed \$13,000,000, which shall include a sum not to exceed \$450,000 for administrative costs, is appropriated for the purchase and permanent retirement of Pinelands Development Credits, subject to the submission of a spending plan by the Commissioner of the Department of Environmental Protection and subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001 in the Grants to Local Environmental Commissions account is appropriated for grants to municipalities to identify and address urban and environmental challenges, pursuant to the "Aid for Urban Environmental Concerns Act," P.L.1979, c.56 (C.13:1H-8 et seq.).

Receipts derived from permit fees issued by the Pinelands Commission on behalf of the Department of Environmental Protection, pursuant to a memorandum of agreement between the Pinelands Commission and the Department of Environmental Protection, are hereby appropriated to the Pinelands Commission.

The unexpended balance as of June 30, 2001 in the Lake Hopatcong Commission account is appropriated.

If the amount appropriated herein for Payment in Lieu of Taxes is insufficient to compensate municipalities for land owned by the State for conservation and recreation purposes, as determined according to the formula for payments in lieu of taxes in the "Garden State Preservation Trust Act" P.L.1999, c.152 (C.13:8C-1

et seq.) such additional sums as are necessary are appropriated subject to the approval of the Director of the Division of Budget and Accounting. Notwithstanding the provisions of subsection d. of section 29 of P.L.1999, c.152 (C.13:8C-29) or subsection d. of section 30 of P.L.1999, c.152 (C.13:8C-30), or any other law to the contrary, all payments to municipalities in lieu of taxes for lands acquired by the State for recreation and conservation purposes shall be retained by the municipality and not apportioned in the same manner as the general tax rate of the municipality.

CAPITAL CONSTRUCTION

99-4800 Administration and Support Services	<u>\$810,000</u>
Total Capital Construction Appropriation,	
Environmental Planning and Administration	<u>\$810,000</u>
Capital Projects:	
99 Mosquito Control Equipment	(\$810,000)

47 Compliance and Enforcement

DIRECT STATE SERVICES

02-4825 Air Pollution Control	\$8,308,000
04-4835 Pesticide Control	2,085,000
08-4855 Water Pollution Control	5,907,000
15-4855 Land Use Regulation	1,819,000
23-4855 Solid and Hazardous Waste Management	<u>3,938,000</u>
Total Direct State Services Appropriation,	
Compliance and Enforcement	<u>\$22,057,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$14,754,000)
Materials and Supplies	(161,000)
Services Other Than Personal	(1,397,000)
Maintenance and Fixed Charges	(328,000)

Special Purpose:

02 Toxic Catastrophe Prevention	(895,000)
02 Worker and Community	
Right to Know Act	(984,000)
02 Oil Spill Prevention	(2,368,000)
15 Tidelands Peak Demands	(746,000)
Additions, Improvements and Equipment	(424,000)

Notwithstanding the provisions of the "Worker and Community Right to Know Act," P.L.1983, c.315 (C.34:5A-1 et seq.), the amount hereinabove for the Worker and Community Right to Know Act account is payable out of the Worker and Community Right to Know Trust Fund, and that receipts in excess of the amount anticipated, not to exceed \$222,000, are appropriated. If receipts to that fund are less than anticipated, the appropriation shall be reduced proportionately. The amount hereinabove for the Oil Spill Prevention account is payable out of the New Jersey Spill Compensation Fund, and the receipts in excess of those

anticipated, not to exceed \$947,000, from the New Jersey Spill Compensation Fund for the Oil Spill Prevention program are appropriated, in accordance with the provisions of P.L.1990, c.76 (C.58:10-23.11f2 et seq.), P.L.1990, c.78 (C.58:10-23.11d1 et seq.), and P.L.1990, c.80 (C.58:10-23.11f1), subject to the approval of the Director of the Division of Budget and Accounting.

Receipts deposited into the Coastal Protection Trust Fund pursuant to P.L.1993, c.168 (C.39:3-27.47 et seq.) are appropriated in an amount not to exceed \$600,000 for the cleanup or maintenance of beaches or shores, an amount not to exceed \$200,000 for the cost of providing monitoring, surveillance and enforcement activities for the Cooperative Coastal Monitoring Program, an amount not to exceed \$50,000 for the implementation of the "New Jersey Adopt a Beach Act," P.L.1992, c.213 (C.13:19-22 et seq.), and an amount not to exceed \$150,000 for a program of grants for the operation of a sewage pump-out boat and the construction of sewage pump--out devices for marine sanitation devices and portable toilet emptying receptacles at public and private marinas and boatyards in furtherance of the provisions of P.L.1988, c.117 (C.58:10A-56 et seq.). Receipts deposited to the Coastal Protection Trust Fund in excess of \$1,000,000 are appropriated to finance emergency shore protection projects and the cleanup of discharges into the ocean.

STATE AID

08-4855 Water Pollution Control	<u>\$2,453,000</u>
<i>(From Property Tax Relief Fund \$2,453,000)</i>	
Total State Aid Appropriation, Compliance and Enforcement	<u>\$2,453,000</u>
<i>(Total From Property Tax Relief Fund \$2,453,000)</i>	

State Aid:

08 County Environmental Health Act (PTRF)	(\$2,453,000)
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Department of Environmental Protection, Total State Appropriation	<u>\$379,575,000</u>
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The amounts hereinabove for the Safe Drinking Water Fund account are payable out of receipts, and receipts in excess of the amount anticipated, not to exceed \$1,087,000, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting. If receipts are less than anticipated, the appropriation shall be reduced proportionately.

The amounts hereinabove for the Tidelands Peak Demands account are appropriated from receipts derived from the sales, grants, leases, licensing, and rentals of State riparian lands, together with an amount not to exceed \$1,703,000, subject to the approval of the Director of the Division of Budget and Accounting. If receipts are less than anticipated, the appropriation shall be reduced proportionately.

Notwithstanding any other law, the Commissioner of the Department of Environmental Protection shall obtain concurrence from the Director of the Division of

Budget and Accounting before altering fee schedules or any other revenue-generating mechanism under the department's purview.

Notwithstanding the provisions of the "Environmental Fee Fund Accountability Act of 1991," P.L.1991, c.426 (C.52:27B-20.1 et seq.) and P.L.1991, c.427 (C.13:1D-9.1 et seq.), all revenues from fees and fines collected by the Department of Environmental Protection, unless otherwise dedicated herein, shall be deposited into the State General Fund without regard to their specific dedication.

Notwithstanding any other provisions in this act, of the Federal Fund amounts appropriated for the programs included in the Performance Partnership Grant Agreement with the United States Environmental Protection Agency, the Department of Environmental Protection is authorized to reallocate the appropriations, in accordance with the Grant Agreement and subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of P.L.1954, c.48 (C.52:34-6 et seq.) or any other law to the contrary, the Department of Environmental Protection may enter into a contract with the United States Environmental Protection Agency (EPA) to provide the State's statutory matching share for EPA-led Superfund remedial actions pursuant to the State Superfund Contract (SSC).

From the amount appropriated hereinabove for the Department of Environmental Protection, the amount of \$300,000 is transferred to the Department of Community Affairs for the Burlington County - New Jersey EcoComplex account.

Notwithstanding any other law to the contrary, any grants awarded during the fiscal year ending June 30, 2002, or during any preceding fiscal year, by the Department of Environmental Protection, or its predecessors, from the proceeds of bonds issued pursuant to P.L.1969, c.127; P.L.1976, c.92; P.L.1980, c.70; P.L.1981, c.261; P.L.1985, c.329; P.L.1989, c.181 or P.L.1992, c.88 or other grants awarded pursuant to other grant programs administered by the department, shall not be considered to be impaired by a structured financing transaction undertaken by a governmental entity which is authorized by section 10 of P.L.1999, c.157 (C.52:31C-10) as amended by section 1 of P.L.2000, c.54, to undertake such transactions, nor shall any State interest created by the award of any such grant be determined to be so impaired by a structured financing transaction undertaken by any local governmental entity pursuant to section 10 of P.L.1999, c.157. Any such grant, and any provisions, covenants and conditions contained in the award thereof, shall not (i) limit, restrict or impair the rights of the local governmental entity to transfer or encumber its facilities or assets for purposes of entering into a structured financing transaction pursuant to that section, (ii) be violated by the completion of a structured financing transaction undertaken pursuant to that section and (iii) cause the Department of Environmental Protection to rescind or annul any grant, or undertake any other enforcement actions, including the revocation of any permit or license granted, in response to a structured financing transaction undertaken pursuant to that section.

Notwithstanding the provisions of P.L.1988, c.106 (C.58:12A-22 et seq.), or any other law to the contrary, there is appropriated \$5,500,000 from the Water Supply Replacement Trust Fund for transfer to the General Fund as State revenue to fund a portion of the amounts hereinabove for the Science, Research and Technology,

New Jersey Geological Survey, Watershed Management and Water Supply, and Watershed Management program classifications.
 From the amounts appropriated hereinabove to the Department of Environmental Protection an amount not to exceed \$125,000 shall be allocated to undertake an environmental study of the impact of quarry activity on the Rockaway River in Tewksbury and Readington Townships subject to the approval of the Director of the Division of Budget and Accounting.

Summary of Department of Environmental Protection Appropriations
 (For Display Purposes Only)

Appropriations by Category:

Direct State Services	\$222,861,000
Grants-in-Aid	10,960,000
State Aid	32,269,000
Capital Construction	113,485,000

Appropriation by Fund:

General Fund	\$369,752,000
Property Tax Relief Fund	9,823,000

46 DEPARTMENT OF HEALTH AND SENIOR SERVICES

20 Physical and Mental Health

21 Health Services

DIRECT STATE SERVICES

01-4215 Vital Statistics	\$1,506,000
02-4220 Family Health Services	9,010,000
03-4230 Public Health Protection Services	15,287,000
04-4240 Addiction Services	30,532,000
08-4280 Laboratory Services	6,278,000
12-4245 AIDS Services	<u>3,503,000</u>
Total Direct State Services Appropriation, Health Services	<u>\$66,116,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$17,039,000)
Materials and Supplies	(2,508,000)
Services Other Than Personal	(1,121,000)
Maintenance and Fixed Charges	(209,000)

Special Purpose:

01 Electronic Death Certificate	(250,000)
02 WIC Farmers Market Program	(87,000)
02 Emergency Medical Services for Children	(50,000)
02 Identification System for Children's Health and Disabilities	(900,000)
02 Public Awareness Campaign for Black Infant Mortality	(500,000)
02 Newborn Screening, Follow-up and Treatment	(3,100,000)

03 Cancer Screening -- Early Detection and Education Program	(2,700,000)
03 New Jersey Coalition to Promote Cancer Prevention, Early Detection & Treatment	(200,000)
03 Timely Issuance of Export of Certificates of Free Sale	(50,000)
03 Evaluation of Human Exposure to Hazardous Waste	(200,000)
03 Cancer Registry	(400,000)
03 West Nile Virus	(80,000)
03 New Jersey State Commission on Cancer Research	(1,000,000)
03 Medical Waste Management Program	(817,000)
03 Rabies Control Program	(502,000)
03 Animal Population Control Program ..	(557,000)
03 Animal Population Control Expansion	(300,000)
03 Division of Infectious and Zoonotic Disease Field Investigator	(60,000)
03 Worker and Community Right to Know Program	(2,046,000)
04 Youth Anti-Tobacco Awareness Media Campaign	(6,300,000)
04 Smoking Cessation Programs for Addicted Adults and Youth	(8,700,000)
04 Research, Surveillance, Evaluation and Assistance for Anti-Smoking Programs	(3,000,000)
04 School Based Programs for the Prevention of Tobacco Use	(5,000,000)
04 Community Based Tobacco Control Programs	(7,000,000)
08 West Nile Virus	(690,000)
12 HIV/AIDS Education and Discharge Program	(750,000)

In addition to the amount appropriated above for Emergency Medical Services for Children program, \$150,000 is appropriated from the annual .53% assessment on New Jersey hospitals established pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62) for the same purpose.

The unexpended balance as of June 30, 2001, in the New Jersey Emergency Medical Service Helicopter Response Program account is appropriated.

The amount hereinabove for the New Jersey State Commission on Cancer Research is charged to the Cancer Research Fund pursuant to section 5 of P.L.1982, c.40 (C.54:40A-37.1).

- The unexpended balance as of June 30, 2001, in the New Jersey State Commission on Cancer Research account is appropriated.
- Amounts deposited in the "New Jersey Breast Cancer Research Fund" from the gross income tax check-offs pursuant to the provisions of P.L.1995, c.26 (C.54A:9-25.7 et al.) are appropriated to the New Jersey State Commission on Cancer Research for breast cancer research projects, subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balance as of June 30, 2001, in the Comprehensive Regulated Medical Waste Management Act account, together with any receipts received by the Department of Health and Senior Services pursuant to the provisions of the "Comprehensive Regulated Medical Waste Management Act," P.L.1989, c.34 (C.13:1E-48.1 et seq.), is appropriated.
- The unexpended balance as of June 30, 2001, in the Rabies Control Program account, together with any receipts in excess of the amount anticipated, is appropriated.
- The amount hereinabove for the Rabies Control Program account is payable out of the Rabies Control Fund. If receipts to that fund are less than anticipated, the appropriation shall be reduced proportionately.
- The unexpended balance as of June 30, 2001, in the Animal Population Control Program account, together with any receipts in excess of the amount anticipated, is appropriated.
- The amount hereinabove for the Animal Population Control Program account is payable out of the Animal Population Control Fund. If receipts to that fund are less than anticipated, the appropriation shall be reduced proportionately.
- Notwithstanding the provisions of the "Worker and Community Right to Know Act," P.L.1983, c.315 (C.34:5A-1 et seq.), \$1,362,000 of the amount hereinabove for the Worker and Community Right to Know account is payable out of the Worker and Community Right to Know Fund. If receipts to that fund are less than anticipated, the appropriation shall be reduced proportionately.
- In addition to the amount appropriated above, an amount not to exceed \$1,300,000 is appropriated from the Worker and Community Right to Know Fund, subject to the approval of the Director of the Division of Budget and Accounting.
- The Division of Addiction Services is authorized to bill a patient, a patient's estate, or the person chargeable for a patient's support, or the county of residence for institutional, residential and outpatient support of patients treated for alcoholism, drug abuse or both. Receipts derived from billings or fees and unexpended balances as of June 30, 2001 from these billings and fees are appropriated to the Department of Health and Senior Services, Division of Addiction Services, for the support of the alcohol and drug abuse programs.
- There are appropriated from the Alcohol Education, Rehabilitation and Enforcement Fund such sums as may be necessary to carry out the provisions of P.L.1983, c.531 (C.26:2B-32 et al.).
- There is transferred from the Drug Enforcement and Demand Reduction Fund \$350,000 to carry out P.L.1995, c.318 (C.26:2B-36 et seq.) to establish an "Alcohol and Drug Abuse Program for the Deaf, Hard of Hearing and Disabled" with the Department of Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated \$700,000 from the Drug Enforcement and Demand Reduction Fund established pursuant to N.J.S.2C:35-15, to the Department of Health and Senior Services for a grant to Partnership for a Drug Free New Jersey.

The Director of the Division of Budget and Accounting is empowered to transfer or credit appropriations to the Department of Health and Senior Services for diagnostic laboratory services provided to any other agency or department; provided further, however, that funds have been appropriated or allocated to such agency or department for the purpose of purchasing these services.

Receipts from fees established by the Commissioner of Health and Senior Services for licensing of clinical laboratories pursuant to P. L.1975, c.166 (C.45:9-42.26 et seq.), and blood banks pursuant to P.L.1963, c.33 (C.26:2A-2 et seq.), and the unexpended balance of the fees as of June 30, 2001, are appropriated.

Receipts from licenses, permits, fines, penalties and fees collected by the Department of Health and Senior Services in Health Services, in excess of those anticipated, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, there is appropriated from the "Emergency Medical Technician Training Fund" \$79,000 for Emergency Medical Services and \$125,000 for First Response EMT Cardiac Training Program.

GRANTS-IN-AID

02-4220 Family Health Services	\$20,868,000
<i>(From General Fund</i>	<i>\$20,368,000)</i>
<i>(From Casino Revenue Fund</i>	<i>500,000)</i>
03-4230 Public Health Protection Services	4,009,000
04-4240 Addiction Services	29,704,000
12-4245 AIDS Services	<u>18,561,000</u>
Total Grants-in-Aid Appropriation, Health Services	<u>\$73,142,000</u>
<i>(From General Fund</i>	<i>\$72,642,000)</i>
<i>(From Casino Revenue Fund</i>	<i>500,000)</i>

Grants-in-Aid:

02 Family Planning Services	(\$3,685,000)
02 Hemophilia Services	(987,000)
02 Testing for Specific Hereditary Diseases	(125,000)
02 Special Health Services for Handicapped Children	(1,854,000)
02 Chronic Renal Disease Services	(402,000)
02 Pharmaceutical Services for Adults with Cystic Fibrosis	(297,000)
02 Birth Defects Registry	(25,000)
02 Statewide Birth Defects Registry (CRF)	(500,000)
02 Cost of Living Adjustment, Family Health Services	(429,000)

02 Cost-of-Living Adjustment, Deferred	
Cost-Family Health Services	(1,290,000)
02 Maternal and Child Health Services	(2,479,000)
02 Emergency Medical Services	(58,000)
02 Primary Care Services -	
Dover Free Clinic	(236,000)
02 Child Health Institute of New Jersey	(1,000,000)
02 Lead Poisoning Program	(766,000)
02 Poison Control Center	(472,000)
02 Cleft Palate Programs	(594,000)
02 Womens' Health and Counseling	
Center, Somerville	(50,000)
02 Family Health Center at Community	
Medical Center, Toms River	(200,000)
02 New Jersey Center for Outreach and	
Services for the Autistic Community	(100,000)
02 Overlook Hospital -	
Neuroscience Institute	(300,000)
02 Cape Volunteers in Medicine, Inc.	(50,000)
02 Camden Optometric Eye Center	(200,000)
02 Child Federation of Atlantic City	(25,000)
02 Noah's Ark Children's	
Association, Livingston	(50,000)
02 Pediatric Asthma Reduction	
Effort (PARE), Passaic	(220,000)
02 Kimball Medical Center, Lakewood -	
Emergency Services and Equipment	(344,000)
02 New Jersey Institute for Parent	
Education, Inc., Demarest	(75,000)
02 Arc Primary Medical Care Clinic at	
KMACC, Whiting	(50,000)
02 School for Children with Hidden	
Intelligence, Lakewood - Building	(75,000)
02 School for Children with Hidden	
Intelligence, Lakewood - Early	
Intervention	(75,000)
02 United Way of Ocean County -	
Dental Clinics	(75,000)
02 Monmouth Medical Center -	
AWARE	(100,000)
02 Osborn Family Health Center - Our	
Lady of Lourdes Medical Center	(1,500,000)
02 Family and Children's Service of	
Monmouth County	(125,000)
02 Virtua Health, Memorial Hospital,	
Burlington County - Teen Smoking	
Prevention Program	(20,000)

02 Drenk Behavioral Health Center - Computer Equipment	(20,000)
02 Rancocas Hospital - Cancer Education Program	(20,000)
02 Prevention Education, Inc., Lawrenceville -Facility	(50,000)
02 Traumatic Loss Prevention Program ...	(250,000)
02 Birth Haven, Newton	(50,000)
02 Karen Ann Quinlan Hospice	(25,000)
02 Newton Memorial Hospital - Dental Clinic	(500,000)
02 Newton Memorial Hospital - Emergency Room Equipment	(100,000)
02 Saint Clare's Hospital, Sussex - Emergency Room Upgrade	(100,000)
02 Newborn Screening Follow-Up and Treatment for Hemoglobins	(144,000)
02 SIDS Assistance Act	(164,000)
02 Pregnancy Aid Centers	(350,000)
02 Services to Victims of Huntington's Disease	(262,000)
03 Tuberculosis Services	(1,009,000)
03 Cost of Living Adjustment, Public Health Protection	(273,000)
03 Cost of Living Adjustment, Deferred Cost-Public Health Protection	(210,000)
03 Cape May County Mosquito Extermination Commission	(60,000)
03 Cape May County - Center for the Blind and the Visually Impaired	(5,000)
03 Saint Clare's Hospital Community Health Trust - Homeless Health Outreach Program	(100,000)
03 Vineland City - Senior Citizen Smoke and Carbon Monoxide Detector Program ..	(50,000)
03 Immunization Services	(630,000)
03 AIDS Communicable Disease Control .	(395,000)
03 Worker and Community Right to Know	(277,000)
03 Infectious Disease - Public Health Research Institute	(1,000,000)
04 Substance Abuse Treatment for DYFS/ WorkFirst Mothers -- Pilot Project	(1,325,000)
04 Drugs are Ugly and Uncool Campaign .	(208,000)
04 Cost of Living Adjustment, Addiction	(1,643,000)

04 Community Based Substance Abuse Treatment and Prevention -- State Share	(20,479,000)
04 Vocational Adjustment Centers	(102,000)
04 Salary Supplement for Direct Service Workers	(1,216,000)
04 Freedom House, Glen Gardner	(450,000)
04 RAPT Foundation, Inc.	(100,000)
04 Good News Home for Women, Flemington	(50,000)
04 Atlantic Prevention Resources	(25,000)
04 Bergen County Community Action Program - Ladder Project	(150,000)
04 Hendrick's House, Vineland	(50,000)
04 Epiphany House	(100,000)
04 Prevention First, Monmouth County	(20,000)
04 Cape Assist, Wildwood	(25,000)
04 The Southwest Council, Vineland - Volunteer Prevention Program for Drug and Alcohol Abuse	(60,000)
04 Daytop - NJ, Mendham - Facility Upgrade	(300,000)
04 Signs of Sobriety, Inc., Hamilton - Facility Renovation	(35,000)
04 Sussex Council on Alcohol and Drug Abuse - Youth Center	(50,000)
04 Sussex Council on Alcohol and Drug Abuse - The Family Afterward	(50,000)
04 Seabrook House - Chemical Dependency Treatment Center	(50,000)
04 Compulsive Gambling	(640,000)
04 Mutual Agreement Parolee Rehabilitation Project for Substance Abusers	(658,000)
04 In-State Juvenile Residential Treatment Services	(1,918,000)
12 Cost of Living Adjustment, AIDS Services	(862,000)
12 Cost of Living Adjustment, Deferred Cost - AIDS Services	(1,295,000)
12 Angel Connection, Inc.	(50,000)
12 AIDS Grants	(16,354,000)
The unexpended balance as of June 30, 2001 in the Pharmaceutical Services For Adults with Cystic Fibrosis account is appropriated.	
There are appropriated from the New Jersey Emergency Medical Service Helicopter Response Program Fund established pursuant to section 2 of P.L.1992, c.87 (C.26:2K-36.1) such sums as are necessary to pay the reasonable and necessary	

expenses of the operation of the New Jersey Emergency Medical Service Helicopter Response Program created pursuant to P.L.1986, c.106 (C.26:2K-35 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

An amount not to exceed \$1,830,000 is appropriated to the Department of Health and Senior Services from monies deposited in the Health Care Subsidy Fund established pursuant to section 8 of P.L.1992, c.160 (C.26:2H-18.58) to fund the Infant Mortality Reduction Program.

There is appropriated \$570,000 from the Alcohol Education, Rehabilitation and Enforcement Fund to fund the Fetal Alcohol Syndrome Program.

The unexpended balance as of June 30, 2001 in the Cord Blood Resource Center account is appropriated.

The unexpended balance as of June 30, 2001 in the Trenton Detox Center-Drug Rehabilitation and Intensive Aftercare/Transition Facility account is appropriated as a pass through grant to the city of Trenton for up to one-half of the cost of construction of a new facility for the United Progress Inc., Trenton Treatment Center upon satisfactory demonstration by the city of Trenton that matching funds are available. Construction of the new facility shall be completed under the supervision of the Department of the Treasury in such a manner as is agreed upon by the Department of the Treasury and the Department of Health and Senior Services, United Progress Inc., and the city of Trenton.

The unexpended balance of appropriations, as of June 30, 2001, made to the Department of Health and Senior Services by section 20 of P.L.1989, c.51 for State licensed or approved drug abuse prevention and treatment programs is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law to the contrary, there is transferred \$1,000,000 to the Department of Health and Senior Services from the Drug Enforcement and Demand Reduction Fund for drug abuse services.

Notwithstanding the provisions of any law to the contrary, there is transferred \$500,000 to the Department of Health and Senior Services from the Drug Enforcement and Demand Reduction Fund for the Sub-Acute Residential Detoxification Program.

An amount, not to exceed \$600,000, collected by the Casino Control Commission is payable to the General Fund pursuant to section 145 of P.L.1977, c.110 (C.5:12-145). The unexpended balance as of June 30, 2001 in the Compulsive Gambling account is appropriated to the Department of Health and Senior Services to provide funds for compulsive gambling grants.

The unexpended balance as of June 30, 2001 in the New Hope Discovery Foundation/Relocation account is appropriated.

There is appropriated \$420,000 from the Alcohol Education, Rehabilitation and Enforcement Fund to fund the Local Alcoholism Authorities - Expansion account.

Notwithstanding the provisions of P.L.1983, c.531 (C.26:2B-32 et al.) or any other law to the contrary, the unexpended balance in the Alcohol Education, Rehabilitation and Enforcement Fund as of June 30, 2001 is appropriated and shall be

distributed to counties for the treatment of alcohol and drug abusers and for education purposes.

The unexpended balance as of June 30, 2001 in the Postpartum Depression - Public Awareness Campaign account is appropriated.

The unexpended balance as of June 30, 2001 in the Dialysis Seminar and Support Group of New Jersey account is appropriated.

Of the amounts appropriated for Maternal and Child Health Services, there shall be available \$300,000 for the Perinatal Addictions Initiative, \$450,000 for Fetal Alcohol Clinics, and \$400,000 for the Maternal and Child Health Nutrition Initiative.

From the amount appropriated hereinabove for Pregnancy Aid Centers, there shall be allocated as grants the amount of \$25,000 to each of the following: Life Advocates, Allendale; Pregnancy Care Center, Audubon; Cornerstone Pregnancy Center, Bridgeton; Gateway Pregnancy Center, Elizabeth; Friendship Center for New Beginnings, Flemington; Alpha Pregnancy Center, Lawrenceville; Open Door Pregnancy Center, Manahawkin; New Life Pregnancy Center, Mount Holly; Helping Hand Pregnancy Center, Newton; Abba CPC, Palmyra; Hope Pregnancy Services, Rio Grande; Cornerstone Pregnancy Center, Salem; Open Door Pregnancy Center, Toms River, and Pregnancy Center of Warren County, Washington.

STATE AID

02-4220 Family Health Services	\$27,372,000
03-4230 Public Health Protection Services	<u>4,580,000</u>
Total State Aid Appropriation, Health Services	<u>\$31,952,000</u>

State Aid:

02 Cost of Living Adjustment,
Family Health Services

02 Early Childhood
Intervention Program

03 Public Health Priority Funding

The capitation is set not to exceed 40 cents for the year ending June 30, 2002 for the purposes prescribed in P.L.1966, c.36 (C.26:2F-1 et seq.).

In addition to the amount hereinabove, receipts from the federal Medicaid (Title XIX) Program for handicapped infants are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove for the Early Childhood Intervention Program, such additional sums as may be required are appropriated from the General Fund to cover additional costs of the program to maintain federal compliance, subject to the approval of the Director of the Division of Budget and Accounting.

CAPITAL CONSTRUCTION

08-4280 Laboratory Services	<u>\$2,079,000</u>
Total Capital Construction Appropriation, Health Services	<u>\$2,079,000</u>

Capital Projects:

08 Improvements to Laboratories and
Installed Equipment

08 Laboratory Equipment	(1,489,000)
08 Clinical Laboratory Services -- Automation	(190,000)

22 Health Planning and Evaluation
DIRECT STATE SERVICES

06-4260 Long Term Care Systems Development and Quality Assurance	\$4,336,000
07-4270 Health Care Systems Analysis	<u>2,913,000</u>
Total Direct State Services Appropriation, Health Planning and Evaluation	<u>\$7,249,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$3,996,000)
Materials and Supplies	(60,000)
Services Other Than Personal	(220,000)
Maintenance and Fixed Charges	(94,000)

Special Purpose:

06 Nursing Home Background Checks/ Nursing Aide Certification Program	(979,000)
07 Managed Care Oversight	(1,300,000)
07 Health Insurance Consumer Rights Information	(100,000)
07 Implementation of Statewide Health Information Network	(500,000)

Receipts from licenses, permits, fines, penalties and fees collected by the Department of Health and Senior Services in Health Planning and Evaluation, in excess of those anticipated, are appropriated.

Receipts from fees established by the Commissioner of Health and Senior Services for licensing of clinical laboratories pursuant to P.L.1975, c.166 (C.45:9-42.26 et seq.), and blood banks pursuant to P.L.1963, c.33 (C.26:2A-2 et seq.), and the unexpended balance of the fees as of June 30, 2001, are appropriated.

From the amount appropriated for the Implementation of Statewide Health Information Network, no amount shall be expended for costs of administrative services within the Department of Health and Senior Services.

In addition to the amount appropriated above for the Implementation of Statewide Health Information Network, \$1,000,000 is appropriated from the annual .53% assessment on New Jersey hospitals established pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62) for the same purpose.

From the amount appropriated for the Implementation of Statewide Health Information Network, \$250,000 shall be allocated to the New Jersey Institute of Technology and \$250,000 allocated to Thomas A. Edison State College.

Available funds are appropriated to the Health Care Facilities Improvement Fund to provide available resources in an emergency situation at a health care facility, as defined by the Commissioner of Health and Senior Services, or for closure of a

health care facility, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from fees charged for processing Certificate of Need applications and the unexpended balances of such receipts as of June 30, 2001, are appropriated for the cost of this program, subject to the approval of the Director of the Division of Budget and Accounting.

The amount appropriated hereinabove for Managed Care Oversight is available for expenditure in a manner consistent with the provisions of Senate Bill, No.8 of 2000, subject to the approval of the Director of the Division of Budget and Accounting.

The amount appropriated hereinabove for Health Insurance Consumer Rights Information is available for expenditure in a manner consistent with the provisions of Senate Bill, No.7 of 2000, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

07-4270 Health Care Systems Analysis	<u>\$164,890,000</u>
Total Grants-in-Aid Appropriation,	
Health Planning and Evaluation	<u>\$164,890,000</u>

Grants-in-Aid:

07 Health Care Subsidy Fund	
Payments (P.L.1997, c.263)	(\$131,924,000)
07 Meridian Health System -	
Empowering Heart	(250,000)
07 Cathedral Health System	(5,000,000)
07 Childrens' Specialized Hospital,	
Mountainside	(1,500,000)
07 Physician Reimbursement for	
ER Services	(5,000,000)
07 Cooper Health System	(3,100,000)
07 Supplemental Charity Care	(18,116,000)

There are appropriated such sums as are necessary to pay prior year obligations of programs within the Health Care Subsidy Fund, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary, \$6,000,000 of the amount hereinabove for the Health Care Subsidy Fund payments account is appropriated from the Admission Charge Hospital Assessment revenue item.

Notwithstanding the provisions of any law to the contrary, there is established a Supplemental Charity Care Fund account for disbursement of additional charity care funding to hospitals with documented charity care in calendar year 2000. The total amount to be disbursed from the Supplemental Charity Care Fund shall not exceed the amount appropriated. Hospitals which have not received payments under the Charity Care Subsidy pursuant to P.L.1996, c.28, equal to at least \$0.30 per dollar of charity care provided, shall be eligible to receive payments from the Supplemental Charity Care Fund pursuant to a methodology established by the Commissioner of Health and Senior Services. These payments

will be prorated so that payments to all hospitals from Supplemental Charity Care do not exceed the amount appropriated.
 The unexpended balance as of June 30, 2001 in the Managed Health Care Consumer Assistance account is appropriated.
 The unexpended balance as of June 30, 2001 in the New Jersey Comfort Care Coalition account is appropriated.
 Of the amount appropriated herein for Health Care Subsidy Fund Payments, up to \$25,000,000, representing increased payments for hospital charity care, subject to the approval of the Director of the Division of Budget and Accounting, is placed in reserve.
 The amount appropriated hereinabove for Physician Reimbursement for ER Services is available for expenditure in a manner consistent with the provisions of Senate Bill, No.8 of 2000, subject to the approval of the Director of the Division of Budget and Accounting.

25 Health Administration
DIRECT STATE SERVICES

99-4210 Administration and Support Services \$4,545,000
 Total Direct State Services Appropriation,
 Health Administration \$4,545,000

Direct State Services:

Personal Services:
 Salaries and Wages (\$3,656,000)
 Materials and Supplies (49,000)
 Services Other Than Personal (718,000)
 Maintenance and Fixed Charges (38,000)
 Special Purpose:
 99 Affirmative Action and Equal
 Employment Opportunity (84,000)

GRANTS-IN-AID

55-4275 Programs for the Aged \$15,000
 Total Grants-in-Aid Appropriation, Health Administration . . \$15,000

Grants-in-Aid:

55 CONTACT Cape - Atlantic \$15,000)

26 Senior Services
DIRECT STATE SERVICES

22-4275 Medical Services for the Aged \$6,789,000
 24-4275 Pharmaceutical Assistance to the
 Aged and Disabled 7,124,000
 28-4275 Lifeline 2,038,000
 55-4275 Programs for the Aged 1,986,000
 (From General Fund \$1,115,000)
 (From Casino Revenue Fund 871,000)
 56-4275 Office of the Ombudsman 1,451,000

57-4275 Office of the Public Guardian	<u>734,000</u>
Total Direct State Services Appropriation,	
Senior Services	<u>\$20,122,000</u>
<i>(Total From General Fund</i>	<i>\$19,251,000)</i>
<i>(Total From Casino Revenue Fund</i>	<i>871,000)</i>
Direct State Services:	
Personal Services:	
Salaries and Wages	(\$9,539,000)
Salaries and Wages (CRF)	(658,000)
Employee Benefits (CRF)	(138,000)
Materials and Supplies	(339,000)
Materials and Supplies (CRF)	(14,000)
Services Other Than Personal	(3,270,000)
Services Other Than Personal (CRF)	(47,000)
Maintenance and Fixed Charges	(849,000)
Maintenance and Fixed Charges (CRF)	(2,000)
Special Purpose:	
22 Fiscal Agent -- Medical Services	
for the Aged	(1,487,000)
22 Community Choice/Acuity Audits ...	(703,000)
24 Payments to Fiscal Agent -- PAA ..	(2,134,000)
55 New Jersey Easy Access Single	
Point-of-Entry (NJEASE)	(100,000)
55 Arthritis Quality of Life	
Initiative Act	(170,000)
55 Federal Programs for the	
Aging (State Share)	(410,000)
Additions, Improvements and Equipment ..	(250,000)
Additions, Improvements and	
Equipment (CRF)	(12,000)

When any action by a county welfare agency, whether alone or in combination with the Division of Medical Assistance and Health Services or the Department of Health and Senior Services, results in a recovery of improperly granted medical assistance, the Division of Medical Assistance and Health Services or Department of Health and Senior Services may reimburse the county welfare agency in the amount of 25% of the gross recovery.

Notwithstanding any State law to the contrary, any third party as defined in subsection m. of section 3 of P.L.1968, c.413 (C.30:4D-3), writing health, casualty, or malpractice insurance policies in the State or covering residents of this State, shall enter into an agreement with the Department of Health and Senior Services to permit and assist the matching of the Department of Health and Senior Services program eligibility and/or adjudication claims files against that third party's eligibility and/or adjudicated claims files for the purpose of the coordination of benefits, utilizing, if necessary, social security numbers as common identifiers.

The unexpended balances as of June 30, 2001, in the Payments to Fiscal Agent-PAA account are appropriated.

Receipts from the Office of the Public Guardian are appropriated.

GRANTS-IN-AID

22-4275 Medical Services for the Aged	\$221,651,000
(From General Fund	\$217,794,000)
(From Casino Revenue Fund	3,857,000)
24-4275 Pharmaceutical Assistance to the Aged and Disabled	411,280,000
(From General Fund	153,352,000)
(From Casino Revenue Fund	257,928,000)
28-4275 Lifeline	70,840,000
(From General Fund	36,171,000)
(From Casino Revenue Fund	34,669,000)
55-4275 Programs for the Aged	<u>29,207,000</u>
(From General Fund	15,400,000)
(From Casino Revenue Fund	13,807,000)
Total Grants-in-Aid Appropriation, Senior Services	<u>\$732,978,000</u>
(Total From General Fund	\$422,717,000)
(Total From Casino Revenue Fund	310,261,000)

Grants-in-Aid:

22 Community Care Alternatives	(\$25,807,000)
22 Community Care Alternatives (CRF)	(3,253,000)
22 Payments for Medical Assistance	
Recipients -- Nursing Homes	(130,590,000)
22 Medical Day Care Services	(32,520,000)
22 Medicaid High Occupancy --	
Nursing Homes	(9,000,000)
22 Home Care Expansion (CRF)	(354,000)
22 ElderCare Initiatives	(19,877,000)
22 Hearing Aid Assistance for the Aged and Disabled (CRF)	(250,000)
24 Pharmaceutical Assistance to the Aged -- Claims	(35,493,000)
24 Pharmaceutical Assistance to the Aged and Disabled -- Claims	(67,859,000)
24 Pharmaceutical Assistance to the Aged and Disabled Claims (CRF)	(257,928,000)
24 Senior Gold Prescription Assistance Program	(50,000,000)
28 Payments for Lifeline Credits (CRF)	(34,669,000)
28 Payments for Tenants Assistance Rebates	(36,171,000)
55 Arthritis Quality of Life Initiative Act	(464,000)
55 Purchase of Social Services	(8,130,000)
55 ElderCare Advisory Commission	(3,500,000)

55 Cost-of-Living Adjustment, Senior Services	(253,000)
55 Cost-of-Living Adjustment, Deferred Cost, Senior Services	(1,146,000)
55 Alzheimer's Disease Program	(733,000)
55 Demonstration Adult Care Center Program - Alzheimer's Disease (CRF)	(2,483,000)
55 Adult Protective Services	(824,000)
55 Adult Protective Services (CRF)	(1,752,000)
55 Senior Citizen Housing -- Safe Housing and Transportation (CRF)	(1,642,000)
55 Adult Day Care Center of Somerset County, Inc. - Facility	(250,000)
55 Hunterdon County Department of Human Services - LINK Program	(100,000)
55 Respite Care for the Elderly (CRF)	(5,054,000)
55 Congregate Housing Support Services (CRF)	(1,907,000)
55 Home Delivered Meals Expansion (CRF)	(969,000)

The amounts hereinabove appropriated for Payments for Medical Assistance Recipients-Nursing Homes are available for the payment of obligations applicable to prior fiscal years.

In order to permit flexibility in the handling of appropriations and ensure the timely payment of claims to providers of medical services, amounts may be transferred to and from the various items of appropriation within the General Medical Services program classification in the Division of Medical Assistance and Health Services in the Department of Human Services and the Medical Services for the Aged program classification in the Division of Senior Services in the Department of Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

All funds recovered pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.) and P.L.1975, c.194 (C.30:4D-20 et seq.) during the fiscal year ending June 30, 2002 are appropriated for payments to providers in the same program class from which the recovery originated.

Notwithstanding any other law to the contrary, a sufficient portion of receipts generated or savings realized in Medical Services for the Aged Grants-In-Aid accounts from initiatives included in the fiscal year 2002 Budget may be transferred to administration accounts to fund costs incurred in realizing these additional receipts or savings, subject to the approval of the Director of the Division of Budget and Accounting.

The Division of Medical Assistance and Health Services and the Department of Health and Senior Services, subject to federal approval, shall implement policies that would limit the ability of persons who have the financial ability to provide for their own long-term care needs to manipulate current Medicaid rules to avoid

payment for that care. The division and Department of Health and Senior Services shall require, in the case of a married individual requiring long-term care services, that the portion of the couple's resources which are not protected for the needs of the community spouse be used solely for the purchase of long-term care services.

Funding for community care alternative initiatives is made available from the Payments for Medical Assistance Recipients-Nursing Homes account, subject to both federal waiver approval and approval of the Director of the Division of Budget and Accounting.

Such sums as may be necessary are appropriated from enhanced audit recoveries obtained by the Department of Health and Senior Services to fund the costs of enhanced audit recovery efforts of the department within the Medical Services for the Aged program classification subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law to the contrary, no funds appropriated for Medicaid nursing facility reimbursement shall be expended for administrator or assistant administrator costs or nonfood general costs in excess of 100% of the median for those cost centers, subject to the notice provisions of 42 CFR 447.205.

Notwithstanding any other law to the contrary, effective July 1, 1996, reimbursement for nursing facility services shall be 90% of the per diem rate when a Medicaid beneficiary is hospitalized. As in the past, these payments shall be limited to be the first 10 days of the hospitalization. Medicaid reimbursement for nursing facility services shall be discontinued beyond the 10th day of the hospitalization.

From the amount appropriated for the Payments for Medical Assistance Recipients-Nursing Homes account, funds shall be available to develop and implement a new nursing home rate setting system, subject to the approval of the Director of the Division of Budget and Accounting.

The funds appropriated hereinabove for Payments for Medical Assistance Recipients-Medicaid High Occupancy- Nursing Homes shall be distributed for patient services among those nursing homes where Medicaid patient day occupancy level is at or above 75%. Each such facility shall receive its distribution through a prospective per diem rate adjustment according to the following formula: $E = A \text{ Medicaid days} / T \text{ Medicaid days} \times F$; where E is the entitlement for a specific nursing home resulting from this allocation; A Medicaid days is an individual nursing home's reported Medicaid days on June 30, 2001; T Medicaid days is the total reported Medicaid days for all affected nursing homes; and F is the total amount of State and federal funds to be distributed. No nursing home shall receive a total allocation greater than the amount lost, due to adjustments in Medicaid reimbursement methodology, which became effective April 1, 1995. Any balances remaining undistributed from the abovementioned amount, shall be deposited in a reserve account in the General Fund.

The amounts hereinabove appropriated for payments for Pharmaceutical Assistance to the Aged and Disabled programs, P.L.1975, c.194 (C.30:4D-20 et seq.), are available for the payment of obligations applicable to prior fiscal years.

Benefits provided under the Pharmaceutical Assistance to the Aged and Disabled (PAA/D) programs, P.L.1975, c.194 (C.30:4D-20 et seq.) shall be the last

resource benefits, notwithstanding any provisions contained in contracts, wills, agreements or other instruments. Any provision in a contract of insurance, will, trust agreement or other instrument which reduces or excludes coverage or payment to an individual because of that individual's eligibility for or receipt of PAA/D benefits shall be void, and no PAA/D payments shall be made as a result of any such provision.

Notwithstanding the provisions of section 3 of P.L.1975, c.194 (C.30:4D-22) to the contrary, the copayment in the Pharmaceutical Assistance to the Aged and Disabled programs shall be \$5.00.

Notwithstanding the provisions of any law to the contrary, rebates from pharmaceutical manufacturing companies for prescriptions purchased by the Pharmaceutical Assistance to the Aged and Disabled programs shall continue throughout fiscal year 2002. All revenues from such rebates during the fiscal year ending June 30, 2002 are appropriated for the Pharmaceutical Assistance to the Aged and Disabled programs.

Notwithstanding the provisions of any other law or regulation to the contrary, effective July 1, 2001, each prescription order dispensed in the Pharmaceutical Assistance to the Aged and Disabled programs for Maximum Allowable Cost (MAC) drugs shall state "Brand Medically Necessary" in the prescriber's own handwriting if the prescriber determines that it is necessary to override generic substitution of drugs, and each prescription order shall follow the requirements of P.L.1977, c.240 (C.24:6E-1 et seq.). The list of drugs substituted shall conform to the Drug Utilization Review Council approved list of substitutable drugs and all other requirements pertaining to drug substitution and federal upper limits for MAC drugs as administered by the State Medicaid Program.

Notwithstanding the provisions of any law to the contrary, no funds appropriated to the Pharmaceutical Assistance to the Aged and Disabled programs pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.) shall be expended unless participating pharmaceutical manufacturing companies execute contracts with the Department of Health and Senior Services through the Department of Human Services providing for the payment of rebates to the State.

Notwithstanding the provisions of any other law or regulation to the contrary, effective July 1, 2001 consistent with the notice provisions of 42 CFR 447.205 where applicable, no funds appropriated in the Pharmaceutical Assistance to the Aged and Disabled program classification shall be expended except under the following conditions: legend and non-legend drugs dispensed by a retail pharmacy shall be limited to a maximum 34-day supply for an initial prescription and a 34-day or 100 unit dose supply, whichever is greater, for any prescription refill.

Notwithstanding the provisions of any other law or regulation to the contrary, effective July 1, 2001 consistent with the notice provisions of 42 CFR 447.205 where applicable, no funds appropriated in the Pharmaceutical Assistance to the Aged and Disabled program classification shall be expended except under the following conditions: (a) reimbursement for prescription drugs, shall be based on the Average Wholesale Price less a 10% discount; (b) prescription drugs dispensed by a retail pharmacy shall be limited to a maximum 34-day supply for the initial prescription and a 34-day or 100 unit dose supply, whichever is greater,

for any prescription refill; and (c) the current prescription drug dispensing fee structure set as a variable rate of \$3.73 to \$4.07 in effect on June 30, 2001 shall remain in effect through fiscal year 2002, including the current increments for patient consultation, impact allowances, and allowances for 24-hour emergency services.

Notwithstanding any laws to the contrary, payments for the Pharmaceutical Assistance for the Aged and the Disabled program shall not cover quantities of erectile dysfunction therapy medication in excess of four treatments per month. Moreover, payment will only be provided if the diagnosis of erectile dysfunction is written on the prescription form and the treatment is provided to males over the age of 18 years.

In addition to the amount hereinabove, there are appropriated from the General Fund and available federal matching funds such additional sums as may be required for the payment of claims, credits and rebates, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any laws to the contrary, no funds appropriated in the Pharmaceutical Assistance to the Aged and Disabled programs are available to pharmacies who have not submitted an application to enroll as an approved medical supplier in the Medicare program, unless they already are an approved Medicare medical supplier. Pharmacies will not be required to bill Medicare directly. Beneficiaries are responsible for the applicable PAA/D copayment.

From the amount appropriated hereinabove for the Senior Gold Program, an amount not to exceed \$4,300,000 may be transferred to various accounts as required, including Direct State Services accounts, subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated to the Department of Health and Senior Services, such sums as are necessary, not to exceed \$10,000,000, to increase the reasonableness limit for total nursing care up to 120% of the median costs in the Medicaid nursing home rate setting system in recognition of the nursing shortage in the State subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary and subject to the notice provisions of 42 CFR 447.205, for rates implemented on or after July 1, 2000, target occupancy as determined pursuant to N.J.A.C.10:63-3.16 shall not apply to those facilities receiving enhanced rates of reimbursement pursuant to N.J.A.C.10:63-2.21. The per diem amounts for all other expenses of the enhanced rates shall be based upon reasonable base period costs divided by actual base period patient days, but no less than 85 percent of licensed bed days shall be used.

The unexpended balances as of June 30, 2001 in the Payments for Medical Assistance Recipients - Nursing Homes account are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amount appropriated herein for Payments for Medical Assistance Recipients - Nursing Homes, \$12,210,000 in State funds and \$12,210,000 in federal funds are placed in reserve, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove, there are appropriated from the Casino Revenue Fund and available federal matching funds such additional sums as may

be required for the payment of claims, credits and rebates, subject to the approval of the Director of the Division of Budget and Accounting.

All funds recovered under P.L.1968, c.413 (C.30:4D-1 et seq.) and P.L.1975, c.194 (C.30:4D-20 et seq.) during the fiscal year ending June 30, 2002, are appropriated for payments to providers in the same program class from which the recovery originated.

In order to permit flexibility in the handling of appropriations and ensure the timely payment of claims to providers of medical services, amounts may be transferred to and from the various items of appropriation within the Medical Services for the Aged program classification, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

For the purposes of account balance maintenance, all object accounts in the Medical Services for the Aged program classification shall be considered as one object. This will allow timely payment of claims to providers of medical services but ensure that no overspending will occur in the program classification.

Notwithstanding the provisions of P.L.1988, c.92 (C.30:4E-5 et seq.), funds appropriated for the Home Care Expansion (HCE) program shall be paid only for individuals enrolled in the program as of June 30, 1996 who are not eligible for the Community Care Program for the Elderly and Disabled or alternative programs, and only for so long as those individuals require services covered by the HCE program. Individuals enrolled in the HCE program as of June 30, 1996 and eligible for the Community Care Program for the Elderly and Disabled, may apply to be enrolled in that program.

Notwithstanding the provisions of P.L.1979, c.197 (C.48:2-29.15 et seq.), or the provisions of P.L.1981, c.210 (C.48:2-29.30 et seq.), or any other law to the contrary, the benefits of the Lifeline Credit Program and the Tenants' Lifeline Assistance Program may be distributed throughout the entire year from July through June, and are not limited to an October to March heating season and, therefore, applications for Lifeline benefits and benefits from the Pharmaceutical Assistance to the Aged and Disabled program may be combined.

Notwithstanding any other law to the contrary, a sufficient portion of receipts generated or savings realized in Casino Revenue Fund Medical Services for the Aged or Pharmaceutical Assistance to the Aged and Disabled Grants-In-Aid accounts from initiatives included in the fiscal year 2002 budget may be transferred to administration accounts to fund costs incurred in realizing these additional receipts or savings, subject to the approval of the Director of the Division of Budget and Accounting.

The amounts hereinabove appropriated for payments in the Pharmaceutical Assistance to the Aged and Disabled program, P.L.1975, c.194 (C.30:4D-20 et seq.), are available for the payment of obligations applicable to prior fiscal years. Benefits provided under the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, P.L.1975, c.194 (C.30:4D-20 et seq.) shall be the last resource benefits, notwithstanding any provision contained in contracts, wills, agreements or other instruments. Any provision in a contract of insurance, will, trust agreement or other instrument which reduces or excludes coverage or payment

to an individual because of that individual's eligibility for or receipt of PAAD benefits shall be void, and no PAAD payments shall be made as a result of any such provision.

Notwithstanding the provisions of section 3 of P.L.1975, c.194 (C.30:4D-22) to the contrary, the copayment in the Pharmaceutical Assistance to the Aged and Disabled program shall be \$5.00.

Notwithstanding the provisions of any law to the contrary, rebates from pharmaceutical manufacturing companies for prescriptions purchased by the Pharmaceutical Assistance to the Aged and Disabled program shall continue throughout fiscal year 2002. All revenues from such rebates during the fiscal year ending June 30, 2002 shall be appropriated for the cost of the Pharmaceutical Assistance to the Aged and Disabled program.

Notwithstanding the provisions of any other law or regulation to the contrary, effective July 1, 2000, each prescription order dispensed in the Pharmaceutical Assistance to the Aged and Disabled program for Maximum Allowable Cost (MAC) drugs shall state "Brand Medically Necessary" in the prescriber's own handwriting if the prescriber determines that it is necessary to override generic substitution of drugs, and each prescription order shall follow the requirements of P.L.1977, c.240 (C.24:6E-1 et seq.). The list of drugs substituted shall conform to the Drug Utilization Review Council approved list of substitutable drugs and all other requirements pertaining to drug substitution and federal upper limits for MAC drugs as administered by the State Medicaid Program.

Notwithstanding the provisions of any law to the contrary, no funds appropriated in the Pharmaceutical Assistance to the Aged and Disabled program pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.) shall be expended unless participating pharmaceutical manufacturing companies execute contracts with the Department of Health and Senior Services through the Department of Human Services providing for the payment of rebates to the State.

Notwithstanding the provisions of any law or regulation to the contrary, effective July 1, 2000 consistent with the notice provisions of 42 CFR 447.205 where applicable, no funds appropriated in the Pharmaceutical Assistance to the Aged and Disabled program classification shall be expended except under the following conditions: legend and non-legend drugs dispensed by a retail pharmacy shall be limited to a maximum 34-day supply for an initial prescription and a 34-day or 100 unit dose supply, whichever is greater, for any prescription refill.

Notwithstanding the provisions of any other law or regulation to the contrary, effective July 1, 2000 consistent with the notice provisions of 42 CFR 447.205 where applicable, no funds appropriated in the Pharmaceutical Assistance to the Aged and Disabled program classification shall be expended except under the following conditions: (a) reimbursement for prescription drugs, shall be based on the Average Wholesale Price less a 10% discount; (b) prescription drugs dispensed by a retail pharmacy shall be limited to a maximum 34-day supply for an initial prescription and a 34-day or 100 unit dose supply, whichever is greater, for any prescription refill; and © the current prescription drug dispensing fee structure set as a variable rate of \$3.73 to \$4.07 in effect on June 30, 2001 shall

remain in effect through fiscal year 2002, including the current increments for patient consultation, impact allowances, and allowances for 24-hour emergency services.

Notwithstanding any laws to the contrary, payments for Pharmaceutical Assistance for the Aged and Disabled programs shall not cover quantities of erectile dysfunction therapy medication in excess of four treatments per month. Moreover, payment will only be provided if the diagnosis of erectile dysfunction is written on the prescription form and the treatment is provided to males over the age of 18 years.

Notwithstanding any laws to the contrary, no funds appropriated in the Pharmaceutical Assistance to the Aged and Disabled program are available to pharmacies who have not submitted an application to enroll as an approved medical supplier in the Medicare program, unless they already are an approved Medicare medical supplier. Pharmacies will not be required to bill Medicare directly. Beneficiaries are responsible for the applicable PAAD copayment.

The amounts hereinabove for payments for the Lifeline Credit Program and payments for Tenants Lifeline Assistance Rebates are available for the payment of obligations applicable to prior fiscal years.

In order to permit flexibility in the handling of appropriations and ensure the timely payment of Lifeline claims, amounts may be transferred from the various items of appropriation within the Lifeline program classification, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of section 2 of P.L. 1988, c. 114 (C.26:2M-10) to the contrary, private for profit agencies shall be eligible grantees for funding from the Demonstration Adult Day Care Center Program - Alzheimer's Disease account. The unexpended balance as of June 30, 2001 in the Demonstration Adult Day Care Center Program- Alzheimer's Disease (CRF) account is appropriated.

Notwithstanding any law to the contrary, of the amount appropriated hereinabove for Respite Care for the Elderly (CRF) account, \$2,000,000 shall be charged to the Casino Simulcasting Fund.

The unexpended balance as of June 30, 2001 in the Congregate Housing Support Services (CRF) account is appropriated.

STATE AID

55-4275 Programs for the Aged	<u>\$6,533,000</u>
Total State Aid Appropriation, Senior Services	<u>\$6,533,000</u>

State Aid:

55 Cost of Living Adjustment --	
Senior Services	(\$620,000)
55 County Offices on Aging	(2,679,000)
55 Older Americans Act -- State Share ..	(3,234,000)

Department of Health and Senior Services,	
Total State Appropriation	<u>\$1,109,621,000</u>

Notwithstanding the provisions of any law to the contrary, there is appropriated to the Department of Health and Senior Services from the "Health Care Subsidy Fund"

established pursuant to section 8 of P.L.1992, c.160 (C.26:2H-18.58) to continue to fund programs established pursuant to section 25 of P.L.1991, c.187 (C.26:2H-18.47), section 30 of P.L.1997, c.192, and section 15 of P.L.1998, c.43, through the annual .53 percent assessment on New Jersey hospitals established pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62). However, available funding shall first provide for the Community Care Program for the Elderly and Disabled, the expansion of Medicaid to 185 percent of poverty, and the Infant Mortality Reduction Program. Of the funds remaining, \$11,000,000 is available for payments to federally qualified health centers. Any remaining available funds may be used to fund programs established by section 25 of P.L.1991, c.187 (C.26:2H-18.47), section 30 of P.L.1997, c.192, and section 15 of P.L.1998, c.43, as determined by the Commissioner of Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting. Any unexpended balance as of June 30, 2001 in the Health Care Subsidy Fund received through the .53 percent annual assessment on hospitals made during fiscal year 2001 is appropriated.

Receipts from licenses, permits, fines, penalties and fees collected by the Department of Health and Senior Services, in excess of those anticipated, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of section 7 of P.L.1992, c.160 (C.26:2H-18.57), or any other law to the contrary, the first \$1,200,000 in per adjusted admission charge assessment revenues, attributable to \$10.00 per adjusted admission charge assessments made by the Department of Health and Senior Services shall be anticipated as revenue in the General Fund available for health related purposes. Furthermore, it is recommended that the remaining revenue attributable to this fee shall be available to carry out the provisions of section 7 of P.L.1992, c.160 (C.26:2H-18.57) as determined by the Commissioner of Health and Senior Services and subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law to the contrary, the State Treasurer shall transfer to the Health Care Subsidy Fund established pursuant to section 8 of P.L.1992, c.160 (C.26:2H-18.58), only those additional revenues generated from third party liability recoveries, excluding Medicaid, by the State arising from a review by the Director of the Division of Budget and Accounting of hospital payments reimbursed from the Health Care Subsidy Fund with service dates that are after the date of enactment of P.L.1996, c.29.

Notwithstanding the provisions of any other law to the contrary, the Commissioner of Health and Senior Services shall devise, at the commissioner's discretion, rules or guidelines that allocate reductions in health service grants to the extent possible toward administration and not client services.

Any change in program eligibility criteria and increases in the types of services or rates paid for services to or on behalf of clients for all programs under the purview of the Department of Health and Senior Services, not mandated by federal law, shall first be approved by the Director of the Division of Budget and Accounting.

- Notwithstanding any laws to the contrary, fees, fines, penalties and assessments owed to the Department of Health and Senior Services shall be offset against payments due and owing from other appropriated funds.
- In addition to the amount hereinabove, receipts from the federal Medicaid (Title XIX) program for health services related programs throughout the Department of Health and Senior Services are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.
- In order to permit flexibility in implementing the ElderCare Initiatives within the Medical Services for the Aged program classification, amounts may be transferred between Direct State Services and Grants-In-Aid accounts, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.
- In order to permit flexibility in implementing the ElderCare Advisory Commission Initiatives within the Programs for the Aged program classification, amounts may be transferred between Direct State Services and Grants-In-Aid accounts, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.
- There are appropriated such sums as are necessary to counties to satisfy obligations incurred in connection with the execution and delivery of Intergovernmental Transfer Agreements. There are also appropriated such additional sums to make payments to additional counties who have not signed Intergovernmental Transfer Agreements as of July 1, 2001, equal to 50% of the local match required to earn federal Peer Grouping Medicaid matching funds based upon an approved State Plan. The State Treasurer shall report to the Governor, the President of the Senate and the Speaker of the General Assembly on the Intergovernmental Transfer funds received by the State.
- From the amounts provided hereinabove for cost-of-living adjustments throughout the Department of Health and Senior Services, it is intended that these moneys shall be used to fund, at a minimum, a 1.6% cost-of-living increase for direct service workers' salaries, effective July 1, 2001.
- The amount hereinabove for Salary Supplement for Direct Service Workers shall only be used to fund, at a minimum, an additional 2.0% direct service workers' cost-of-living adjustment throughout the Department of Health and Senior Services, effective July 1, 2001.
- Notwithstanding any other law to the contrary, there are appropriated such amounts to the Department of Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting, as are necessary to pay such supplemental payments in accordance with the Medicaid State Plan amendments to any participating governmental entity for certain Class II Governmental Nursing Facilities. There are appropriated to the Department of Health and Senior Services and the Department of the Treasury such additional sums as are necessary to pay costs incurred by the State Treasurer or any other State agency in connection with the execution and delivery of any agreements authorized under P.L.2000, c.28 (C.30:4D-19.2 et seq.), including the costs of professional

services, attorneys and other costs necessary to complete the intergovernmental transfer.
 Such sums as may be necessary are appropriated or transferred from existing appropriations within the Department of Health and Senior Services for the purpose of promoting awareness to increase participation in programs that are administered by the department, subject to the approval of the Director of the Division of Budget and Accounting.

Summary of Department of Health and Senior Services Appropriations
 (For Display Purposes Only)

Appropriations by Category:

Direct State Services	\$98,032,000
Grants-in-Aid	971,025,000
State Aid	38,485,000
Capital Construction	2,079,000

Appropriation by Fund:

General Fund	\$797,989,000
Casino Revenue Fund	\$311,632,000

54 DEPARTMENT OF HUMAN SERVICES

20 Physical and Mental Health

23 Mental Health Services

7700 Division of Mental Health Services

DIRECT STATE SERVICES

08-7700 Community Services	\$5,071,000
99-7700 Administration and Support Service	<u>4,755,000</u>
Total Direct State Services Appropriation, Division of Mental Health Services	<u>\$9,826,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$8,445,000)
Materials and Supplies	(21,000)
Services Other Than Personal	(528,000)
Maintenance and Fixed Charges	(155,000)

Special Purpose:

99 Fraud and Abuse Initiative	(300,000)
Additions, Improvements and Equipment ..	(377,000)

GRANTS-IN-AID

08-7700 Community Services	<u>\$244,505,000</u>
Total Grants-in-Aid Appropriation, Division of Mental Health Services	<u>\$244,505,000</u>

Grants-in-Aid:

08 Greystone Park Psychiatric Hospital Bridge Fund	(\$17,000,000)
08 Community Care	(200,000,000)

08 Community Mental Health Center -- University of Medicine and Dentistry, Newark	(6,205,000)
08 Community Mental Health Center -- University of Medicine and Dentistry, Piscataway	(11,860,000)
08 Cost of Living Adjustment -- Community Services	(4,438,000)
08 Carrier Clinic	(1,200,000)
08 Salary Supplement for Direct Care Workers	(3,802,000)

From the amount appropriated hereinabove for the Greystone Park Psychiatric Hospital Bridge Fund account, such funds as are necessary may be transferred to various accounts as required, including Direct State Services or State Aid accounts, subject to the approval of the Director of Budget and Accounting of an itemized client placement plan which relates to the reconfiguration of Greystone Park Psychiatric Hospital as shall be submitted by the Commissioner of Human Services.

From the amount appropriated hereinabove for the Community Care grant account, \$1,000,000 shall be allocated for after-hours coverage.

The amount appropriated hereinabove for the Community Mental Health Centers and the amount appropriated to the Department of State for the University of Medicine and Dentistry of New Jersey are first charged to the federal disproportionate share hospital reimbursements anticipated as Medicaid Uncompensated Care.

With the exception of disproportionate share hospital revenues that may be received, federal and other funds received for the operation of community mental health centers at the New Jersey Medical School and the Robert Wood Johnson Medical School shall be available to the University of Medicine and Dentistry of New Jersey for the operation of the centers.

The unexpended balance as of June 30, 2001 in the Family Support Services Program, Mercer County account is appropriated for the same purpose.

STATE AID

08-7700 Community Services	<u>\$91,710,000</u>
Total State Aid Appropriation, Division of Mental Health Services	<u>\$91,710,000</u>

State Aid:

08 Support of Patients in County Psychiatric Hospitals	(\$91,710,000)
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The unexpended balance as of June 30, 2001, in the Support of Patients in County Psychiatric Hospitals account is appropriated.

The appropriation for the Support of Patients in County Psychiatric Hospitals account is available to pay liabilities applicable to prior fiscal years, subject to the approval of the Director of the Division of Budget and Accounting.

With the exception of all past, present and future revenues representing federal financial participation received by the State from the United States that is based

on payments to hospitals that serve a disproportionate share of low-income patients, which shall be retained by the State, the sharing of revenues received to defray the costs of maintaining patients in State and county psychiatric hospitals and facilities for the developmentally disabled shall be based on the same percent as costs are shared.

State Aid reimbursement payments for maintenance of patients in county psychiatric facilities shall be limited to inpatient services only, except that such reimbursement shall be paid to a county for outpatient and partial hospitalization services as defined by the Department of Human Services, if outpatient and/or partial hospitalization services had been previously provided at the county psychiatric facility prior to January 1, 1998. These outpatient and partial hospitalization payments shall not exceed the amount of State Aid funds paid to reimburse outpatient and partial hospitalization services provided during calendar year 1997. The amount appropriated for the Division of Mental Health Services for State facility operations and the amount appropriated as State Aid for the costs of county facility operations first are charged to the federal disproportionate share hospital reimbursements anticipated as Medicaid Uncompensated Care.

7710 Greystone Park Psychiatric Hospital

DIRECT STATE SERVICES

10-7710 Patient Care and Health Services	\$40,282,000
99-7710 Administration and Support Services	<u>11,915,000</u>
Total Direct State Services Appropriation, Greystone Park Psychiatric Hospital	<u>\$52,197,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$46,023,000)
Materials and Supplies	(3,306,000)
Services Other Than Personal	(1,338,000)
Maintenance and Fixed Charges	(948,000)

Special Purpose:

10 Interim Assistance	(50,000)
Additions, Improvements and Equipment	(532,000)

7720 Trenton Psychiatric Hospital

DIRECT STATE SERVICES

10-7720 Patient Care and Health Services	\$35,367,000
99-7720 Administration and Support Services	<u>10,356,000</u>
Total Direct State Services Appropriation, Trenton Psychiatric Hospital	<u>\$45,723,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$39,516,000)
Materials and Supplies	(2,954,000)
Services Other Than Personal	(1,824,000)
Maintenance and Fixed Charges	(799,000)

Special Purpose:

10 Interim Assistance (150,000)
 Additions, Improvements and Equipment . . (480,000)

7725 Ann Klein Forensic Center**DIRECT STATE SERVICES**

10-7725 Patient Care and Health Services \$16,864,000
 99-7725 Administration and Support Services 2,690,000
 Total Direct State Services Appropriation,
 Ann Klein Forensic Center \$19,554,000

Direct State Services:

Personal Services:

Salaries and Wages (\$17,625,000)
 Materials and Supplies (1,214,000)
 Services Other Than Personal (517,000)
 Maintenance and Fixed Charges (98,000)
 Additions, Improvements and Equipment . . (100,000)

7740 Ancora Psychiatric Hospital**DIRECT STATE SERVICES**

10-7740 Patient Care and Health Services \$44,301,000
 99-7740 Administration and Support Services 12,445,000
 Total Direct State Services Appropriation, Ancora
 Psychiatric Hospital \$56,746,000

Direct State Services:

Personal Services:

Salaries and Wages (\$49,428,000)
 Materials and Supplies (3,670,000)
 Services Other Than Personal (1,945,000)
 Maintenance and Fixed Charges (967,000)

Special Purpose:

10 Interim Assistance (120,000)
 Additions, Improvements and Equipment . . (616,000)

CAPITAL CONSTRUCTION

99-7740 Administration and Support Services \$500,000
 Total Capital Construction Appropriation,
 Ancora Psychiatric Hospital \$500,000

Capital Projects:

99 Replace Electrical Distribution
 System (500,000)

7750 Arthur Brisbane Child Treatment Center**DIRECT STATE SERVICES**

10-7750 Patient Care and Health Services \$7,429,000
 99-7750 Administration and Support Services 2,110,000
 Total Direct State Services Appropriation,
 Arthur Brisbane Child Treatment Center \$9,539,000

Direct State Services:

Personal Services:	
Salaries and Wages	(\$8,484,000)
Materials and Supplies	(456,000)
Services Other Than Personal	(327,000)
Maintenance and Fixed Charges	(132,000)
Additions, Improvements and Equipment ..	(140,000)

7760 Senator Garrett W. Hagedorn Gero-Psychiatric Hospital**DIRECT STATE SERVICES**

10-7760 Patient Care and Health Services	\$16,959,000
99-7760 Administration and Support Services	<u>6,977,000</u>
Total Direct State Services Appropriation, Senator Garrett W. Hagedorn Gero- Psychiatric Hospital	<u>\$23,936,000</u>

Direct State Services:

Personal Services:	
Salaries and Wages	(\$20,215,000)
Materials and Supplies	(1,941,000)
Services Other Than Personal	(1,055,000)
Maintenance and Fixed Charges	(426,000)

Special Purpose:

10 Interim Assistance	(14,000)
Additions, Improvements and Equipment ..	(285,000)

Receipts recovered from advances made under the interim assistance program in the mental health institutions during the fiscal year ending June 30, 2002 are appropriated for the same purpose.

The unexpended balances as of June 30, 2001, in the interim assistance program accounts in the mental health institutions are appropriated for the same purpose.

The amount appropriated for the Division of Mental Health Services for State facility operations and the amount appropriated as State Aid for the costs of county facility operations first are charged to the federal disproportionate share hospital reimbursements anticipated as Medicaid Uncompensated Care.

24 Special Health Services**7540 Division of Medical Assistance and Health Services****DIRECT STATE SERVICES**

21-7540 Health Services Administration and Management	<u>\$27,355,000</u>
Total Direct State Services Appropriation, Division of Medical Assistance and Health Services	<u>\$27,355,000</u>

Direct State Services:

Personal Services:	
Salaries and Wages	(\$13,582,000)
Materials and Supplies	(184,000)

Services Other Than Personal	(5,012,000)
Maintenance and Fixed Charges	(317,000)
Special Purpose:	
21 Payments to Fiscal Agents	(5,641,000)
21 Professional Standards Review Organization--Utilization Review	(2,179,000)
21 Drug Utilization Review Board -- Administrative Costs	(90,000)
Additions, Improvements and Equipment	(350,000)

The unexpended balances as of June 30, 2001, not to exceed \$370,000 in the Salaries and Wages account, related to Medicaid fraud and abuse initiatives are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances as of June 30, 2001, in the Payments to Fiscal Agents account are appropriated.

Sufficient funds from the Health Care Subsidy Fund are appropriated to the Division of Medical Assistance and Health Services for payment to disproportionate share hospitals for uncompensated care costs as defined in P.L.1992, c.160 (C.26:2H-18.51 et al.), and for subsidized children's health insurance in the NJ KidCare program (Children's Health Care Coverage Program) as defined in P.L.1997, c.272 (C.30:4I-1 et seq.) to maximize federal Title XXI funding.

Additional federal Title XIX revenue generated from the claiming of uncompensated care payments made to disproportionate share hospitals shall be deposited in the General Fund as anticipated revenue.

Notwithstanding any State law to the contrary, any third party as defined in subsection m. of section 3 of P.L.1968, c.413 (C.30:4D-3), writing health, casualty, workers' compensation or malpractice insurance policies in the State or covering residents of this State, shall enter into an agreement with the Division of Medical Assistance and Health Services to permit and assist the matching no less frequently than on a quarterly basis of the Medicaid, Charity Care and Work First New Jersey General Assistance eligibility files and/or adjudicated claims files against that third party's eligibility file and/or adjudicated claims file for the purpose of the coordination of benefits, utilizing, if necessary, social security numbers as common identifiers.

Notwithstanding the provisions of any law to the contrary, all past, present and future revenues representing federal financial participation received by the State from the United States and that are based on payments made by the State to hospitals that serve a disproportionate share of low-income patients shall be deposited in the General Fund and may be expended only upon appropriation by law.

Notwithstanding the provisions of any law to the contrary, all revenues received from health maintenance organizations shall be deposited in the General Fund.

Additional federal Title XIX revenue generated from the claiming of medical service payments on behalf of individuals enrolled in the second year of Medicaid Extension is appropriated subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances as of June 30, 2001, in the Health Benefits Coordinator account are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances as of June 30, 2001, in the NJ FamilyCare account are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

22-7540 General Medical Services	<u>\$1,748,984,000</u>
Total Grants-in-Aid Appropriation, Division of	
Medical Assistance and Health Services	<u>\$1,748,984,000</u>

Grants-in-Aid:

22 Payments for Medical Assistance	
Recipients - Personal Care	(\$108,707,000)
22 Managed Care Initiative	(457,140,000)
22 Hospital Relief Offset Payment	(28,812,000)
22 Payments for Medical Assistance	
Recipients - Waiver Initiatives	(18,595,000)
22 Payments for Medical Assistance	
Recipients - Other Treatment Facilities	(9,784,000)
22 Payments for Medical Assistance	
Recipients - Inpatient Hospital	(203,370,000)
22 Payments for Medical Assistance	
Recipients - Prescription Drugs	(290,354,000)
22 Payments for Medical Assistance	
Recipients - Outpatient Hospital	(150,523,000)
22 Payments for Medical Assistance	
Recipients - Physician	(29,421,000)
22 Payments for Medical Assistance	
Recipients - Home Health	(28,420,000)
22 Payments for Medical Assistance	
Recipients - Medicare Premiums	(67,804,000)
22 Payments for Medical Assistance	
Recipients - Dental	(11,192,000)
22 Payments for Medical Assistance	
Recipients - Psychiatric Hospital	(11,670,000)
22 Payments for Medical Assistance	
Recipients - Medical Supplies	(15,529,000)
22 Payments for Medical Assistance	
Recipients - Clinic	(55,551,000)
22 Payments for Medical Assistance	
Recipients - Transportation	(23,255,000)
22 Payments for Medical Assistance	
Recipients - Other Services	(7,253,000)
22 Personal Care Attendants -	
Salary Increments	(3,200,000)

22 Unit Dose Contract Services	(9,855,000)
22 Consulting Pharmacy Services	(2,052,000)
22 SSI-Disabled Back-to- Work Incentive	(1,500,000)
22 Eligibility Determination Services . . .	(7,230,000)
22 Health Benefit Coordination Services	(7,725,000)
22 NJ KidCare Partnership Outreach	(75,000)
22 NJ FamilyCare--Affordable and Accessible Health Coverage Benefits	(181,288,000)
22 Title XIX Children's Initiative	(18,679,000)

The amounts hereinabove appropriated for Payments for Medical Assistance Recipients are available for the payment of obligations applicable to prior fiscal years.

In order to permit flexibility in the handling of appropriations and ensure the timely payment of claims to providers of medical services, amounts may be transferred to and from the various items of appropriation within the General Medical Services program classification in the Division of Medical Assistance and Health Services in the Department of Human Services and the Medical Services for the Aged program classification in the Division of Senior Services in the Department of Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

For the purposes of account balance maintenance, all object accounts in the General Medical Services program classification shall be considered as one object. This will allow timely payment of claims to providers of medical services but ensure that no overspending will occur in the program classification.

The State appropriation for Medicaid Title XIX is based on a federal financial participation rate of 48.7%; provided however, that if the federal financial participation rate exceeds this percentage, there will be placed in reserve a portion of the State appropriation equal to the amount of additional federal funds, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary, the Commissioner of Human Services shall have the authority to convert individuals enrolled in a State-funded program who are also eligible for a federally matchable program, to the federally matchable program without the need for regulations.

In addition to the amounts hereinabove for payments to providers on behalf of medical assistance recipients, such additional sums as may be required are appropriated from the General Fund to cover costs consequent to the establishment of presumptive eligibility for children in the Medicaid (Title XIX) program, the NJ KidCare program (Children's Health Care Coverage Program) as defined in P.L.1997, c.272 (C.30:4I-1 et seq.) and FamilyCare as defined in P.L.2000, c.71 (C.30:4J-1 et seq.) subject to the approval of the Director of the Division of Budget and Accounting.

When any action by a county welfare agency, whether alone or in combination with the Division of Medical Assistance and Health Services, results in a recovery of improperly granted medical assistance, the Division of Medical Assistance and Health Services may reimburse the county welfare agency in the amount of 25% of the gross recovery.

Notwithstanding the provisions of P.L.1962, c.222 (C.44:7-76 et seq.), the Medical Assistance for the Aged program is eliminated; provided however, that necessary medical services shall be available to those enrolled in the program as of June 30, 1982, until such time that those persons no longer require medical care or are eligible for alternative programs.

All funds recovered pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.) and P.L.1975, c.194 (C.30:4D-20 et seq.) during the fiscal year ending June 30, 2002 are appropriated for payments to providers in the same program class from which the recovery originated.

The amount appropriated hereinabove for the Division of Medical Assistance and Health Services first is to be charged to the federal disproportionate share hospital reimbursements anticipated as Medicaid uncompensated care.

Notwithstanding any other law to the contrary, a sufficient portion of receipts generated or savings realized in Medical Assistance Grants-in-Aid accounts from initiatives may be transferred to the Health Services Administration and Management accounts to fund costs incurred in realizing these additional receipts or savings, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary and subject to federal approval, the Commissioner of Human Services is authorized to develop and introduce Optional Service Plan Innovations to enhance client choice for users of Medicaid optional services, while containing expenditures.

The unexpended balances as of June 30, 2001, in individual service accounts, as a result of accelerated and/or early implementation of succeeding fiscal year initiatives, are appropriated to the same service accounts, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary and subject to the notice provisions of 42 CFR 447.205, Personal Care Assistant services shall be limited to no more than 25 hours per week. Additional hours, up to 40 per week, shall be authorized by the Division of Medical Assistance and Health Services prior to the provision of services not provided by clinics under contract with the Division of Mental Health Services. The hourly weekend rate shall not exceed \$16.

Combined State and federal funding for the development and implementation of a Medicaid Care Management Program not to exceed \$1,000,000 is made available from accounts within the General Medical Services program classification, based on a plan approved in advance by the Director of the Division of Budget and Accounting.

The Division of Medical Assistance and Health Services, subject to federal approval, shall implement policies that would limit the ability of persons who have the financial ability to provide for their own long-term care needs to manipulate current Medicaid rules to avoid payment for that care. The Division shall require,

- in the case of a married individual requiring long-term care services, that the portion of the couple's resources which are not protected for the needs of the community spouse be used solely for the purchase of long-term care services.
- Such sums as may be necessary are appropriated from the General Fund for the payment of any provider assessments to Intermediate Care Facilities/Mental Retardation facilities, subject to the approval of the Director of the Division of Budget and Accounting of a plan as shall be submitted by the Commissioner of Human Services.
- The Division of Medical Assistance and Health Services is empowered to competitively bid and contract for performance of federally mandated inpatient hospital utilization reviews, and that the funds necessary for the contracted utilization review of these hospital services is made available from the Payments for Medical Assistance Recipients - Inpatient Hospital account subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding any laws or regulations to the contrary, Medicaid fee-for-service payments for Graduate Medical Education (GME), including Indirect Medical Education (IME), shall not exceed the appropriated amount of combined State and federal funds. GME payments shall not be subject to final reconciliation. Allocations to hospitals shall be made based on adopted regulations. Any payments that would have been made prior to the adoption date had the regulations been in place the entire fiscal year shall be made subsequent to the adoption date.
- Notwithstanding any other laws to the contrary, State funding for the New Jersey Health ACCESS program shall cease, and all enrollment shall be terminated as of July 1, 2001, or at such later date as shall be established by the Commissioner of Human Services. Any individuals who are enrolled in the New Jersey Health ACCESS program as of June 30, 2001 shall be eligible for Plan "D" of the NJ FamilyCare program, and shall enroll in a participating health maintenance organization before receiving NJ FamilyCare services.
- The unexpended balances as of June 30, 2001, not to exceed \$17,000,000 in the General Medical Services program classification, are appropriated to the NJ FamilyCare account, subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding any law to the contrary, a New Jersey major teaching acute medical/surgical care hospital that has been recognized by the New Jersey Medicaid program as an eligible non-State owned or operated government facility shall be eligible to receive an enhanced payment for providing inpatient and outpatient services to New Jersey Medicaid fee for service and NJ FamilyCare fee for service beneficiaries. Effective July 1, 2001, interim payments shall be made in equal monthly lump sum amounts, based on an estimate of the total enhanced amount payable to a qualifying hospital, subject to the approval of the Director of the Division of Budget and Accounting.
- Of the amount appropriated herein for Payments for Medical Assistance Recipients - Inpatient Hospital, \$15,000,000 in State funds and \$15,000,000 in federal funds are placed in reserve, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law or regulation to the contrary, the New Jersey FamilyCare Health Coverage Program benefit service packages, premium contributions, co-payment levels, enrollment levels, and any other program features or operations may be modified as the Commissioner of Human Services deems necessary based upon a plan approved by the Director of the Division of Budget and Accounting to ensure that monies expended for the New Jersey FamilyCare Health Coverage Program do not exceed the amount appropriated hereunder.

Notwithstanding any provision of the "Administrative Procedure Act," P.L. 1968, c. 410 (C. 52:14B-1 et seq.), to the contrary, the Commissioner of Human Services may adopt immediately upon filing with the Office of Administrative Law such regulations as the Commissioner deems necessary to ensure that monies expended for the New Jersey FamilyCare Health Coverage Program do not exceed the amount appropriated hereunder. Such regulation may change or adjust the financial and non-financial eligibility requirements for some or all of the applicants or beneficiaries in the program, the benefits provided, cost-sharing amounts, or may suspend in whole or in part the processing of applications for any or all categories of individuals covered by the program.

Notwithstanding any other law to the contrary, those hospitals that are eligible to receive a Hospital Relief Subsidy Fund (HRSF) payment shall receive enhanced payments from the Medicaid program for providing services to Medicaid and New Jersey FamilyCare beneficiaries. The total payments shall not exceed the amount appropriated and shall be allocated among hospitals proportionately based on the amount of HRSF payments (excluding any adjustments to the HRSF for other Medicaid payment increases). Effective July 1, 2001, interim payments shall be made from the Hospital Relief Offset Payment account in equal monthly lump sum amounts, based on an estimate of the total enhanced amount payable to a qualifying hospital, and subject to cost settlement. The enhanced payment, determined at cost settlement, will be an amount approved by the Director of the Division of Budget and Accounting per Medicaid patient day, adjusted by a volume variance factor (the ratio of expected Medicaid inpatient days to actual Medicaid inpatient days for the rate year) and an HRSF factor (the ratio of the hospital's HRSF payments to total HRSF payments) and subject to a pro rata adjustment so that the total enhanced per diem amounts are equivalent to the total State and federal funds appropriated not to exceed an amount to be approved by the Director of Budget and Accounting. The total of these payments shall be reduced by an amount equal to any increase in Medicaid and New Jersey FamilyCare fee for service payments to New Jersey hospitals enacted herein or subsequent to this legislation.

Notwithstanding any other law to the contrary, for those hospitals that qualify for a Hospital Relief Subsidy Fund payment, the New Jersey Medicaid program shall reimburse those hospitals Graduate Medical Education outpatient payments up to the amount the hospital would have received under Medicare principles of reimbursement for Medicaid and New Jersey FamilyCare fee-for-service beneficiaries. Effective July 1, 2001, equal monthly lump sum payments shall be made from the Hospital Relief Offset Payment account, and shall be based on the

qualifying hospitals' first finalized 1996 cost reports. The amount that the qualifying hospital would otherwise be eligible to receive from the Hospital Relief Subsidy Fund shall be reduced by the amount of this Graduate Medical Education outpatient payment. The total amount of these payments shall not exceed an amount approved by the Director of the Division of Budget and Accounting in combined State and federal funds. In no case shall these payments and all other enhanced payments related to those services primarily used by Medicaid and New Jersey FamilyCare beneficiaries that the hospital receives exceed the amount the hospital would otherwise have been eligible to receive from the Hospital Relief Subsidy Fund in the State fiscal year.

Of the amounts appropriated in State and federal funds in the Hospital Relief Offset Payment accounts in the Department of Human Services, Division of Medical Assistance and Health Services, such sums as may be necessary shall be transferred to the Hospital Relief Subsidy Fund within the Health Care Subsidy Fund (P.L.1992, c.160) to maximize federal revenues related to these accounts and maintain an appropriate level of hospital payments, subject to the approval of the Director of the Division of Budget and Accounting.

Rebates from pharmaceutical manufacturing companies during the fiscal year ending June 30, 2002 for prescription expenditures made to providers on behalf of Medicaid clients are appropriated for the Payments for Medical Assistance Recipients - Prescription Drugs account.

Notwithstanding the provisions of any other law or regulation to the contrary, effective July 1, 2001, or at the earliest date thereafter consistent with the notice provisions of 42 CFR 447.205 where applicable, no funds appropriated in the Payments for Medical Assistance Recipients - Prescription Drugs account shall be expended except under the following conditions: (a) reimbursement for the cost of legend and non-legend drugs, excluding nutritional supplements, shall not exceed their Average Wholesale Price (AWP) less a 10% discount; (b) prescription quantities of legend and non-legend drugs dispensed by a retail pharmacy shall be limited to a maximum 34-day supply for an initial prescription, and 34-day supply or 100-unit dose supply, whichever is greater, for any prescription refill; and (c) the current prescription drug dispensing fee structure set as a variable rate of \$3.73 to \$4.07 in effect on June 30, 2001 shall remain in effect through fiscal year 2002, including the current increments for patient consultation, impact allowances and allowances for 24-hour emergency services.

Notwithstanding any law to the contrary, prescription drug benefits provided to eligible beneficiaries in the General Medical Services program shall be subject to computer-based point-of-sale review.

Notwithstanding any laws or regulations to the contrary, payments from the Medical Assistance Payments - Prescription Drug account, or the General Assistance drug program, shall not cover quantities of erectile dysfunction drug therapies, in excess of four treatments per month. Moreover, payments will only be provided if the diagnosis of erectile dysfunction is written on the prescription form and the treatment is provided to males over the age of 18 years.

Notwithstanding any law to the contrary and subject to the notice provisions of 42 CFR 447.205, effective July 1, 2000, approved nutritional supplements will be

- reimbursed in accordance with a fee schedule set by the Director of the Division of Medical Assistance and Health Services.
- Effective July 1, 2001, no funding shall be provided from the Payments for Cost of General Assistance or NJ FamilyCare programs for anti-retroviral drugs for the treatment of HIV/AIDS, as specified in the Department of Health and Senior Services' formulary for the AIDS Drugs Distribution Program (ADDP).
- Such sums as may be necessary are appropriated from enhanced audit recoveries obtained by the Division of Medical Assistance and Health Services to fund the costs of enhanced audit recovery efforts of the Division within the General Medical Services program classification, subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding the provisions of any other law or regulation to the contrary, effective July 1, 2000, each prescription order for protein nutritional supplements and specialized infant formulas dispensed in the Medicaid and NJ KidCare programs shall be filled with the generic equivalent unless the prescription order states "Brand Medically Necessary" in the prescriber's own handwriting.
- Of the amount hereinabove for Payments for Medical Assistance Recipients - Outpatient Hospital, an amount not to exceed \$1,900,000 is allocated for limited prenatal medical care for New Jersey pregnant women who, except for financial requirements, are not eligible for any other State or federal health insurance program.
- Of the revenues received as a result of sanctions to health maintenance organizations participating in Medicaid Managed Care, an amount not to exceed \$500,000 is appropriated to the Payments for Medical Assistance Recipients - Physician account, subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding the provisions of subsection (b) of N.J.A.C.10:60-5.3 and subsection (a) of N.J.A.C.10:60-5.4 to the contrary, a person receiving the maximum number of Early and Periodic Screening, Diagnosis and Treatment/Private Duty Nursing (EPSDT/PDN) services, that is, 16 hours in any 24-hour period, may be authorized to receive additional PDN hours if private health insurance is available to cover the cost of the additional hours and appropriate medical documentation is provided which indicates that additional PDN hours are required and that the primary caregiver is not qualified to provide the additional PDN hours.
- Of the amount hereinabove for Payments for Medical Assistance Recipients - Clinic, an amount not to exceed \$1,900,000 is allocated for limited prenatal medical care for New Jersey pregnant women who, except for financial requirements, are not eligible for any other State or federal health insurance program.
- Additional federal Title XIX revenue generated from the claiming of family planning services payments on behalf of individuals enrolled in the Medicaid managed care program is appropriated subject to the approval of the Director of the Division of Budget and Accounting.
- Effective July 1, 1999, the Division of Medical Assistance and Health Services (DMAHS) is authorized to pay financial rewards to individuals or entities who report instances of health care-related fraud and/or abuse involving the programs

administered by DMAHS (including, but not limited to, the New Jersey Medicaid, NJ FamilyCare and KidCare programs) or the Pharmaceutical Assistance to the Aged and Disabled (PAAD) or Work First New Jersey General Public Assistance programs. Rewards may be paid only when the reports result in a recovery by DMAHS, and only if other conditions established by DMAHS are met, and shall be limited to 10% of the recovery or \$1,000, whichever is less. Notwithstanding any State law to the contrary, but subject to any necessary federal approval and/or change in federal law, receipt of such rewards shall not affect an applicant's individual financial eligibility for the programs administered by DMAHS or for PAAD or Work First New Jersey General Public Assistance programs.

The Division of Medical Assistance and Health Services, in coordination with the county welfare agencies, shall continue a program to outstation eligibility workers in disproportionate share hospitals and federally qualified health centers.

Of the amount hereinabove for Eligibility Determination, an amount not to exceed \$630,000 is allocated for increased eligibility determination costs related to immigrant services.

The unexpended balances as of June 30, 2001, in the Health Benefits Coordination Services account are appropriated.

Notwithstanding any law to the contrary, no funds appropriated for the New Jersey ACCESS program may be expended for individuals who were not enrolled in the program on July 1, 1998, or for individuals who are eligible for NJ KidCare, NJ FamilyCare or Title XIX medical coverage.

Notwithstanding any law to the contrary, all revenues received from health maintenance organizations covering ACCESS clients shall be deposited into the General Fund, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary, unexpended balances of funds from the Children's Health Insurance Program, defined in P.L.1997, c.272 (C.30:4I-1 et seq.) shall be appropriated to the NJ FamilyCare Program as defined in P.L.2000, c.71 (C.30:4J-1 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

Premiums received from families enrolled in the NJ KidCare program, P.L.1997, c.272 (C.30:4I-1 et seq.), are appropriated for NJ KidCare payments.

Premiums received from families enrolled in the NJ FamilyCare program are appropriated for NJ FamilyCare payments.

Of the amount hereinabove for the NJ FamilyCare Program, there shall be transferred to various accounts, including Direct State Services and State Aid accounts such amounts, not to exceed \$6,000,000, as are necessary to pay for the administrative costs of the program, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances as of June 30, 2001, in the NJ FamilyCare account are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

30 Educational, Cultural and Intellectual Development
32 Operation and Support of Educational Institutions
7600 Division of Developmental Disabilities

DIRECT STATE SERVICES

99-7600 Administration and Support Services \$9,855,000
 Total Appropriation, State and Federal Funds \$9,855,000

Less:

Federal Funds

Administration and Support Services . \$6,180,000
Total Deductions \$6,180,000
 Total Direct State Services Appropriation,
 Division of Developmental Disabilities. \$3,675,000

Direct State Services:

Personal Services:

Salaries and Wages (\$8,362,000)
 Materials and Supplies (64,000)
 Services Other Than Personal (241,000)
 Maintenance and Fixed Charges (99,000)

Special Purpose:

99 Foster Grandparents Program (669,000)
 99 Developmental Disabilities Council . (306,000)
 Additions, Improvements and Equipment .. (114,000)

Less:

All Other Funds 6,180,000

An amount not to exceed \$223,000 from receipts from individuals for whom the Division of Developmental Disabilities is representative payee is appropriated for participation in the Foster Grandparent and Senior Companions program.

7601 Community Programs
DIRECT STATE SERVICES

01-7601 Purchased Residential Care \$2,667,000
 02-7601 Social Supervision and Consultation 21,044,000
 03-7601 Adult Activities 1,834,000
 04-7601 Education and Day Training 30,268,000
 Total Appropriation, State, Federal and
 All Other Funds \$55,813,000

Less:

Federal Funds

Purchased Residential Care \$1,645,000
Social Supervision and Consultation .. 11,486,000
Adult Activities 839,000
Education and Day Training 1,506,000
Total Federal Funds \$15,476,000

Other Funds

Education and Day Training \$19,185,000
Total Other Funds \$19,185,000

Total Direct State Services Appropriation, Community Programs	<u>\$21,152,000</u>
Direct State Services:	
Personal Services:	
Salaries and Wages	(\$49,022,000)
Materials and Supplies	(1,299,000)
Services Other Than Personal	(1,830,000)
Maintenance and Fixed Charges	(3,068,000)
Special Purpose:	
02 Guardianship Program	(285,000)
02 Homemaker Services (State Share) ...	(167,000)
Additions, Improvements and Equipment ..	(142,000)
Less:	
Federal Funds	15,476,000
All Other Funds	19,185,000
GRANTS-IN-AID	
01-7601 Purchased Residential Care	\$507,224,000
(From General Fund	\$497,171,000)
(From Casino Revenue Fund	10,053,000)
02-7601 Social Supervision and Consultation	34,837,000
(From General Fund	32,629,000)
(From Casino Revenue Fund	2,208,000)
03-7601 Adult Activities	100,703,000
(From General Fund	93,329,000)
(From Casino Revenue Fund	7,374,000)
04-7601 Education and Day Training	<u>50,000</u>
Total State, Federal and All Other Funds Appropriation	<u>\$642,814,000</u>
Less:	
Federal Funds	
Purchased Residential Care	\$184,028,000
Social Supervision and Consultation ..	2,897,000
Adult Activities	27,372,000
Total Federal Funds	<u>\$214,297,000</u>
Less:	
All Other Funds	
Purchased Residential Care	\$38,000,000
Total All Other Funds	<u>\$38,000,000</u>
Total Grants-in-Aid Appropriation, Community Programs	<u>\$390,517,000</u>
(Total From General Fund	\$370,882,000)
(Total From Casino Revenue Fund	19,635,000)
Grants-in-Aid:	
01 Dental Program for Non- Institutionalized Children	(\$814,000)
01 Private Institutional Care	(29,612,000)
01 Private Institutional Care (CRF)	(1,311,000)

01 Skill Development Homes	(21,134,000)
01 Skill Development Homes (CRF) . . .	(1,141,000)
01 Group Homes	(262,577,000)
01 Group Homes (CRF)	(7,473,000)
01 Family Care	(5,069,000)
01 Family Care (CRF)	(128,000)
01 Salary Supplement for Direct Service Workers	(14,021,000)
01 Community Nursing Care Initiative - FY2002	(1,610,000)
01 Community Services Waiting List Reduction Initiatives -- FY 1999	(30,200,000)
01 Community Services Waiting List Reduction Initiatives -- FY 2000	(30,200,000)
01 Community Services Waiting List Reduction Initiative -- FY 2001	(39,785,000)
01 Community Services Waiting List Reduction Initiative -- FY 2002	(35,832,000)
01 Community Transition Initiative -- FY 2001	(12,258,000)
01 Community Transition Initiative -- FY 2002	(13,959,000)
01 ATC of Somerset County - Respite Home	(100,000)
02 Essex ARC -- Expanded Respite Care Services for Families with Autistic Children	(500,000)
02 Guardianship Association of New Jersey, Inc., - Program Development	(72,000)
02 ARC of Bergen and Passaic Counties, Inc., - Expanded Respite Care Services for Families with Autistic Children	(250,000)
02 Developmental Disabilities Council . .	(1,170,000)
02 Home Assistance	(24,679,000)
02 Home Assistance (CRF)	(1,657,000)
02 Purchase of After School and Camp Services	(1,277,000)
02 Purchase of After School and Camp Services (CRF)	(551,000)
02 Social Services	(3,969,000)
02 Arc of Burlington County - Bus	(35,000)
02 ARC of Atlantic County	(40,000)
02 Arc of Camden County - Building Renovation	(180,000)
02 Case Management	(457,000)

02 LARC School, Inc. - Special Needs Adult Program	(160,000)
03 Mary's Manor Group Home	(25,000)
03 Allen Community Life Center, Atlantic City	(25,000)
03 Purchase of Adult Activity Services . .	(93,119,000)
03 Purchase of Adult Activity Services (CRF)	(7,374,000)
04 ARC of Monmouth - Work Opportunity Center	(50,000)
<i>Less:</i>	
Federal Funds	214,297,000
All Other Funds	38,000,000

The Division of Developmental Disabilities is authorized to transfer funds from the Dental Program for Non-Institutionalized Children account to the Division of Medical Assistance and Health Services, in proportion to the number of program participants who are Medicaid eligible.

Excess State funds realized by federal involvement through Medicaid in the Dental Program for Non-Institutionalized Children are committed for the program's support during the subsequent fiscal year, rather than for expansion.

Amounts required to return persons with mental retardation or developmental disabilities presently residing in out-of-State institutions to group homes within the State may be transferred from the Private Institutional Care account to the Group Homes account, subject to the approval of the Director of the Division of Budget and Accounting.

Amounts that become available as a result of the return of persons from private institutional care placements, including in-State and out-of-State placements, shall be available for transfer to community and community support programs, subject to the approval of the Director of the Division of Budget and Accounting.

Skill development homes cost recoveries during the fiscal year ending June 30, 2002, not to exceed \$12,500,000, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The total amount appropriated in the Community Services Waiting List Reduction Initiatives - FY 1999, FY 2000, FY 2001, FY 2002 and the Community Transition Initiative - FY 2001, FY 2002 and the Community Nursing Care Initiative - FY 2002 accounts are available for transfer to community support programs, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of Title 30 of the Revised Statutes or any other law or regulation to the contrary, the Director of the Division of Developmental Disabilities is authorized to waive statutory, regulatory or licensing requirements for the implementation of a self determination pilot program included in the Community Services Waiting List Reduction Initiatives - FY 1997, FY 1998, FY 1999, FY 2000, FY 2001 and FY 2002, subject to the approval of a plan by the Director of the Division of Developmental Disabilities, which will allow an individual to be removed from the waiting list. This waiver also applies to those persons identified as part of the Community Transition Initiative - FY 2001 and

- FY 2002, and the Community Nursing Care Initiative FY 2002, who choose self determination.
- Cost recoveries from developmentally disabled patients and residents collected during the fiscal year ending June 30, 2002, not to exceed \$5,500,000, are appropriated for the continued operation of the Group Homes program, and an additional amount, not to exceed \$20,000,000, is appropriated for Community Services Waiting List Reduction Initiatives, subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balance as of June 30, 2001, in the Home Assistance account is appropriated for the same purpose.
- Notwithstanding any law to the contrary, the State Treasurer, in consultation with the Commissioner of Human Services, may transfer, pursuant to the terms and conditions the State Treasurer deems to be in the best interest of the State, the operation, care, custody, maintenance and control of State-owned buses utilized for transportation of clients of the Adult Activity Centers funded from appropriations in the Adult Activities program classification within the Division of Developmental Disabilities to any party under contract with the Department of Human Services to operate an Adult Activity Center. That transfer shall be for a time to run concurrent with the contract for the operation of the Adult Activity Center. That transfer as a non-cash award, and in conjunction with a cash appropriation, shall complete the terms of any contract with the Department of Human Services for the operation of the Adult Activity Center. Upon termination of any contract for the operation of an Adult Activity Center, the operation, care, custody, maintenance and control of the State-owned buses shall revert to the State. The State Treasurer shall execute any agreements necessary to effectuate the purpose of this provision.
- Such sums as may be necessary are appropriated from the General Fund for the payment of any provider assessments to State Intermediate Care Facilities/Mental Retardation facilities, subject to the approval of the Director of the Division of Budget and Accounting of a plan to be submitted by the Commissioner of Human Services. Notwithstanding any other law to the contrary, only the federal share of funds anticipated from these assessments shall be available to the Department of Human Services for the purposes set forth in P.L.1998, c.40 (C.30:6D-43 et seq.).
- From the amounts appropriated hereinabove for the Community Services Waiting List - FY2002 and the Community Transition Initiative - FY2002 accounts, such funds as are necessary may be transferred to various administrative accounts as required, subject to the approval of the Director of Budget and Accounting.
- Such sums as are necessary from the unexpended balances in the Division of Developmental Disabilities' Community Services Waiting List - FY2000, FY2001, FY2002, the Community Transition Initiative - FY2001, FY2002, and the Community Nursing Care Initiative - FY2002, in the Department of Human Services are appropriated for the purpose of providing a salary increase for Direct Care Workers' Salaries of providers contracting with the Department of Human Services, subject to the approval of the Director of Division of Budget and Accounting.

Amounts required to return persons with mental retardation or developmental disabilities presently residing in out-of-State institutions to group homes within the State may be transferred from the Private Institutional Care account to the Group Homes account, subject to the approval of the Director of the Division of Budget and Accounting.

Skill development homes cost recoveries during the fiscal year ending June 30, 2002, not to exceed \$12,500,000, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Cost recoveries from developmentally disabled patients and residents, collected during the fiscal year ending June 30, 2002, not to exceed \$5,500,000, are appropriated for the continued operation of the Group Homes program, and an additional amount, not to exceed \$20,000,000, is appropriated for Community Services Waiting List Reduction Initiatives, subject to the approval of the Director of the Division of Budget and Accounting.

7610 Green Brook Regional Center

DIRECT STATE SERVICES

05-7610 Residential Care and Habilitation Services	\$5,858,000
99-7610 Administration and Support Services	<u>3,116,000</u>
Total Appropriation, State and Federal Funds	<u>\$8,974,000</u>

Less:

Federal Funds

Residential Care and

Habilitation Services \$5,435,000

Administration and Support Services . . 2,175,000

Total Deductions \$7,610,000

Total Direct State Services Appropriation,
Green Brook Regional Center \$1,364,000

Direct State Services:

Personal Services:

Salaries and Wages (\$7,610,000)

Materials and Supplies (838,000)

Services Other Than Personal (263,000)

Maintenance and Fixed Charges (210,000)

Special Purpose:

Additions, Improvements and Equipment . (53,000)

Less:

All Other Funds 7,610,000

7620 Vineland Developmental Center

DIRECT STATE SERVICES

05-7620 Residential Care and Habilitation Services	\$55,662,000
99-7620 Administration and Support Services	<u>13,524,000</u>
Total Appropriation, State and Federal Funds	<u>\$69,186,000</u>

Less:

Federal Funds

Residential Care and

Habilitation Services \$21,904,000

<i>Administration and Support Services</i> . . .	<i>1,920,000</i>	
Total Deductions		<u>\$23,824,000</u>
Total Direct State Services Appropriation, Vineland Developmental Center		<u>\$45,362,000</u>
Direct State Services:		
Personal Services:		
Salaries and Wages	(\$61,666,000)	
Materials and Supplies	(5,050,000)	
Services Other Than Personal	(1,469,000)	
Maintenance and Fixed Charges	(673,000)	
Special Purpose:		
05 Family Care	(6,000)	
Additions, Improvements and Equipment . .	(322,000)	
Less:		
Federal Funds	23,824,000	

CAPITAL CONSTRUCTION

99-7620 Administration and Support Services		<u>\$500,000</u>
Total Capital Construction Appropriation, Vineland Developmental Center		<u>\$500,000</u>
Capital Projects:		
99 Fire Notification System	(\$500,000)	

*7630 North Jersey Developmental Center***DIRECT STATE SERVICES**

05-7630 Residential Care and Habilitation Services		\$32,302,000
99-7630 Administration and Support Services		<u>8,137,000</u>
Total Appropriation, State, Federal and All Other Funds		<u>\$40,439,000</u>
Less:		
Federal Funds		
<i>Residential Care and Habilitation Services</i>		
	<i>\$18,613,000</i>	
<i>Administration and Support Services</i> . . .		
	<i>1,586,000</i>	
Total Federal Funds		
		<u>\$20,199,000</u>
Less:		
All Other Funds		
<i>Residential Care and Habilitation Services</i>		
	<i>\$132,000</i>	
Total All Other Funds		
		<u>132,000</u>
Total Direct State Services Appropriation, North Jersey Developmental Center		<u>\$20,108,000</u>
Direct State Services:		
Personal Services:		
Salaries and Wages	(\$34,611,000)	
Materials and Supplies	(2,935,000)	
Services Other Than Personal	(2,060,000)	

Maintenance and Fixed Charges (587,000)
 Special Purpose:
 Residential Care and
 Habilitation Services (132,000)
 Additions, Improvements and Equipment . . (114,000)
Less:
Federal Funds **20,199,000**
All Other Funds **132,000**

7640 Woodbine Developmental Center

DIRECT STATE SERVICES

05-7640 Residential Care and Habilitation Services \$40,804,000
 99-7640 Administration and Support Services 11,740,000
 Total Appropriation, State and Federal Funds \$52,544,000

Less:

Federal Funds

**Residential Care and
 Habilitation Services** **\$18,682,000**
Administration and Support Services . . **3,215,000**
Total Federal Funds **\$21,897,000**
 Total Direct State Services Appropriation,
 Woodbine Developmental Center \$30,647,000

Direct State Services:

Personal Services:

Salaries and Wages (\$45,815,000)
 Materials and Supplies (4,391,000)
 Services Other Than Personal (1,417,000)
 Maintenance and Fixed Charges (576,000)

Special Purpose:

Residential Care and Habilitation Services (42,000)
 Additions, Improvements and Equipment . . (303,000)

Less:

Federal Funds **21,897,000**

7650 New Lisbon Developmental Center

DIRECT STATE SERVICES

05-7650 Residential Care and Habilitation Services \$45,846,000
 99-7650 Administration and Support Services 9,353,000
 Total Appropriation, State, Federal
 and All Other Funds \$55,199,000

Less:

Federal Funds

**Residential Care and
 Habilitation Services** **\$24,223,000**
Administration and Support Services . . **3,626,000**
Total Federal Funds **\$27,849,000**
 Total Direct State Services Appropriation,
 New Lisbon Developmental Center \$27,350,000

Direct State Services:

Personal Services:

Salaries and Wages (\$50,130,000)
 Materials and Supplies (3,292,000)
 Services Other Than Personal (1,080,000)
 Maintenance and Fixed Charges (511,000)
 Additions, Improvements and Equipment .. (186,000)

Less:

Federal Funds **27,849,000**

7660 Woodbridge Developmental Center**DIRECT STATE SERVICES**

05-7660 Residential Care and Habilitation Services \$38,007,000
 99-7660 Administration and Support Services 7,669,000
 Total Appropriation, State, Federal
 and All Other Funds \$45,676,000

Less:**Federal Funds****Residential Care and**

Habilitation Services **\$21,505,000**

Administration and Support Services ... **1,343,000**

Total Federal Funds **\$22,848,000**

Less:**All Other Funds****Residential Care and**

Habilitation Services **\$105,000**

Total All Other Funds **\$105,000**

Total Direct State Services Appropriation,
 Woodbridge Developmental Center \$22,723,000

Direct State Services:

Personal Services:

Salaries and Wages (\$40,337,000)
 Materials and Supplies (3,587,000)
 Services Other Than Personal (1,050,000)
 Maintenance and Fixed Charges (468,000)
 Additions, Improvements and Equipment .. (234,000)

Less:

Federal Funds **22,848,000**

All Other Funds **105,000**

CAPITAL CONSTRUCTION

99-7660 Administration and Support Services \$1,200,000
 Total Capital Construction Appropriation,
 Woodbridge Developmental Center \$1,200,000

Capital Projects:

99 Replace/Upgrade

Emergency Generators (\$1,200,000)

New Jersey State Library

**7670 Hunterdon Developmental Center
DIRECT STATE SERVICES**

05-7670 Residential Care and Habilitation Services \$39,553,000
 99-7670 Administration and Support Services 9,911,000
 Total Appropriation, State, Federal and All Other Funds \$49,464,000

Less:**Federal Funds****Residential Care and****Habilitation Services \$22,100,000****Administration and Support Services . . . 3,124,000****Total Federal Funds \$25,224,000****Less:****All Other Funds****Residential Care and****Habilitation Services \$203,000****Total All Other Funds \$203,000**

Total Direct State Services Appropriation,

Hunterdon Developmental Center \$24,037,000**Direct State Services:**

Personal Services:

Salaries and Wages (\$42,217,000)

Materials and Supplies (5,500,000)

Services Other Than Personal (967,000)

Maintenance and Fixed Charges (567,000)

Additions, Improvements and Equipment . . (213,000)

Less:**Federal Funds 25,224,000****All Other Funds 203,000****Division of Developmental Disabilities**

In addition to the amount hereinabove for Operation and Support of Educational Institutions of the Division of Developmental Disabilities, such other sums as the Director of the Division of Budget and Accounting shall determine, provided in Inter-Departmental accounts for employee benefits, are considered as appropriated on behalf of the Developmental Centers and are available for matching federal funds.

The State appropriation is based on ICF/MR revenues of \$186,019,000, provided that if the ICF/MR revenues exceed \$186,019,000, there will be placed in reserve a portion of the State appropriation equal to the excess amount of ICF/MR revenues, subject to the approval of the Director of the Division of Budget and Accounting.

**33 Supplemental Education and Training Programs
7560 Commission for the Blind and Visually Impaired
DIRECT STATE SERVICES**

11-7560 Services for the Blind and Visually Impaired \$6,573,000

99-7560 Administration and Support Services 1,281,000

Total Direct State Services Appropriation,

Commission for the Blind and Visually Impaired \$7,854,000

Direct State Services:

Personal Services:

Salaries and Wages	(\$6,213,000)
Materials and Supplies	(123,000)
Services Other Than Personal	(573,000)
Maintenance and Fixed Charges	(80,000)

Special Purpose:

11 Technology for the Visually Impaired	(848,000)
Additions, Improvements and Equipment	(17,000)

Notwithstanding the provisions of N.J.S.18A:61-1 and N.J.S.18A:46-13, or any other law to the contrary, local boards of education shall reimburse the Commission for the Blind and Visually Impaired for the documented costs of providing services to children who are classified as "educationally handicapped"; provided however, that each local board shall pay that portion of cost which the number of children classified "educationally handicapped" bears to the total number of such children served; provided further, however, that payments shall be made by each local board in accordance with a schedule adopted by the Commissioners of Education and Human Services; and further the Director of the Division of Budget and Accounting is authorized to deduct such reimbursements from the State aid payments to the local boards of education.

The unexpended balances as of June 30, 2001 in the Technology for the Visually Impaired account are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated from funds recovered from audits or other collection activities an amount sufficient to pay vendors' fees to compensate the recoveries, and the administration of the State's vending machine program, subject to the approval of the Director of the Division of Budget and Accounting. Receipts in excess of \$130,000 are appropriated for the purpose of expanding vision screening services and other prevention services, subject to the approval of the Director of the Division of Budget and Accounting. The unexpended balance of such receipts as of June 30, 2001 are appropriated.

GRANTS-IN-AID

11-7560 Services for the Blind and Visually Impaired	<u>\$4,324,000</u>
Total Grants-in-Aid Appropriation, Commission for the Blind and Visually Impaired	<u>\$4,324,000</u>

Grants-in-Aid:

11 Camp Marcella	(\$51,000)
11 Psychological Counseling	(151,000)
11 Recording for the Blind, Inc.	(51,000)
11 Educational Services for Children	(2,126,000)
11 Services to Rehabilitation Clients	(1,889,000)
11 Cost of Living Adjustment -- Habilitation and Rehabilitation	(41,000)
11 Salary Supplement for Direct Service Workers	(15,000)

The unexpended balances as of June 30, 2001 in the Camp Marcella grant-in-aid account are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

50 Economic Planning, Development and Security
53 Economic Assistance and Security
7550 Division of Family Development
DIRECT STATE SERVICES

15-7550 Income Maintenance Management \$80,816,000
Total Appropriation, State and Federal Funds \$80,816,000

Less:

Federal Funds

Income Maintenance Management . \$64,999,000
Total Federal Funds \$64,999,000
Total Direct State Services Appropriation,
Division of Family Development \$15,817,000

Direct State Services:

Personal Services:

Salaries and Wages (\$18,890,000)
Materials and Supplies (779,000)
Services Other Than Personal (20,730,000)
Maintenance and Fixed Charges (1,490,000)

Special Purpose:

15 Electronic Benefit Transfer/
Distribution System (4,023,000)
15 Hospital Paternity Program (1,453,000)
15 Work First New Jersey Child
Support Initiatives (12,665,000)
15 Work First New Jersey --
Technology Investment (19,965,000)
15 SSI Attorney Fees (500,000)
Additions, Improvements and Equipment . . (321,000)

Less:

Federal Funds 64,999,000

Receipts derived from counties and local governments for data processing services and the unexpended balance of such receipts as of June 30, 2001 are appropriated. The unexpended balances as of June 30, 2001 in the Income Maintenance Management program classification direct state services accounts are appropriated, subject to the approval of the Director of the Division of Budget and Accounting. In addition to the amount appropriated hereinabove for the Work First New Jersey - Technology Investment account, such additional sums as may be required are appropriated from the General Fund, not to exceed \$3,000,000, to meet the timely implementation of Work First New Jersey technology initiatives, subject to the approval of the Director of the Division of Budget and Accounting. In order to permit flexibility, amounts may be transferred between various items of appropriation within the Income Maintenance Management program classification, subject to the approval of the Director of the Division of Budget and

Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.
Of the amounts appropriated for Work First New Jersey Child Support Initiatives, \$50,000 shall be available for the Child Support Lien Network program.

GRANTS-IN-AID

15-7550 Income Maintenance Management	<u>\$634,704,000</u>
Total Appropriation, State and Federal Funds	<u>\$634,704,000</u>

Less:**Federal Funds**

<i>Income Maintenance Management</i> .	<i>\$357,088,000</i>
Total Federal Funds	<u>\$357,088,000</u>
Total Grants-in-Aid Appropriation, Division of Family Development	<u>\$277,616,000</u>

Grants-in-Aid:

15 Restricted Grants	(\$375,000)
15 Work First New Jersey -- Training Related Expenses	(20,156,000)
15 Work First New Jersey -- Work Activities	(139,167,000)
15 Work First New Jersey -- Community Housing for Teens	(200,000)
15 Work First New Jersey -- Breaking the Cycle	(23,084,000)
15 Work First New Jersey -- Child Care	(256,469,000)
15 Family Day Care Provider Registration Act	(400,000)
15 Salary Supplement for Direct Service Workers	(4,745,000)
15 Child Care Evaluation	(630,000)
15 TANF Abbot Expansion	(106,000,000)
15 Kinship Care Initiatives	(5,750,000)
15 Housing Diversion/Subsidy Program	(2,500,000)
15 Criminal Background Evaluations ...	(2,615,000)
15 Domestic Violence Prevention Training and Assessment	(450,000)
15 Medicaid Outreach	(5,000,000)
15 Abbott Headstart Subsidy	(6,000,000)
15 Pre-Early Childhood Education	(3,700,000)
15 EITC Marketing	(140,000)
15 Mental Health Assessments	(4,000,000)
15 Career Advancement Vouchers	(5,000,000)
15 Wage Supplement Program	(2,034,000)
15 Kinship Care Guardianship and Subsidy	(10,707,000)

15 Minority Male Initiative	(200,000)
15 Social Services for the Homeless . . .	(10,398,000)
15 Cost of Living Adjustment	(3,794,000)
15 Mini Child Care Center Project Grants .	(316,000)
15 Kinship Care Navigator	(500,000)
15 Family Day Care of Gloucester and Cape May Counties	(50,000)
15 Project Self-Sufficiency, Sparta	(150,000)
15 Substance Abuse Initiatives	(20,174,000)

Less:

Federal Funds 357,088,000

The unexpended balances as of June 30, 2001 in the Income Maintenance Management program classification Grants-In-Aid accounts are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary, in addition to the amounts hereinabove for the Work First New Jersey - Work Activity and Work First New Jersey - Training Related Expenses accounts, an amount not to exceed \$8,000,000 is appropriated from the New Jersey Workforce Development Partnership Fund, section 9 of P.L.1992, c.43 (C.34:15D-9), subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary, of the amounts hereinabove for Work First New Jersey--Work Activity and Work First New Jersey - Training Related Expenses, \$5,000,000 is appropriated from the New Jersey Workforce Development Partnership Fund, section 9 of P.L.1992, c.43 (C.34:15D-9), subject to the approval of the Director of the Division of Budget and Accounting.

Of the amounts appropriated for Work First New Jersey - Work Activities, amounts may be transferred to the Department of Labor in accordance with Division of Family Development's agreements with that Department to provide work activities, subject to the approval of the Director of the Division of Budget and Accounting. Any unobligated balances remaining from funds transferred to the Department of Labor for Work First New Jersey - Work Activities shall be transferred back to the Division of Family Development, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary, amounts may be transferred from the Division of Family Development to the Department of Labor to meet federal Welfare to Work grant requirements, subject to the approval of the Director of the Division of Budget and Accounting.

The Commissioner of Human Services shall provide the Director of the Division of Budget and Accounting, the Senate Budget and Appropriations Committee and the Assembly Appropriations Committee, or the successor committees thereto, with quarterly reports, due within 60 days after the end of each quarter, containing written statistical and financial information on the Work First New Jersey program and any subsequent welfare reform program the State may undertake.

In order to permit flexibility, amounts may be transferred between various items of appropriation within the Income Maintenance Management program classification, subject to the approval of the Director of the Division of Budget and

Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.
 Additional funds as may be allocated by the federal government for New Jersey's Low Income Energy Assistance Block Grant Program (LIHEAP) are appropriated subject to the approval of the Director of the Division of Budget and Accounting. A pro-rata share of Low Income Energy Assistance Block Grant funds received by the Department of Human Services is allocated immediately upon receipt to the Department of Community Affairs and the Department of Health and Senior Services to enable these departments to implement programs funded by this block grant.

STATE AID

15-7550 Income Maintenance Management \$573,798,000
 Total State and Federal Funds Appropriation \$573,798,000

Less:

Federal Funds

Income Maintenance

Management \$403,713,000
Total Federal Funds \$403,713,000
 Total State Aid Appropriation,
 Division of Family Development \$170,085,000

State Aid:

15 Miscellaneous State Aid (\$3,939,000)
 15 County Administration Funding . . (206,877,000)
 15 Work First New Jersey --
 Client Benefits (146,013,000)
 15 Federal Energy Assistance Program . (24,229,000)
 15 Cost of Living Adjustment (370,000)
 15 General Assistance Emergency
 Assistance Program (18,193,000)
 15 Payments for Cost of
 General Assistance (37,465,000)
 15 Work First New Jersey --
 Emergency Assistance (22,337,000)
 15 Payments for Supplemental
 Security Income (64,176,000)
 15 State Supplemental Security Income
 Administrative Fee to SSA (14,871,000)
 15 General Assistance
 County Administration (22,505,000)
 15 Food Stamp Administration -- State . . (8,600,000)
 15 Food Stamps for Legal Aliens (4,023,000)
 15 Fair Labor Standards Act -- Minimum
 Wage Requirements (TANF) (200,000)

Less:

Federal Funds 403,713,000

- The net State share of reimbursements and the net balances remaining after full payment of sums due the federal government of all funds recovered under R.S.44:7-14, P.L.1959, c.86 (C.44:10-4 et seq.), P.L.1950, c.166 (C.30:4B-1 et seq.) and P.L.1971, c.209 (C.44:13-1 et seq.), during the fiscal year ending June 30, 2001 are appropriated.
- Receipts from State administered municipalities during the fiscal year ending June 30, 2001 are appropriated.
- The sum hereinabove appropriated is available for payment of obligations applicable to prior fiscal years.
- Any change by the Department of Human Services in the standards upon which or from which grants of categorical public assistance are determined, first shall be approved by the Director of the Division of Budget and Accounting.
- In order to permit flexibility and ensure the timely payment of benefits to welfare recipients, amounts may be transferred between the various items of appropriation within the Income Maintenance Management program classification, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.
- Notwithstanding any law to the contrary, the Director of the Division of Budget and Accounting is authorized to withhold State Aid payments to municipalities to satisfy any obligations due and owing from audits of that municipality's General Assistance program.
- The unexpended balances as of June 30, 2001 in the Income Maintenance Management program classification State Aid accounts are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding the provisions of any other law or regulation to the contrary, effective July 1, 2001, or at the earliest date thereafter consistent with the notice provisions of 42 CFR 447.205 where applicable, no funds appropriated for the General Assistance (GA) program for pharmaceutical services shall be expended except under the following conditions:(a) reimbursement for the cost of legend and non-legend drugs, excluding nutritional supplements, shall not exceed their Average Wholesale Price (AWP) less a 10% discount; (b) prescription quantities of legend and non-legend drugs dispensed by a retail pharmacy shall be limited to a 34 day supply for an initial prescription, and 34-day or 100-unit dose supply, whichever is greater, for any prescription refill; and (c) the current prescription drug dispensing fee structure set as a variable rate of \$3.73 to \$4.07 in effect on June 30, 2001 shall remain in effect through fiscal 2002, including the current increments for patient consultation, impact allowances and allowances for 24-hour emergency services.
- Notwithstanding the provisions of any other law or regulation to the contrary, effective July 1, 1999, the following provisions shall apply to the dispensing of prescription drugs through the Payments to Municipalities for the Cost of General Assistance account: (a) for all Maximum Allowable Cost (MAC) drugs dispensed shall state "Brand Medically Necessary" in the prescriber's own handwriting if the prescriber determines that it is necessary to override generic substitution of drugs, and each prescription order shall follow the requirements of P.L.1977, c.240 (C.24:6E-1 et seq.). The list of drugs substituted shall conform to the Drug

- Utilization Review Council approved list of substitutable drugs and all other requirements pertaining to drug substitution and federal upper limits for MAC drugs as administered by the State Medicaid Program.
- Effective July 1, 2000, no funding shall be provided from the Payments for Cost of General Assistance program for anti-retroviral drugs for the treatment of HIV/AIDS, as specified in the Department of Health and Senior Services' formulary for the AIDS Drugs Distribution Program (ADDP).
- Of the amounts appropriated for the Payments for Cost of General Assistance program, amounts may be transferred to the Department of Health and Senior Services for the cost of the AIDS Drugs Distribution Program (ADDP) and to the Division of Medical Assistance and Health Services for New Jersey FamilyCare, subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding any law to the contrary and subject to the notice provisions of 42 CFR 447.205, effective July 1, 1999, approved nutritional supplements will be reimbursed in accordance with a fee schedule set by the Director of the Division of Medical Assistance and Health Services (DMAHS).
- Notwithstanding the provisions of any other law or regulation to the contrary, effective July 1, 1999, each prescription order for protein nutritional supplements dispensed in the General Assistance program shall be filled with the generic equivalent unless the prescription order states "Brand Medically Necessary" in the prescriber's own handwriting.
- Receipts from counties for persons receiving Old Age Assistance, Disability Assistance, and Assistance for the Blind under the Supplemental Security Income (SSI) program are appropriated for the purpose of providing State aid to the counties, subject to the approval of the Director of the Division of Budget and Accounting.
- In addition to the provisions of section 3 of P.L.1973, c.256 (C.44:7-87), the Department of Human Services shall assess welfare boards at the beginning of each fiscal year in the same proportion that the counties currently participate in the federal categorical assistance programs, in order to obtain the amount of each county's share of the supplementary payments for eligible persons in this State, based upon the number of eligible persons in the county. Welfare boards shall pay the amount assessed.
- There is appropriated an amount equal to the difference between the actual revenue loss reflected in the Earned Income Tax Credit program and the amount anticipated as the revenue loss from the Earned Income Tax Credit to meet federal Maintenance of Effort requirements to allow the Department of Human Services to comply with the Maintenance of Effort requirements as specified in the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," Pub.L.104-193, and as legislatively required by the Work First New Jersey program, section 4 of P.L.1997, c.38 (C.44:10-58), subject to the approval of the Director of the Division of Budget and Accounting.

50 Economic Planning, Development and Security
55 Social Services Programs
7570 Division of Youth and Family Services
DIRECT STATE SERVICES

16-7570 Services to Children and Families \$180,678,000

99-7570 Administrative and Support Services 17,351,000
 Total Appropriation, State and Federal Funds \$198,029,000

Less:**Federal Funds**

Services to Children and Families .. \$121,886,000
Administration and Support Services . 10,430,000
Total Federal Funds \$132,316,000

All Other Funds

Services to Children and Families \$1,860,000
Total All Other Funds \$1,860,000

Total Direct State Services Appropriation,
 Division of Youth and Family Services \$63,853,000

Direct State Services:

Personal Services:

Salaries and Wages (\$142,861,000)
 Materials and Supplies (1,929,000)
 Services Other Than Personal (8,508,000)
 Maintenance and Fixed Charges (9,350,000)

Special Purpose:

16 Services to Families and Children ... (292,000)
 16 Foster Care and
 Permanency Initiative (6,822,000)
 16 Child Protection Initiative (12,204,000)
 16 New Jersey Safe Haven Infant
 Protection Act (500,000)
 16 Adoption Resource
 Centers -- Hiring (4,800,000)
 16 District Office Hiring (5,800,000)
 Additions, Improvements and Equipment (4,963,000)

Less:

Federal Funds 132,316,000
All Other Funds 1,860,000

GRANTS-IN-AID

16-7570 Services to Families and Children \$360,847,000
 (From General Fund \$357,113,000)
 (From Casino Revenue Fund 3,734,000)
 99-7570 Administration and Support Services 860,000
 Total Appropriation, State, Federal and
 All Other Funds \$361,707,000
 (From General Fund \$357,973,000)
 (From Casino Revenue Fund 3,734,000)

Less:**Federal Funds**

Services to Families and Children .. \$58,564,000
Administration and Support Services 855,000
Total Federal Funds \$59,419,000

All Other Funds

<i>Services to Families and Children</i>	<i>\$3,374,000</i>	
<i>Total All Other Funds</i>		<i><u>\$3,374,000</u></i>
Total Grants-in-Aid Appropriation,		
Division of Youth and Family Services		<u>\$298,914,000</u>
(<i>From General Fund</i>)	<i>\$295,180,000</i>	
(<i>From Casino Revenue Fund</i>)	<i>3,734,000</i>	
Grants-in-Aid:		
16 Aid to Bergen County Domestic		
Violence Pilot Program	(221,000)	
16 Child Assault Prevention Project	(1,184,000)	
16 Group Homes	(23,033,000)	
16 Treatment Homes	(19,785,000)	
16 Public Awareness for Child Abuse		
Prevention Program	(261,000)	
16 Cost of Living Adjustment -- Services		
to Children and Families	(5,289,000)	
16 Other Residential Placements	(12,769,000)	
16 Regional Diagnostic and		
Treatment Centers	(1,540,000)	
16 Residential Placements	(60,097,000)	
16 Family Support Services	(35,240,000)	
16 Child Abuse Prevention	(10,677,000)	
16 Foster Care	(47,858,000)	
16 Subsidized Adoption	(43,211,000)	
16 Regional Child Abuse		
Treatment Centers	(440,000)	
16 Morris/Sussex Sexual Abuse		
Victims' Program	(331,000)	
16 Recruitment of Adoptive Parents	(621,000)	
16 Substance Abuse Assessment	(51,000)	
16 Domestic Violence Program	(4,465,000)	
16 Foster Care and		
Permanency Initiative	(15,773,000)	
16 Certified Drug and Alcohol		
Counselors Model	(1,540,000)	
16 Office of Refugee Resettlement -		
Social Services	(2,788,000)	
16 School Based Mental Health/Child		
Abuse Outreach	(1,069,000)	
16 Refugee Services Elderly Grant	(107,000)	
16 County Human Services Advisory		
Board -- Formula Funding	(7,417,000)	
16 Children and Families Initiative	(1,233,000)	
16 New Jersey Homeless Youth Act	(1,418,000)	
16 Fisherman's Mark for Child Care and		
Support Services	(149,000)	

16 Family Friendly Centers	(2,587,000)
16 Personal Assistance Services Program	(2,692,000)
16 Personal Assistance Services Program (CRF)	(3,734,000)
16 Wynona M. Lipman Child Advocacy Center, Essex County	(917,000)
16 Salary Supplement for Direct Service Workers	(3,403,000)
16 Children's Services for Victims of Domestic Violence	(262,000)
16 Parenting Resource Education Network of Southern New Jersey	(25,000)
16 Jewish Family Service of Atlantic and Cape May Counties	(25,000)
16 Resolve Community Counseling Center, Scotch Plains	(25,000)
16 Women's Center of Monmouth County - Amanda's Easel Project	(125,000)
16 Providence House, Willingboro	(50,000)
16 Angel's Wings, Inc., Trenton	(75,000)
16 Domestic Abuse Services, Inc., Sussex	(180,000)
16 Saint Clare's Hospital, Boonton - Child Abuse Treatment Program	(250,000)
16 Purchase of Social Services	(24,690,000)
16 School Based Youth Services Program	(13,818,000)
16 Adoption Assistance Incentives	(461,000)
16 Restricted Grant	(8,961,000)
99 Children's Justice Act	(245,000)
99 DYFS Southern Regional Steering Committee	(5,000)
99 National Center for Child Abuse and Neglect	(610,000)
Less:	
Federal Funds	59,419,000
All Other Funds	3,374,000

The sums hereinabove for the Residential Placements, Group Homes, Treatment Homes, Other Residential Placements, Foster Care, Subsidized Adoption, and Family Support Services accounts are available for the payment of obligations applicable to prior fiscal years.

Any change by the Department of Human Services in the rates paid for the foster care and adoption subsidy programs shall first be approved by the Director of the Division of Budget and Accounting.

Of the amount hereinabove appropriated for Foster Care and Subsidized Adoption, the Division of Youth and Family Services may expend up to \$225,000 for

recruitment of foster and adoptive families; provided however, that a plan for recruitment and training first shall be approved by the Director of the Division of Budget and Accounting.

Receipts in the Marriage License Fee Fund in excess of the amount anticipated are appropriated.

Of the amount hereinabove appropriated for the Domestic Violence Program, \$1,309,000 is payable out of the Marriage License Fee Fund. If receipts to that fund are less than anticipated, the appropriation shall be reduced proportionately.

The Department of Human Services shall provide a list of the County Human Services Advisory Boards contracts to the Director of the Division of Budget and Accounting on or before September 30, 2001. The listing shall segregate out the administrative costs of such contracts.

Funds recovered under P.L.1951, c.138 (C.30:4C-1 et seq.) during the fiscal year ending June 30, 2002, are appropriated.

Notwithstanding the provision of any law to the contrary, amounts that become available as a result of the return of persons from in-State and out-of-State residential placements to community programs within the State may be transferred from the Residential Placements account to the appropriate Services to Children and Families account, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from counties for persons under the care and supervision of the Division of Youth and Family Services are appropriated for the purpose of providing State Aid to the counties, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amounts appropriated for the School Based Youth Services Program, there shall be available \$400,000 for the After School Reading Initiative, \$200,000 for the After School Start-Up Fund, \$400,000 for School Health Clinics, and \$530,000 for Positive Youth Development.

**7580 Division of the Deaf and Hard of Hearing
DIRECT STATE SERVICES**

23-7580 Services for the Deaf	<u>\$709,000</u>
Total Direct State Services Appropriation, Division of Deaf and Hard of Hearing	<u>\$709,000</u>

Direct State Services:

Personal Services:	
Salaries and Wages	(\$280,000)
Materials and Supplies	(41,000)
Services Other Than Personal	(41,000)
Maintenance and Fixed Charges	(1,000)
Special Purpose:	
23 Services to Deaf Clients	(290,000)
23 Communication Access Services	(55,000)
Additions, Improvements and Equipment	(1,000)

70 Government Direction, Management and Control**76 Management and Administration****7500 Division of Management and Budget****DIRECT STATE SERVICES**

96-7500 Institutional Security Services	\$5,096,000
99-7500 Administration and Support Services	<u>22,414,000</u>
Total Direct State Services Appropriation, Division of Management and Budget	<u>\$27,510,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$18,012,000)
Materials and Supplies	(258,000)
Services Other Than Personal	(7,190,000)
Maintenance and Fixed Charges	(172,000)

Special Purpose:

99 Clinical Services Scholarships	(150,000)
99 Affirmative Action and Equal Employment Opportunity	(255,000)
99 Transfer to State Police for Fingerprinting/Background Checks of Job Applicants	(560,000)
99 State Office on Disability Services . . .	(450,000)
99 Institutional Staff Background Checks	(407,000)
Additions, Improvements and Equipment . . .	(56,000)

Notwithstanding the provision of any law to the contrary, the Department of Human Services is authorized to identify opportunities for increased recoveries to the General Fund and to the Department. Such funds collected are appropriated, subject to the approval of the Director of the Division of Budget and Accounting in accordance with a plan approved by the Director of the Division of Budget and Accounting.

Revenues representing receipts to the General Fund from charges to residents' trust accounts for maintenance costs are appropriated for use as personal needs allowances for patients/residents who have no other source of funds for these purposes; except that the total amount herein for these allowances shall not exceed \$1,375,000 and that any increase in the maximum monthly allowance shall be approved by the Director of the Division of Budget and Accounting.

A portion of the amount hereinabove appropriated for the Division of Management and Budget, not to exceed \$100,000, is available for transfer to the Department of Health and Senior Services for salary costs related to the Nursing Home Audit function.

GRANTS-IN-AID

99-7500 Administration and Support Services	<u>\$5,947,000</u>
Total Grants-in-Aid Appropriation, Division of Management and Budget	<u>\$5,947,000</u>

Grants-in-Aid:

- 99 Office for Prevention of Mental Retardation and Developmental Disabilities (\$665,000)
 - 99 New Jersey Youth Corps (3,178,000)
 - 99 Cost of Living Adjustment (104,000)
 - 99 Community Supports to Allow Discharge from Nursing Homes (2,000,000)
- Notwithstanding any law to the contrary, of the amount hereinabove for New Jersey Youth Corps, \$1,850,000 is appropriated from the New Jersey Workforce Development Partnership Fund, section 9 of P.L. 1992, c.43 (C.34:15D-9).
 The unexpended balances as of June 30, 2001 in the Physician-Dentist Fellowship and Educational Program to Provide Health Care to Persons with Developmental Disabilities accounts are appropriated for the same purpose.

CAPITAL CONSTRUCTION

- 99-7500 Administration and Support Services \$3,000,000
- Total Capital Construction Appropriation, Division of Management and Budget \$3,000,000

Capital Projects:

- 99 Life Safety Improvements, Various Institutions and Community Facilities (\$3,000,000)

Department of Human Services,
 Total State Appropriation \$3,794,839,000

Of the amount appropriated hereinabove for the Department of Human Services, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule included in the Governor's Budget Recommendation Document dated January 23, 2001, first shall be charged to the State Lottery Fund.

Balances on hand as of June 30, 2001 of funds held for the benefit of patients in the several institutions, and such funds as may be received, are appropriated for the use of the patients.

Funds received from the sale of articles made in occupational therapy departments of the several institutions are appropriated for the purchase of additional material and other expenses incidental to such sale or manufacture.

Any change in program eligibility criteria and increases in the types of services or rates paid for services to or on behalf of clients for all programs under the purview of the Department of Human Services, not mandated by federal law, shall first be approved by the Director of the Division of Budget and Accounting.

Notwithstanding any other provision of law to the contrary, receipts from payments collected from clients receiving services from the department, and collected from their chargeable relatives, are appropriated to offset administrative and contract expenses related to the charging, collecting and accounting of payments from

clients receiving services from this department and from their chargeable relatives pursuant to R.S.30:1-12 subject to the approval of the Director of the Division of Budget and Accounting.

Payment to vendors for their efforts in maximizing federal revenues is appropriated and shall be paid from the federal revenues received, subject to the approval of the Director of the Division of Budget and Accounting. The unexpended balance as of June 30, 2001 in this account is appropriated.

Unexpended State balances may be transferred among Department of Human Services accounts in order to comply with the State Maintenance of Effort requirements as specified in the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996", Pub.L.104-193, and as legislatively required by the Work First New Jersey program, section 4 of P.L.1997, c.38 (C.44:10-58), subject to the approval of the Director of the Division of Budget and Accounting. Notice of such transfers that would result in appropriations or expenditures exceeding the State's Maintenance of Effort requirement obligation shall be subject to the approval of the Joint Budget Oversight Committee. In addition, unobligated balances remaining from funds allocated to the Department of Labor for Work First New Jersey as of June 1 of each year are to be reverted to the Work First New Jersey - Client Benefits account in order to comply with Pub.L.104-193, as required by section 4 of P.L.1997, c.38 (C.44:10-58).

Of the amounts hereinabove appropriated for the Children's Initiative, the Department of Human Services may expend funds for children's services and related administration within and across all divisions within the Department of Human Services based on the services required, subject to the approval of the Director of the Division of Budget and Accounting.

Such sums as may be necessary are appropriated or transferred from existing appropriations within the Department of Human Services for the purpose of promoting awareness to increase participation in programs that are administered by the department, subject to the approval of the Director of the Division of Budget and Accounting.

Summary of Department of Human Services Appropriations
(For Display Purposes Only)

Appropriations by Category:

Direct State Services	\$557,037,000
Grants-in-Aid	2,970,807,000
State Aid	261,795,000
Capital Construction	5,200,000

Appropriation by Fund:

General Fund	\$3,771,470,000
Casino Revenue Fund	23,369,000

62 DEPARTMENT OF LABOR
50 Economic Planning, Development and Security
51 Economic Planning and Development
DIRECT STATE SERVICES

99-4565 Administration and Support Services \$969,000

Total Direct State Services Appropriation,
 Economic Planning and Development \$969,000

Direct State Services:

Personal Services:

Salaries and Wages (\$596,000)
 Materials and Supplies (12,000)
 Services Other Than Personal (268,000)
 Maintenance and Fixed Charges (28,000)

Special Purpose:

99 Affirmative Action and Equal
 Employment Opportunity (62,000)
 Additions, Improvements and Equipment (3,000)

Of the amount hereinabove for the Administration and Support Services program classification, \$265,000 is appropriated from the Unemployment Compensation Auxiliary Fund.

In addition to the amounts appropriated hereinabove for Administration and Support Services, there are appropriated from the New Jersey Redevelopment Investment Fund and the Economic Development Fund an amount of \$142,000 to provide for administrative costs incurred by the Department of Labor for activities related to the New Jersey Redevelopment Authority and the New Jersey Economic Development Authority programs, as determined by the Director of the Division of Budget and Accounting.

Of the amounts hereinabove for Administration and Support Services, \$31,000 are payable out of the State Disability Benefits Fund, and in addition to the amounts hereinabove there are appropriated out of the State Disability Benefits Fund such additional sums as may be required to administer Administration and Support Services, subject to the approval of the Director of the Division of Budget and Accounting.

The amount necessary to provide administrative costs incurred by the Department of Labor to meet the statutory requirements of the "New Jersey Urban Enterprise Zones Act," P.L. 1983, c.303 (C.52:27H-60 et seq.) is appropriated from the Enterprise Zone Assistance Fund, subject to the approval of the Director of the Division of Budget and Accounting.

The amount necessary to provide employer rebate awards as a result of the "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et seq.), are appropriated from the Enterprise Zone Assistance Fund, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of the "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et seq.), the Department of Labor, based upon the authorization of the Chief Executive Officer and Secretary of the New Jersey Commerce and Economic Growth Commission, shall make employer rebate awards.

Such sums as may be necessary to collect the contributions to the Health Care Subsidy Fund, pursuant to section 29 of the "Health Care Reform Act of 1992," P.L.1992, c.160 (C.43:21-7b), are appropriated from the Health Care Subsidy

Fund, subject to the approval of the Director of the Division of Budget and Accounting.

53 Economic Assistance and Security
DIRECT STATE SERVICES

03-4520 State Disability Insurance Plan	\$20,547,000
04-4520 Private Disability Insurance Plan	3,770,000
05-4525 Workers' Compensation	11,601,000
06-4530 Special Compensation	<u>1,619,000</u>
Total Direct State Services Appropriation, Economic Assistance and Security	<u>\$37,537,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$24,048,000)
Materials and Supplies	(387,000)
Services Other Than Personal	(4,980,000)
Maintenance and Fixed Charges	(1,996,000)

Special Purpose:

03 Reimbursement to Unemployment Insurance for Joint Tax Functions .	(5,427,000)
06 Special Compensation	(40,000)
Additions, Improvements and Equipment ..	(659,000)

Such sums as may be necessary to administer the Unemployment Insurance program are appropriated from the Unemployment Compensation Auxiliary Fund, subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated from the General Fund an amount not to exceed \$1,000,000 to conduct a feasibility study of the Modernization of the Unemployment Insurance Benefit Payment System - Local Online Payment System, subject to the approval of the Director of the Division of Budget and Accounting.

The amounts hereinabove for the State Disability Insurance Plan and Private Disability Insurance Plan are payable out of the State Disability Benefits Fund and, in addition to the amounts hereinabove, there are appropriated out of the State Disability Benefits Fund such additional sums as may be required to pay disability benefits, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove appropriated for administrative costs associated with the State Disability Insurance Plan there is appropriated from the State Disability Benefits Fund an amount not to exceed \$6,250,000, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated for the Workers' Compensation program are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Special Compensation Fund shall be payable out of the Special Compensation Fund and, notwithstanding the \$12,500 limitation set forth in R.S.34:15-95, in addition to the amounts hereinabove, there are appropriated out of the Special Compensation Fund such additional sums as may be required for costs of administration and beneficiary payments.

There is appropriated out of the balance in the Second Injury Fund an amount not to exceed \$1,000,000 to be deposited to the credit of the "Uninsured Employer's Fund" for the payment of benefits as determined in accordance with section 11 of P.L.1966, c.126 (C.34:15-120.2). Any amount so transferred shall be included in the next "Uninsured Employer's Fund" surcharge imposed in accordance with section 10 of P.L.1966 c.126 (C.34:15-120.1) and any amount so transferred shall be returned to the Second Injury Fund without interest and shall be included in "net assets" of the Second Injury Fund pursuant to paragraph (4) of subsection c. of R.S.34:15-94.

The funds appropriated for Second Injury Fund benefits are available for the payment of obligations applicable to prior fiscal years.

Amounts to administer the "Uninsured Employer's Fund" are appropriated from the "Uninsured Employer's Fund," subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amounts appropriated hereinabove, there are appropriated out of the State Disability Benefits Fund such additional sums as may be required to administer the Private Disability Insurance Plan.

From the funds made available to the State under section 903 of the Social Security Act (42 U.S.C. 1103 et seq.), as amended, the sum of \$4,500,000, or so much thereof as may be necessary, shall be used for the administration of the Unemployment Insurance Program. These funds shall be made available for obligations until June 30, 2003.

54 Manpower and Employment Services

DIRECT STATE SERVICES

07-4535 Vocational Rehabilitation Services	\$2,622,000
09-4545 Employment Services	6,793,000
10-4545 Employment and Training Services	97,000
12-4550 Workplace Standards	6,012,000
16-4556 Public Sector Labor Relations	3,174,000
17-4560 Private Sector Labor Relations	<u>527,000</u>
Total Direct State Services Appropriation, Manpower and Employment Services	<u>\$19,225,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$16,196,000)
Materials and Supplies	(56,000)
Services Other Than Personal	(238,000)
Maintenance and Fixed Charges	(111,000)

Special Purpose:

09 Workforce Development Partnership Program	(1,124,000)
09 Workforce Development Partnership - Counselors	(81,000)
10 Council on Gender Parity	(97,000)

- 12 Worker and Community Right-to-Know Act (42,000)
 - 12 Public Employees Occupational Safety (420,000)
 - 12 Public Works Contractor Registration Act (500,000)
 - 12 Mine Safety Program Expansion (160,000)
 - Additions, Improvements and Equipment (200,000)
- Notwithstanding the provisions of the "New Jersey Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1 et seq.), the cost of fact-finding shall be borne equally by the public employer and the exclusive employee representative.
- The amount hereinabove for the Vocational Rehabilitation Services program classification is available for the payment of obligations applicable to prior fiscal years.
- The amount hereinabove for the Vocational Rehabilitation Services program classification is appropriated from the Unemployment Compensation Auxiliary Fund.
- The amounts hereinabove for the Workforce Development Partnership Program shall be appropriated from receipts received pursuant to P.L.1992, c.44 (C.34:15D-12 et seq.), together with such additional sums as may be required to administer the Workforce Development Partnership Program, subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding the provisions of the "1992 New Jersey Employment and Workforce Development Act" P.L.1992, c.43 (C.34:15D-1 et seq.), such amounts as may be necessary are appropriated from the Workforce Development Partnership Fund to provide a State match to the federal Welfare-to-Work Grant program, subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding the provisions of the "1992 New Jersey Employment and Workforce Development Act," P.L.1992, c.43 (C.34:15D-1 et seq.), an amount not to exceed \$500,000 is authorized from the balance in the Workforce Development Partnership Fund to be used by the department to promote training of women and minorities in the construction trades, subject to the approval of the Director of the Division of Budget and Accounting.
- There is appropriated out of the Unemployment Compensation Auxiliary Fund an amount not to exceed \$3,000,000 for furniture purchases and renovations of the One Stop Career Centers, subject to the approval of the Director of the Division of Budget and Accounting.
- An amount not to exceed \$5,669,000 shall be transferred from the Department of Human Services to be used as a State match to the federal Welfare-to-Work Grant program, subject to the approval of the Director of the Division of Budget and Accounting.
- Receipts in excess of the amount anticipated for the Workplace Standards Program are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated for the Public Works Contractor Registration program are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of the "Worker and Community Right To Know Act," P.L.1983, c.315 (C.34:5A-1 et seq.), the amount hereinabove for the Worker and Community Right To Know Act account is payable out of the "Worker and Community Right To Know Fund." If receipts to that fund are less than anticipated, the appropriation shall be reduced proportionately. In addition to the amounts hereinabove, there are appropriated out of the "Worker and Community Right To Know Fund" such additional sums, not to exceed \$8,400, to administer the Right To Know Program, subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated out of the Wage and Hour Trust Fund and the Prevailing Wage Act Trust Fund such sums as may be necessary for payments.

The amount hereinabove for the Private Sector Labor Relations program classification is appropriated from the Unemployment Compensation Auxiliary Fund.

GRANTS-IN-AID

07-4535 Vocational Rehabilitation	\$29,064,000
<i>(From General Fund</i>	<i>\$26,624,000)</i>
<i>(From Casino Revenue Fund</i>	<i>2,440,000)</i>
09-4545 Employment Services	<u>4,000,000</u>
Total Grants-in-Aid Appropriation,	
Manpower and Employment Services	<u>\$33,064,000</u>
<i>(Total From General Fund</i>	<i>\$30,624,000)</i>
<i>(Total From Casino Revenue Fund</i>	<i>2,440,000)</i>

Grants-in-Aid:

07 Services to Clients (State Share) . . .	(\$3,891,000)
07 Sheltered Workshop -	
Transportation (CRF)	(2,440,000)
07 Sheltered Workshop - Transportation .	(1,060,000)
07 Supported Employment Services	2,550,000)
07 Sheltered Workshop Support	(17,591,000)
07 Sheltered Workshop Employment	
Placement Incentive Program	(450,000)
07 Salary Supplement for Direct	
Service Workers	(179,000)
07 Cost of Living Adjustment --	
Sheltered Workshops	(204,000)
07 Services for Deaf Individuals	(170,000)
07 Independent Living Centers	(525,000)
07 Training (State Share)	(4,000)
09 John J. Heldrich Center for	
Workforce Development	(4,000,000)

- The sum hereinabove for the Vocational Rehabilitation Services program classification is available for the payment of obligations applicable to prior fiscal years.
- Of the amount hereinabove for the Vocational Rehabilitation Services program classification, an amount not to exceed \$9,000,000 is appropriated from the Unemployment Compensation Auxiliary Fund.
- The unexpended balances in the Sheltered Workshop Employment Placement Incentive Program account and the Sheltered Workshop Support account, as of June 30, 2001, are appropriated for Sheltered Workshop Support.
- The amount hereinabove for Salary Supplement for Direct Service Workers shall only be used to fund, at a minimum, an additional 2.0% direct service workers' cost of living adjustment throughout the Department of Labor, effective July 1, 2001.
- From the amounts provided hereinabove for Cost of Living Adjustments - Sheltered Workshops, it is intended that these monies shall be used to fund, at a minimum, a 1.6% cost of living increase for direct service workers' salaries, effective July 1, 2001.
- Amounts appropriated hereinabove for the Sheltered Workshop Employment Placement Incentive Program shall be available to support expenditures under the Sheltered Workshop Support Program, subject to the approval of the Director of the Division of Budget and Accounting.
- The amount hereinabove for the John J. Heldrich Center represents a grants-in-aid appropriation to the New Jersey Redevelopment Authority pursuant to an agreement with the New Brunswick Development Corporation. The authority's investment shall be used to pay a portion of the costs associated with the acquisition, site preparation, design and construction of a Statewide workforce training center to be located in New Brunswick, New Jersey known as the Heldrich Center for Workforce Development at the Edward J. Bloustein School of Policy and Planning (the "Heldrich Center") and the infrastructure and site preparation costs associated with the redevelopment project. The authority's investment is subject to the terms and conditions set forth in an agreement between the authority and the New Brunswick Development Corporation. The agreement shall be subject to the approval of the State Treasurer who, upon such approval, shall report to the Joint Budget Oversight Committee on the terms and conditions of the agreement.

Department of Labor, Total State Appropriation \$90,795,000

Summary of Department of Labor Appropriations

(For Display Purposes Only)

Appropriations by Category:

Direct State Services \$57,731,000

Grants-in-Aid 33,064,000

Appropriation by Fund:

General Fund \$88,355,000

Casino Revenue Fund 2,440,000

66 DEPARTMENT OF LAW AND PUBLIC SAFETY**10 Public Safety and Criminal Justice****12 Law Enforcement****DIRECT STATE SERVICES**

06-1200 State Police Operations	\$215,579,000
09-1020 Criminal Justice	26,370,000
11-1050 State Medical Examiner	259,000
30-1460 Gaming Enforcement	34,458,000
<i>(From Casino Control Fund</i>	<i>\$34,458,000)</i>
99-1200 Administration and Support Services	<u>25,821,000</u>
Total Direct State Services Appropriation, Law Enforcement	<u>\$302,487,000</u>
<i>(Total From General Fund</i>	<i>\$268,029,000)</i>
<i>(Total From Casino Control Fund</i>	<i>34,458,000)</i>

Direct State Services:

Personal Services:

Salaries and Wages	(\$179,113,000)
Salaries and Wages (CCF)	(22,321,000)
Cash in Lieu of Maintenance	(19,578,000)
Cash in Lieu of Maintenance (CCF)	(792,000)
Employee Benefits (CCF)	(5,036,000)
Materials and Supplies	(6,274,000)
Materials and Supplies (CCF)	(389,000)
Services Other Than Personal	(9,960,000)
Services Other Than Personal (CCF) ...	(1,864,000)
Maintenance and Fixed Charges	(4,478,000)
Maintenance and Fixed Charges (CCF) ..	(2,440,000)

Special Purpose:

06 Nuclear Emergency Response Program	(1,591,000)
06 Drunk Driver Fund Program	(962,000)
06 Noncriminal Record Checks	(1,014,000)
06 Enhanced DNA Testing	(450,000)
06 COPS Universal Grant -- State Assumption	(1,533,000)
06 Megan's Law DNA Testing	(200,000)
06 Urban Search and Rescue	(1,500,000)
06 Additional 70 Troopers	(3,591,000)
06 State Police Additional Narcotic Detectives and Patrol Supervisors - Training	(1,800,000)
06 State Police Additional Narcotic Detectives and Patrol Supervisors - Salaries	(2,200,000)
06 State Police Federal Monitor	(500,000)

09 Criminal Justice - Corruption	
Prosecution Expansion	(700,000)
09 Division of Criminal Justice --	
State Match	(1,500,000)
09 Human Relations Council	(250,000)
09 Expenses of State Grand Jury	(356,000)
09 Medicaid Fraud Investigation--	
State Match	(500,000)
30 Gaming Enforcement (CCF)	(1,185,000)
99 State Police Recruit Training	(1,800,000)
99 Affirmative Action and Equal	
Employment Opportunity	(193,000)
99 N.C.I.C. 2000 Project	(2,000,000)
99 State Police Cadet Pilot Program	(174,000)
99 Additional 85 Civilian Staff -	
Trooper Redeployment	(3,250,000)
99 State Police Technology	
Enhancements	(600,000)
99 State Police Enhanced Systems	
and Procedures	(3,450,000)
Additions, Improvements	
and Equipment	(18,512,000)
Additions, Improvements	
and Equipment (CCF)	(431,000)
The unexpended balance as of June 30, 2001 in the Victim Witness Advocacy Fund account, together with receipts derived pursuant to P.L.1979, c.396 (C.2C:43-3.1) is appropriated.	
Notwithstanding the provisions of any law or regulation to the contrary, funds obtained through seizure, forfeiture, or abandonment pursuant to any federal or State statutory or common law and proceeds of the sale of any such confiscated property or goods, except for such funds as are dedicated pursuant to N.J.S.2C:64-6, are appropriated for law enforcement purposes designated by the Attorney General.	
The unexpended balance as of June 30, 2001 in the revolving fund established under the "New Jersey Antitrust Act," P.L.1970, c.73 (C.56:9-1 et seq.) is appropriated for the administration of the act and any expenditures therefrom shall be subject to the approval of the Director of the Division of Budget and Accounting.	
Such additional amounts as may be required to carry out the provisions of the "New Jersey Antitrust Act," P.L.1970, c.73 (C.56:9-1 et seq.) are appropriated from the General Fund; provided however, that any expenditures therefrom shall be subject to the approval of the Director of the Division of Budget and Accounting.	
Receipts in excess of the amount anticipated from license fees and/or audits conducted to ensure compliance with the "Private Detective Act of 1939," P.L.1939, c.369 (C.45:19-8 et seq.), are appropriated to defray the cost of this activity.	
Notwithstanding the provisions of section 14 of P.L.1992, c.188 (C.33:1-4.1), that in addition to the amounts hereinabove, all fees and penalties collected by the	

Director of the Division of Alcoholic Beverage Control in excess of \$2,000,000 are appropriated for the purpose of offsetting additional operational costs of the Alcoholic Beverage Control Enforcement Bureau in the Division of State Police and the Division of Alcoholic Beverage Control, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove for State Police Operations, there is appropriated an amount not to exceed \$1,200,000 from indirect cost recoveries, for the purpose of offsetting the costs of the provision of State Police services.

The unexpended balance as of June 30, 2001 in the Drunk Driver Fund program account, together with any receipts in excess of the amount anticipated, is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Drunk Driver Fund program is payable out of the Drunk Driver Enforcement Fund established pursuant to P.L.1984, c.4 (C.39:4-50.8) designated for this purpose and any amount remaining therein. If receipts to the fund are less than anticipated, the appropriation shall be reduced proportionately.

Receipts derived pursuant to the New Jersey Medical Service Helicopter Response Act under section 1 of P.L.1992, c.87 (C.39:3-8.2) are appropriated to the Division of State Police and the Department of Health and Senior Services to defray the operating costs of the program as authorized under P.L.1986, c.106 (C.26:2K-35 et seq.). The unexpended balance as of June 30, 2001 is appropriated to the special capital maintenance reserve account for capital replacement and major maintenance of helicopter equipment and any expenditures therefrom shall be subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Noncriminal Record Checks is payable out of the dedicated fund designated for this purpose. If receipts to the fund are less than anticipated, the appropriation shall be reduced proportionately.

Notwithstanding the provisions of section 3 of P.L.1985, c.69 (C.53.1-20.7), the unexpended balance as of June 30, 2001 in the Noncriminal Record Checks account, together with any receipts in excess of the amount anticipated, is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Nuclear Emergency Response Program account is payable from receipts received pursuant to the assessment of electrical utility companies under P.L.1981, c.302 (C.26:2D-37 et seq.). The unexpended balance as of June 30, 2001 in the Nuclear Emergency Response Program account is appropriated.

All registration fees, tuition fees, training fees, and all other fees received for reimbursement for attendance at courses conducted by Division of State Police and Division of Criminal Justice personnel are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amounts hereinabove to the Divisions of State Police and Criminal Justice and the Office of the State Medical Examiner, there are appropriated to the respective State departments and agencies such sums as may be received or

receivable from any instrumentality, municipality, or public authority for direct and indirect costs of all services furnished thereto, except as to such costs for which funds have been included in appropriations otherwise made to the respective State departments and agencies as the Director of the Division of Budget and Accounting shall determine; provided however, that payments from such instrumentalities, municipalities, or authorities for employer contributions to the State Police and Public Employees' Retirement Systems shall not be appropriated and shall be paid into the General Fund.

Receipts in the "Commercial Vehicle Enforcement Fund" established pursuant to section 17 of P.L.1995, c.157 (C.39:8-75) are appropriated to offset all reasonable and necessary expenses of the Division of State Police and Division of Motor Vehicles in the performance of commercial truck safety and emission inspections, subject to the approval of the Director of the Division of Budget and Accounting. All fees and receipts collected, pursuant to paragraph (7) of subsection l. of N.J.S.2C:39-6, "The Retired Officer Handgun Permit Program," and the unexpended balance as of June 30, 2001, are appropriated to offset the costs of administering the application process, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law or regulation to the contrary, receipts derived from the recovery of costs associated with the implementation of the "Criminal Justice Act of 1970," P.L.1970, c.74 (C.52:17B-97 et seq.), are appropriated for the purpose of offsetting the costs of the Division of Criminal Justice, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amounts hereinabove for the State Police-Enhanced DNA Testing account, there is appropriated an amount not to exceed \$450,000 to be offset by actual receipts pursuant to P.L.2000, c.118. Additional funding shall be based upon the review of monthly workload data, collection data and spending plans, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove for Gaming Enforcement, there are appropriated from the Casino Control Fund such additional sums as may be required for gaming enforcement, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

06-1200 State Police Operations	\$265,000
09-1020 Criminal Justice	<u>4,167,000</u>
Total Grants-in-Aid Appropriation, Law Enforcement ...	<u>\$4,432,000</u>

Grants-in-Aid:

06 Nuclear Emergency	
Response Program	(\$265,000)
09 Municipal Mobile Video Recorders ..	(2,917,000)
09 Anthony "Tony" Canale Training	
Center, Egg Harbor	(100,000)
09 Monmouth County Prosecutor's Office -	
Childrens' Advocacy Center	(150,000)
09 Community Justice Grant	(1,000,000)

The unexpended balance as of June 30, 2001 in the Missing Child / Child Abduction Program account is appropriated subject to the approval of the Director of the Division of Budget and Accounting.

STATE AID

09-1020 Criminal Justice \$3,690,000
 Total State Aid Appropriation, Law Enforcement \$3,690,000

State Aid:

09 Trigger Lock County Program (\$90,000)
 90 Safe and Secure
 Neighborhoods Program (3,600,000)

The unexpended balance as of June 30, 2001 in the National Crime Information Center Local Law Enforcement Assistance account is appropriated subject to the approval of the Director of the Division of Budget and Accounting.

CAPITAL CONSTRUCTION

06-1200 State Police Operations \$2,274,000
 11-1050 State Medical Examiner 800,000
 99-1200 Administration and Support Services 2,773,000
 Total Capital Construction Appropriation,
 Law Enforcement \$5,847,000

Capital Projects:

11 Critical Repairs and Instrumentation .. (\$800,000)
 06 Critical Repairs/Rehabilitation,
 Divisionwide (314,000)
 06 Hazardous Materials Removal and
 Fire Safety Projects (421,000)
 06 Roof Replacement, Various Facilities .. (800,000)
 06 Bus Inspection Station - Herbertsville .. (739,000)
 99 HVAC Replacements, Statewide (614,000)
 99 State Police Emergency
 Operations Center (1,267,000)
 99 Consolidation and Backfill Plan for
 Headquarters (440,000)
 99 Electrical Upgrades
 Various Buildings (452,000)

13 Special Law Enforcement Activities

DIRECT STATE SERVICES

03-1160 Office of Highway Traffic Safety \$338,000
 17-1420 Election Law Enforcement 14,211,000
 (From General Fund \$4,111,000)
 (From Gubernatorial Elections Fund . 10,100,000)
 20-1450 Review and Enforcement of Ethical Standards 590,000
 21-1400 Regulation of Alcoholic Beverages 1,375,000
 22-1410 Regulation of Racing Activities 250,000

25-1421 Election Management and Coordination	964,000
Total Direct State Services Appropriation, Special Law	
Enforcement Activities	<u>\$17,728,000</u>
(Total From General Fund	\$7,628,000)
(Total From Gubernatorial Elections	10,100,000)

Direct State Services:

Personal Services:

Salaries and Wages	(\$4,142,000)
Materials and Supplies	(209,000)
Services Other Than Personal	(734,000)
Maintenance and Fixed Charges	(40,000)

Special Purpose:

03 Federal Highway Safety Program --	
State Match	(338,000)
17 Election Law Enforcement (GEF)	(10,100,000)
17 Gubernatorial Public	
Finance Program	(600,000)
17 Ballot Statement Program	(400,000)
17 Per Diem Payment to Members of	
Election Law Enforcement	
Commission	(15,000)
22 Racing Commission-	
Operational Support	(250,000)
25 County Monitoring and Oversight	(440,000)
Additions, Improvements and Equipment	(460,000)

The unexpended balance in the Federal Highway Safety Program - State Match account, including the accounts of the several departments, as of June 30, 2001, is appropriated for such highway safety projects.

Notwithstanding the provisions of section 14 of P.L.1992, c.188 (C.33:1-4.1), in addition to the amounts hereinabove, all fees and penalties collected by the Director of Alcoholic Beverage Control in excess of \$2,000,000 are appropriated for the purpose of offsetting additional operational costs of the Alcoholic Beverage Control Enforcement Bureau in the Division of State Police and the Division of Alcoholic Beverage Control, subject to the approval of the Director of the Division of Budget and Accounting.

Registration fees, tuition fees, training fees, and other fees received for reimbursement for attendance at courses administered or conducted by the Division of Alcoholic Beverage Control are appropriated for program costs.

From the receipts derived from uncashed pari-mutuel winning tickets and the regulation, supervision, licensing, and enforcement of all New Jersey Racing Commission activities and functions, such sums as may be required are appropriated for the purpose of offsetting the costs of the administration and operation of the New Jersey Racing Commission, subject to the approval of the Director of the Division of Budget and Accounting.

All fees, fines, and penalties collected pursuant to P.L.1973, c.83 (C.19:44A-1 et al.) and section 11 of P.L.1991, c.244 (C.52:13C-23.1) are appropriated for the purpose of offsetting additional operational costs of the Election Law Enforce-

ment Commission, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provision hereinabove, amounts received pursuant to P.L.1971, c.183 (C.52:13C-18 et seq.) are appropriated for the purpose of offsetting additional operational costs of the Election Law Enforcement Commission, subject to the approval of the Director of the Division of Budget and Accounting.

Of the receipts derived from the regulation, supervision, and licensing of all State Athletic Control Board activities and functions, an amount is appropriated for the purpose of offsetting the costs of the administration and operation of the State Athletic Control Board, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from the examination of voting machines by Election Management and Coordination and the unexpended balance as of June 30, 2001 of those receipts are appropriated for the costs of making such examinations.

There are appropriated from the Gubernatorial Elections Fund such sums as may be required for payments to persons qualifying for additional public funds; provided however, that should the amount available in the Gubernatorial Elections Fund be insufficient to support such an appropriation, there are appropriated from the General Fund to the Gubernatorial Elections Fund such sums as may be required.

The unexpended balance as of June 30, 2001 in the New Jersey Thoroughbred Horsemen's Association account is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001 in the New Jersey Standardbred Breeders and Owners' Association account is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

STATE AID

25-1421 Election Management and Coordination \$3,000,000
 Total State Aid Appropriation,
 Special Law Enforcement Activities \$3,000,000

State Aid:

25 Election Management
 and Coordination (\$3,000,000)

The amount appropriated for the Voting Machine Replacement account shall only be used to replace punch card voting machines in designated counties, subject to the approval of the Director of the Division of Budget and Accounting.

**18 Juvenile Services
 1500 Division of Juvenile Services**

DIRECT STATE SERVICES

34-1500 Juvenile Community Programs \$20,678,000
 40-1500 Aftercare Programs 4,430,000
 99-1500 Administration and Support Services 7,187,000
 Total Direct State Services Appropriation,
 Division of Juvenile Services \$32,295,000

Direct State Services:

Personal Services:

Salaries and Wages	(\$21,462,000)
Materials and Supplies	(1,400,000)
Services Other Than Personal	(2,288,000)
Maintenance and Fixed Charges	(857,000)

Special Purpose:

34 Standard Staffing Initiative	(600,000)
34 Aftercare Initiative 2002	(500,000)
34 Community Program	
Medical Initiative	(350,000)
34 Enhanced Information	
Technology Unit	(300,000)
34 Step Down Program - State Match ...	(70,000)
34 Juvenile Justice Initiatives	(770,000)
34 Social Services Block Grant --	
State Match	(42,000)
34 State Incentive Program	(186,000)
34 Turrell Special Needs Unit	(728,000)
34 Female Substance Abuse Program ...	(302,000)
99 Juvenile Justice - State	
Matching Funds	(406,000)
99 Custody and Civilian	
Staff Training	(1,840,000)
Additions, Improvements and Equipment ..	(194,000)

GRANTS-IN-AID

34-1500 Juvenile Community Programs	\$19,306,000
Total Grants-in-Aid Appropriation,	
Division of Juvenile Services	<u>\$19,306,000</u>

Grants-in-Aid:

34 Alternatives to Juvenile	
Incarceration Programs	(\$2,440,000)
34 Monmouth Day Program	(273,000)
34 Crisis Intervention Program	(3,872,000)
34 State/Community Partnership	
Grants	(7,574,000)
34 State Incentive Program	(3,632,000)
34 AMER-I-CAN Program	(650,000)
34 Purchase of Services for	
Juvenile Offenders	(260,000)
34 Salary Supplement for Direct	
Service Workers	(247,000)
34 New Jersey Association of County	
Youth Services Commissions	(150,000)
34 Cost of Living Adjustment -	
Alternative to Juvenile Incarceration	
Programs	(39,000)

34 Cost of Living Adjustment -
 Crisis Intervention/State Community
 Partnership (169,000)

From the amounts provided hereinabove for cost of living adjustments throughout the Department of Law and Public Safety, it is intended that, at a minimum, a 1.6% cost of living increase shall be expended for direct service workers' salaries, effective July 1, 2001.

The amount hereinabove for Salary Supplement for Direct Service Workers shall only be expended for the purposes of providing, at a minimum, an additional 2% direct service workers' cost of living adjustment throughout the Department of Law and Public Safety, effective July 1, 2001.

CAPITAL CONSTRUCTION

99-1500 Administration and Support Services \$8,260,000
 Total Capital Construction Appropriation,
 Division of Juvenile Services \$8,260,000

Capital Projects:

99 Suicide Prevention Improvements .. (\$1,000,000)
 99 Critical Repairs, Juvenile
 Services Facilities (1,000,000)
 99 Construct New Laundry Facility
 at Jamesburg (682,000)
 99 Repair Chapel at Jamesburg (540,000)
 99 Security Enhancements,
 Various Facilities (641,000)
 99 New Cell Doors and Locking
 Equipment, New Jersey Training
 School for Boys (590,000)
 99 New Dormitory Building, Albert Elias
 Residential Group Center (120,000)
 99 Upgrade Sewage Plant, New Jersey
 Training School for Boys (2,390,000)
 99 New Dormitory, Voorhees
 Residential Group Center (482,000)
 99 Renovate Control Center, Juvenile
 Medium Security Facility (65,000)
 99 Install Gas - Fired heat,
 Johnstone Campus (590,000)
 99 Maintain Historic Buildings,
 Johnstone Campus (160,000)

1505 New Jersey Training School for Boys

DIRECT STATE SERVICES

35-1505 Institutional Control and Supervision \$11,131,000
 36-1505 Institutional Care and Treatment 4,033,000

99-1505 Administration and Support Services 4,159,000
 Total Direct State Services Appropriation,
 New Jersey Training School for Boys \$19,323,000

Direct State Services:

Personal Services:

Salaries and Wages (\$14,614,000)
 Food in Lieu of Cash (89,000)
 Materials and Supplies (1,885,000)
 Services Other Than Personal (2,032,000)
 Maintenance and Fixed Charges (591,000)

Special Purpose:

99 Administration and Support Services . . (2,000)
 Additions, Improvements and Equipment . . (110,000)

Receipts derived from the Eyeglass Program at the New Jersey Training School for Boys and any unexpended balance as of June 30, 2001 are appropriated for the operation of the program.

1510 Juvenile Medium Security Center**DIRECT STATE SERVICES**

35-1510 Institutional Control and Supervision \$23,301,000
 36-1510 Institutional Care and Treatment 1,611,000
 99-1510 Administration and Support Services 2,532,000
 Total Direct State Services Appropriation,
 Juvenile Medium Security Center \$27,444,000

Direct State Services:

Personal Services:

Salaries and Wages (\$11,830,000)
 Food in Lieu of Cash (59,000)
 Materials and Supplies (459,000)
 Services Other Than Personal (498,000)
 Maintenance and Fixed Charges (112,000)

Special Purpose:

35 Juvenile Boot Camp (4,046,000)
 35 Hayes Unit Expansion - Johnstone . (3,015,000)
 35 144 Bed Secure Facility (6,536,000)
 35 Mental Health Unit - State Match (66,000)
 99 Johnstone Facility Maintenance (702,000)

Additions, Improvements and Equipment . . (121,000)

19 Central Planning, Direction and Management**DIRECT STATE SERVICES**

88-1000 Central Library Services \$659,000
 99-1000 Administration and Support Services 10,753,000
 Total Direct State Services Appropriation,
 Central Planning, Direction and Management \$11,412,000

Direct State Services:

Personal Services:

Salaries and Wages (\$7,190,000)

- Materials and Supplies (362,000)
- Services Other Than Personal (391,000)
- Maintenance and Fixed Charges (88,000)
- Special Purpose:
 - 99 Fiscal Integrity Unit/Office of the
Inspector General (3,100,000)
 - 99 Affirmative Action and Equal
Employment Opportunity (198,000)
 - Additions, Improvements and Equipment . . . (83,000)

Notwithstanding the provisions of any law or regulation to the contrary, funds obtained through seizure, forfeiture, or abandonment pursuant to any federal or State statutory or common law and the proceeds of the sale of any such confiscated property or goods, except for such funds as are dedicated pursuant to N.J.S.2C:64-6, are appropriated for law enforcement purposes designated by the Attorney General; provided, however, that receipts in excess of \$2,000,000 up to \$1,900,000 shall lapse to the General Fund.

The Attorney General shall provide the Director of the Division of Budget and Accounting, the Senate Budget and Appropriations Committee and the Assembly Appropriations Committee, or the successor committees thereto, with written reports on August 1, 2001 and February 1, 2002, of the use and disposition by State law enforcement agencies of any interest in property or money seized, or proceeds resulting from seized or forfeited property, and any interest or income earned thereon, arising from any State law enforcement agency involvement in a surveillance, investigation, arrest or prosecution involving offenses under N.J.S.2C:35-1 et seq. and N.J.S.2C:36-1 et seq. leading to such seizure or forfeiture. The reports shall specify for the preceding period of the fiscal year the type, approximate value, and disposition of the property seized and the amount of any proceeds received or expended, whether obtained directly or as contributive share, including but not limited to the use thereof for asset maintenance, forfeiture prosecution costs, costs of extinguishing any perfected security interest in seized property and the contributive share of property and proceeds of other participating local law enforcement agencies.

Penalties, fines, and other fees collected pursuant to N.J.S.2C:35-20 and deposited in the State Forensic Laboratory Fund, together with the unexpended balance as of June 30, 2001, are appropriated to defray additional laboratory related administration and operational expenses of the "Comprehensive Drug Reform Act of 1987," P.L.1987, c.106 (C.2C:35-1 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

70 Government Direction, Management and Control

74 General Government Services

DIRECT STATE SERVICES

12-1010 Legal Services	\$61,391,000
Total All Operations	<u>\$61,391,000</u>

Less:

Reimbursement From Other Sources . \$41,468,000

Total Deductions \$41,468,000
 Total Direct State Services Appropriation,
 General Government \$19,923,000

Personal Services:

Salaries and Wages (\$18,785,000)
 Materials and Supplies (122,000)
 Services Other Than Personal (721,000)
 Maintenance and Fixed Charges (262,000)
 Additions, Improvements and Equipment . . . (33,000)

Expense:

Reimbursements From Other Sources (41,468,000)

Less:

Reimbursement From Other Sources . 41,468,000

In addition to the \$41,468,000 attributable to Reimbursements from Other Sources and the corresponding additional amount associated with employee fringe benefit costs, there are appropriated such sums as may be received or receivable from any State agency, instrumentality or public authority for direct or indirect costs of legal services furnished thereto and attributable to a change in or the addition of a client agency agreement, subject to the approval of the Director of the Division of Budget and Accounting.

The Director of the Division of Budget and Accounting is empowered to credit or transfer to the General Fund from any other department, branch, or non-State fund source, out of funds appropriated thereto, such funds as may be required to cover the costs of legal services attributable to that other department, branch, or non-State fund source as the Director of the Division of Budget and Accounting shall determine. Receipts in any non-State fund are appropriated for the purpose of such transfer.

The unexpended balances as of June 30, 2001 in the Division of Law Legal Services Client Agency Agreement program accounts are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

80 Special Government Services

82 Protection of Citizens' Rights

DIRECT STATE SERVICES

14-1310 Consumer Affairs \$13,321,000
 15-1320 Operation of State Professional Boards 17,633,000
 (From General Fund \$17,541,000)
 (From Casino Revenue Fund 92,000)
 16-1350 Protection of Civil Rights 5,189,000
 19-1440 Victims of Crime Compensation Board 5,675,000
 Total Direct State Services Appropriation,
 Protection of Citizens' Rights \$41,818,000
 (Total From General Fund \$41,726,000)
 (Total From Casino Revenue Fund 92,000)

Personal Services:

Salaries and Wages (\$10,954,000)
 Salaries and Wages (CRF) (68,000)

Employee Benefits (CRF)	(17,000)
Materials and Supplies	(506,000)
Services Other Than Personal	(13,457,000)
Services Other Than Personal (CRF)	(7,000)
Maintenance and Fixed Charges	(1,879,000)
Special Purpose:	
14 Consumer Affairs Legalized	
Games of Chance	(1,390,000)
14 Securities Enforcement Fund	(5,398,000)
14 Consumer Affairs Weights and	
Measures Program	(2,612,000)
14 Consumer Affairs Charitable	
Registrations Program	(695,000)
15 Personal Care Attendants --	
Background Checks	(500,000)
16 Civil Rights Case Tracking System ..	(350,000)
19 Claims --Victims of Crime	(3,630,000)
19 Victims of Crime Outreach	(150,000)
Additions, Improvements and Equipment ..	(205,000)

Receipts derived from the assessment and recovery of costs, fines, and penalties pursuant to the Consumer Fraud Act, P.L.1960, c.39 (C.56:8-1 et seq.), are appropriated for additional operational costs of the Division of Consumer Affairs, subject to the approval of the Director of the Division of Budget and Accounting.

All fees, penalties, and costs collected pursuant to P.L.1988, c.123 (C.56:12-29 et seq.) are appropriated for the purpose of offsetting costs associated with the handling and resolution of consumer automotive complaints.

In addition to the amount appropriated hereinabove for Consumer Affairs, receipts in excess of the amount anticipated, attributable to changes in fee structure or fee increases, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Fees and cost recoveries collected pursuant to P.L.1989, c.331 (C.34:8-43 et al.) are appropriated in an amount not to exceed additional expenses associated with mandated duties, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated are appropriated to the Controlled Dangerous Substance Registration program for the purpose of offsetting the costs of the administration and operation of the program, subject to the approval of the Director of the Division of Budget and Accounting. If receipts are less than anticipated, the appropriation shall be reduced proportionately.

Receipts in excess of the amount anticipated derived pursuant to R.S.51:1-1 et seq. from the operations of the Division of Consumer Affairs Office of Weights and Measures program and the unexpended balances as of June 30, 2001, are appropriated for the purposes of offsetting the operational costs of the program, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated derived pursuant to P.L.1954, c.7 (C.5:8-1 et seq.) from the operations of the Division of Consumer Affairs

Legalized Games of Chance program and the unexpended balances as of June 30, 2001, are appropriated for the purpose of offsetting the operational costs of the program, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated derived pursuant to P.L.1994 c.16 (C.45:17A-18 et seq.) from the operations of the Division of Consumer Affairs Charitable Registration and Investigative program and the unexpended balances as of June 30, 2001, are appropriated for the purpose of offsetting the operational costs of the program, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Securities Enforcement Fund account is payable from receipts from fees and penalties deposited in the Securities Enforcement Fund pursuant to section 15 of P.L.1985, c.405 (C.49:3-66.1). If receipts are less than anticipated, the appropriation shall be reduced proportionately.

Receipts in excess of the amount anticipated are appropriated to the Securities Enforcement Fund program account to offset the cost of operating this program, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from penalties and the unexpended balance as of June 30, 2001 in the Consumer Fraud Education Fund program account pursuant to P.L.1999, c.129 (C.56:8-14.2 et seq.) are appropriated for the purpose of offsetting the cost of operating the program, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for each of the several State professional boards, advisory boards, and committees shall be provided from receipts of those entities, and any receipts in excess of the amounts specifically provided to each of the entities are appropriated. The unexpended balances as of June 30, 2001 are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from the sale of films, pamphlets, and other educational materials developed or produced by the Division on Civil Rights are appropriated to defray production costs.

Receipts derived from the provision of copies of transcripts and other materials related to officially docketed cases are appropriated.

Notwithstanding the provisions of section 2 of P.L.1983, c.412 (C.10:5-14.1a) any receipts derived from the assessment of fines and penalties pursuant to P.L.1945, c.169 (C.10:5-1 et seq.) are appropriated to the Division on Civil Rights for additional operational costs, subject to the approval of the Director of the Division of Budget and Accounting.

The sum hereinabove for Claims - Victims of Crime is available for payment of awards applicable to claims filed in prior fiscal years.

Receipts derived from assessments under section 2 of P.L.1979, c.396 (C.2C:43-3.1) in excess of the amount anticipated and the unexpended balance as of June 30, 2001 are appropriated for payment of claims of victims of crime pursuant to P.L.1971, c.317 (C.52:4B-1 et seq.) and additional board operational costs up to \$1,175,000, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from licensing fees pursuant to section 9 of P.L.1990, c.32 (C.2C:58-5) and registration fees pursuant to section 11 of P.L.1990, c.32

(C.2C:58-12) and the unexpended balance as of June 30, 2001 are appropriated for payment of claims for victims of crime pursuant to P.L.1971, c.317 (C.52:4B-1 et seq.) and additional board operational costs, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from assessments pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1) and the unexpended balance as of June 30, 2001 in the Criminal Disposition and Revenue Collection Fund program account, are appropriated for the purpose of offsetting the costs of the design, development, implementation and operation of the Criminal Disposition and Revenue Collection program, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances as of June 30, 2001 in the Office of Victim-Witness Assistance and in the Victim and Witness Advocacy Fund pursuant to section 2 of P.L.1979, c.396 (C.2C: 43-3.1) are appropriated.

The amount hereinabove is appropriated from the Casino Revenue Fund.

Department of Law and Public Safety,
 Total State Appropriation \$516,965,000

Summary of Department of Law and Public Safety Appropriations
 (For Display Purposes Only)

Appropriations by Category:
 Direct State Services \$472,430,000
 Grants-in-Aid 23,738,000
 State Aid 6,690,000
 Capital Construction 14,107,000

Appropriation by Fund:
 General Fund \$472,315,000
 Casino Control Fund 34,458,000
 Casino Revenue Fund 92,000
 Gubernatorial Elections Fund 10,100,000

67 DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

10 Public Safety and Criminal Justice

14 Military Services

DIRECT STATE SERVICES

40-3620 New Jersey National Guard Support Services \$7,944,000
 60-3600 Joint Training Center Management
 and Operations 605,000
 99-3600 Administrative and Support Services 4,790,000
 Total Direct State Services Appropriation,
 Military Service \$13,339,000

Direct State Services:

Personal Services:
 Salaries and Wages (\$7,616,000)
 Materials and Supplies (1,257,000)
 Services Other Than Personal (632,000)

Maintenance and Fixed Charges (1,053,000)

Special Purpose:

- 40 Newark Armory, City of Newark
 - Drum and Bugle Corps (20,000)
- 40 Weapons of Mass Destruction
 - Program (280,000)
- 40 New Jersey National Guard
 - Challenge Youth Program (1,120,000)
- 40 Joint Federal-State Operations
 - and Maintenance Contracts
 - (State Share) (1,052,000)
- 40 New Jersey Naval Militia Joint
 - Command - Personnel and
 - Operational Support (125,000)
- 99 Affirmative Action and Equal
 - Employment Opportunity (5,000)

Additions, Improvements and Equipment . . (179,000)

The unexpended balance as of June 30, 2001 in the National Guard-State Active Duty account is appropriated for the same purpose.

The unexpended balance as of June 30, 2001 in the Joint Federal - State Operations and Maintenance Contracts (State share) account is appropriated for the same purpose.

Receipts derived from the rental and use of armories and the unexpended balance of such receipts as of June 30, 2001 are appropriated for the operation and maintenance thereof, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove, funds received for Distance Learning Program usage are appropriated for the same purposes, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

- 40-3620 New Jersey National Guard Support Services \$35,000
- Total Grants-in-Aid Appropriation, Military Services \$35,000

Grants-in-Aid:

- 40 Civil Air Patrol (\$35,000)

CAPITAL CONSTRUCTION

- 99-3600 Administration and Support Services \$2,136,000
- Total Capital Construction Appropriation,
 - Military Services \$2,136,000

Capital Projects:

- 99 Fire and Life Safety, Statewide (\$1,206,000)
- 99 Preservation of Existing Structures (930,000)

80 Special Government Services

83 Services to Veterans

3610 Veterans' Program Support

DIRECT STATE SERVICES

- 50-3610 Veterans' Outreach and Assistance \$4,115,000

70-3610 Burial Services	<u>2,012,000</u>
Total Direct State Services Appropriation, Veterans' Program Support	<u>\$6,127,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$4,370,000)
Materials and Supplies	(416,000)
Services Other Than Personal	(230,000)
Maintenance and Fixed Charges	(93,000)

Special Purpose:

50 Vietnam Memorial Perpetual Care ...	(150,000)
50 Vietnam Veterans Educational Center	(200,000)
50 Korean War Memorial Maintenance Program	(45,000)
50 Veterans' State Benefits Bureau	(136,000)
50 Governor's Veterans' Services Council	(5,000)
70 Honor Guard Support Services	(462,000)

Additions, Improvements and Equipment ... (20,000)

The unexpended balance as of June 30, 2001 in the Vietnam Memorial Perpetual Care account is appropriated for the same purpose.

The unexpended balance as of June 30, 2001 in the Korean Veterans Memorial account is appropriated for the same purpose.

Funds collected by and on behalf of the Korean Veterans Memorial Fund are hereby appropriated for the purposes of the fund.

Funds received for Veterans Transitional Housing from the federal Department of Veterans Affairs and the individual residents, and the unexpended balances as of June 30, 2001, are appropriated for the same purpose.

Funds received for plot interment allowances from the federal Department of Veterans Affairs, burial fees collected, and the unexpended balances as of June 30, 2001 are appropriated for perpetual care and maintenance of burial plots and grounds at the Brigadier General Doyle Veterans Memorial Cemetery.

GRANTS-IN-AID

50-3610 Veterans' Outreach and Assistance	<u>\$1,359,000</u>
Total Grants-in-Aid Appropriation, Veterans' Program Support	<u>\$1,359,000</u>

Grants-in-Aid:

50 Veterans' Tuition Credit Program	(\$38,000)
50 POW/MIA Tuition Assistance	(11,000)
50 Vietnam Veterans' Tuition Aid	(7,000)
50 Veterans Homeless Shelter, Burlington County	(35,000)
50 Veterans Transportation	(300,000)

50 Veterans' Orphan Fund --	
Education Grants	(5,000)
50 Blind Veterans' Allowances	(46,000)
50 Bordentown City - Veterans' Memorial . . .	(50,000)
50 Burlington City - Veterans' Bus	
Transportation Program	(25,000)
50 Family Service, Mount Holly - Veterans'	
Homeless Housing	(25,000)
50 Veterans Haven, Yardville	(75,000)
50 Vietnam Veterans United, Inc. - Mercer	
County Memorial Improvements	(25,000)
50 Veterans' Memorial at Garden State	
Parkway Ocean View Toll Plaza	(50,000)
50 Paraplegic and Hemiplegic	
Veterans' Allowance	(267,000)
50 Post-Traumatic Stress Disorder	(400,000)

The sums provided hereinabove and the unexpended balances as of June 30, 2001 in the Veterans Tuition Credit, POW/MIA Tuition Assistance, and the Vietnam Veterans Tuition Aid accounts are appropriated and available for payment of liabilities applicable to prior fiscal years.

There is appropriated an amount not to exceed \$20,000 for the New Jersey Agent Orange Commission Physician Desk Guide subject to the approval of the Director of the Division of Budget and Accounting.

3630 Menlo Park Veterans' Memorial Home

DIRECT STATE SERVICES

20-3630 Domiciliary and Treatment Services	\$11,948,000
99-3630 Administrative and Support Services	<u>4,483,000</u>
Total Direct State Services Appropriation,	
Menlo Park Veterans' Memorial Home	<u>\$16,431,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$12,840,000)
Materials and Supplies	(1,961,000)
Services Other Than Personal	(1,297,000)
Maintenance and Fixed Charges	(237,000)
Additions, Improvements and Equipment . . .	(96,000)

In addition to the amount hereinabove, there is appropriated an amount not to exceed \$219,000, as the Director of the Division of Budget and Accounting shall determine, contingent upon approval by the federal Department of Veterans Affairs of a reimbursement for an adult day care program.

In addition to the amount hereinabove for Menlo Park Adult Day Care, such sums received from the federal Department of Veterans Affairs, New Jersey Department of Health and Senior Services, and New Jersey Assistance for Community Care Giving are appropriated for the same purposes, subject to the approval of the Director of the Division of Budget and Accounting.

3640 Paramus Veterans' Memorial Home**DIRECT STATE SERVICES**

20-3640 Domiciliary and Treatment Services	\$12,530,000
99-3640 Administrative and Support Services	<u>3,854,000</u>
Total Direct State Services Appropriation, Paramus Veterans' Memorial Home	<u>\$16,384,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$13,458,000)
Materials and Supplies	(1,625,000)
Services Other Than Personal	(1,030,000)
Maintenance and Fixed Charges	(184,000)
Additions, Improvements and Equipment ...	(87,000)

3650 Vineland Veterans' Memorial Home**DIRECT STATE SERVICES**

20-3650 Domiciliary and Treatment Services	\$12,233,000
99-3650 Administrative and Support Services	<u>4,083,000</u>
Total Direct State Services Appropriation, Vineland Veterans' Memorial Home	<u>\$16,316,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$13,565,000)
Materials and Supplies	(1,616,000)
Services Other Than Personal	(844,000)
Maintenance and Fixed Charges	(176,000)
Additions, Improvements and Equipment ..	(115,000)

CAPITAL CONSTRUCTION

99-3650 Administration and Support Services	<u>\$3,818,000</u>
Total Capital Construction Appropriation, Vineland Veterans' Memorial Home	<u>\$3,818,000</u>

Capital Project:

99 Construction of Replacement Facility	(\$3,818,000)
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Department of Military and Veterans' Affairs, Total State Appropriation	<u>\$75,945,000</u>
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Balances on hand as of June 30, 2001 of funds held for the benefit of residents in the several veterans homes, and such funds as may be received, are appropriated for the use of such residents.

Revenues representing receipts to the General Fund from charges to residents' trust accounts for maintenance costs are appropriated for use as personal needs allowances for patients/residents who have no other source of funds for such purposes; provided however, that the allowance shall not exceed \$50 per month

for any eligible resident of an institution and, provided further, that the total amount herein for such allowances shall not exceed \$100,000, and that any increase in the maximum monthly allowance shall be approved by the Director of the Division of Budget and Accounting.

Funds received from the sale of articles made in occupational therapy departments of the several veterans homes are appropriated for the purchase of additional material and other expenses incidental to such sale or manufacture.

Forty percent of the receipts in excess of the amount anticipated derived from resident contributions and federal reimbursements, as of June 30, 2002 are appropriated for veterans program initiatives, subject to the approval of the Director of the Division of Budget and Accounting of an itemized plan for the expenditure of these amounts, as shall be submitted by the Adjutant General.

Fees charged to residents for personal laundry services provided by the veterans homes are appropriated to supplement the operational and maintenance costs of these laundry services.

Of the amount appropriated hereinabove for the Department of Military and Veterans' Affairs, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule included in the Governor's Budget Recommendation Document, dated January 23, 2001, first shall be charged to the State Lottery Fund.

Summary of Department of Military and Veterans' Affairs Appropriations
(For Display Purposes Only)

Appropriations by Category:

Direct State Services	\$68,597,000
Grants-in-Aid	1,394,000
Capital Construction	5,954,000

Appropriation by Fund:

General Fund	\$75,945,000
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68 DEPARTMENT OF PERSONNEL

70 Government Direction, Management and Control

74 General Government Services

DIRECT STATE SERVICES

01-2710 Personnel Policy Development and General Administration	\$4,310,000
02-2720 State and Local Government Operations	16,125,000
04-2740 Merit Services	2,365,000
05-2750 Equal Employment Opportunity and Affirmative Action	877,000
07-2770 Human Resource Development Institute	<u>6,058,000</u>
Total Direct State Services Appropriation, General Government Services	<u>\$29,735,000</u>

Direct State Services:

Personal Services:

Merit Service Board	(\$56,000)
Salaries and Wages	(21,001,000)

Materials and Supplies (543,000)
 Services Other Than Personal (5,951,000)
 Maintenance and Fixed Charges (247,000)

Special Purpose:

01 Affirmative Action and Equal
 Employment Opportunity (93,000)
 02 Microfilm Service Charges (29,000)
 02 Test Validation/Police Testing (434,000)
 05 Americans with Disabilities Act (60,000)
 07 Sexual Harassment
 Training Program (750,000)

Additions, Improvements and Equipment . . (571,000)

Receipts derived from fees charged to applicants for open competitive or promotional examinations and the unexpended fee balance as of June 30, 2001 not to exceed \$600,000 collected from fire fighter examination receipts are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from training services and any unexpended balance as of June 30, 2001 are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from Employee Advisory Services are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of N.J.S.11A:6-32, cash awards for suggestions shall be paid from the operating budget of the agency from savings generated by the suggestion subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001 in the Sexual Harassment Training program account is appropriated for the same purpose.

Department of Personnel, Total State Appropriation . . . \$29,735,000

Summary of Department of Personnel Appropriations

(For Display Purposes Only)

Appropriations by Category:

Direct State Services \$29,735,000

Appropriation by Fund:

General Fund \$29,735,000

74 DEPARTMENT OF STATE

30 Educational, Cultural and Intellectual Development

36 Higher Educational Services

DIRECT STATE SERVICES

80-2400 Statewide Planning and Coordination
 for Higher Education \$1,167,000

81-2400 Educational Opportunity Fund Programs 405,000

Total Direct State Services Appropriation,
 Higher Educational Services \$1,572,000

Direct State Services:

Personal Services:

Salaries and Wages (\$1,297,000)
 Materials and Supplies (23,000)
 Services Other Than Personal (212,000)

Special Purpose:

Maintenance and Fixed Charges (32,000)
 Additions, Improvements and Equipment . . (8,000)

GRANTS-IN-AID

80-2400 Statewide Planning and Coordination
 for Higher Education \$36,088,000
 81-2400 Educational Opportunity Fund Programs 34,097,000
 Total Grants-in-Aid Appropriation,
 Higher Education Services \$70,185,000

Grants-in-Aid:

80 College Bound (\$2,900,000)
 80 Statewide Implementation
 of ARTSYS (563,000)
 80 Excellence in High Technology
 Workforce (15,000,000)
 80 Support for Statewide Network (350,000)
 80 Biomedical and Other
 Technology Research (5,000,000)
 80 Higher Education for Special
 Needs Students (1,100,000)
 80 Program for the Education of
 Language Minority Students (600,000)
 80 Minority Faculty Advancement
 Program (450,000)
 80 Teacher Preparation (10,000,000)
 80 Advisory Graduate Medical
 Education Council of New Jersey (125,000)
 81 Opportunity Program Grants (21,910,000)
 81 Supplementary Education
 Program Grants (11,385,000)
 81 Martin Luther King Physician -
 Dentist Scholarship Act of 1986 (602,000)
 81 Ferguson Law Scholarships (200,000)

An amount not to exceed 5% of the total of Higher Education for Special Needs Students and the Program for the Education of Language Minority Students accounts is available for transfer to Direct State Services for the administrative expenses of these programs, as determined by the Director of the Division of Budget and Accounting.

An amount not to exceed \$60,000 of the College Bound account is available for transfer to Direct State Services for the administrative expenses of this program, as determined by the Director of the Division of Budget and Accounting.

An amount not to exceed \$30,000 of the Excellence in High Technology Workforce account is available for the administrative expenses of this program.

The unexpended balances as of June 30, 2001 in the Biomedical and Other Technology Research account is appropriated for the same purpose.

An amount not to exceed \$45,000 of the Biomedical and Other Technology Research account is available for transfer to Direct State Services for the administrative expenses of this program, as determined by the Director of the Division of Budget and Accounting.

The unexpended balances as of June 30, 2001 for the Minority Faculty Advancement Program are appropriated.

An amount not to exceed \$20,000 of the Teacher Preparation account is available for transfer to Direct State Services for the administrative expenses of this program, as determined by the Director of the Division of Budget and Accounting.

Refunds from prior years to the Educational Opportunity Fund Programs accounts are appropriated to those accounts.

Notwithstanding the provisions of any other law to the contrary, any funds appropriated as Grants-in-Aid and payable to any senior public college or university which requests approval from the Educational Facilities Authority and the Director of the Division of Budget and Accounting may be pledged as a guarantee for payment of principal and interest on any bonds issued by the Educational Facilities Authority or by the college or university. Such funds, if so pledged, shall be made available by the State Treasurer upon receipt of written notification by the Educational Facilities Authority or the Director of the Division of Budget and Accounting that the college or university does not have sufficient funds available for prompt payment of principal and interest on such bonds, and shall be paid by the State Treasurer directly to the holders of such bonds at such time and in such amounts as specified by the bond indenture, notwithstanding that payment of such funds does not coincide with any date for payment otherwise fixed by law.

2405 Higher Education Student Assistance Authority
DIRECT STATE SERVICES

45-2405 Student Assistance Programs	<u>\$3,085,000</u>
Total Direct State Services Appropriation, Higher Educational Student Assistance Authority . . .	<u>\$3,085,000</u>

Direct State Services:

Personal Services:	
Salaries and Wages	(\$1,412,000)
Materials and Supplies	(43,000)
Services Other Than Personal	(781,000)
Maintenance and Fixed Charges	(22,000)
Special Purpose:	
45 Servicing of Governor's Teachers	
Scholarship Loans	(71,000)
45 College Savings Program	
Administration	(750,000)

Additions, Improvements and Equipment (6,000)

At any time prior to the issuance and sale of bonds or other obligations by the Higher Education Student Assistance Authority, the State Treasurer is authorized to transfer from any available moneys in any fund of the Treasury of the State to the credit of any fund of the authority such sums as the State Treasurer deems necessary. Any sums so transferred shall be returned to the same fund of the Treasury of the State by the State Treasurer from the proceeds of the sale of the first issue of authority bonds or other authority obligations.

GRANTS-IN-AID

45-2405 Student Assistance Programs \$185,311,000

Total Grants-In-Aid Appropriation,

Higher Education Student Assistance Authority . . . \$185,311,000

Grants-in-Aid:

45 Veterinary Medicine
 Education Program (\$1,337,000)
 45 Tuition Aid Grants (164,257,000)
 45 Survivor Tuition Benefits (65,000)
 45 Coordinated Garden State
 Scholarship Programs (7,562,000)
 45 Part-Time Tuition Aid Grants --
 EOF Students (620,000)
 45 Miss New Jersey Educational
 Scholarship Program (20,000)
 45 Outstanding Scholar
 Recruitment Program (11,400,000)
 45 Dana Christmas Scholarship
 for Heroism (50,000)

The sums provided hereinabove and the unexpended balances as of June 30, 2001, in Student Assistance Programs shall be appropriated and available for payment of liabilities applicable to prior fiscal years.

Amounts from the unexpended balance as of June 30, 2001, including refunds recognized after July 31, 2001, in the Tuition Aid Grants account are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law to the contrary, the Higher Education Student Assistance Authority shall provide to all qualified applicants for full-time Tuition Aid Grants increases to maximum award values that fund, at a minimum, an equal percentage of tuition up to the maximum allowable under the Tuition Aid Grant statute. All other award increases at each institution shall not exceed the percentage increase provided for the maximum award at that institution. Reappropriated balances shall be held as a contingency for unanticipated increases in the number of applicants qualifying for full-time Tuition Aid Grant awards or to fund shifts in the distribution of awards that result in an increase in total program costs.

In addition to the amount appropriated hereinabove for Tuition Aid Grants, there are appropriated such sums as are required to cover the costs of increases in the

number of applicants qualifying for full-time Tuition Aid Grants awards or fund shifts in the distribution of awards that result in an increase in total program costs, subject to the approval of the Director of the Division of Budget and Accounting. From the sums provided hereinabove for Student Assistance Programs, such amounts as may be necessary to fund merit scholarship awards shall be available for transfer to the Coordinated Garden State Scholarship Programs, to the Outstanding Scholar Recruitment Program, and to the Miss New Jersey Educational Scholarship Program, N.J.S.18A:71B-25 et seq., subject to the approval of the Director of the Division of Budget and Accounting. Notwithstanding any law or regulation to the contrary, any institution of higher education which participates in the Student Unit Record Enrollment data system may participate in the Outstanding Scholar Recruitment Program. The amount appropriated hereinabove for the Dana Christmas Scholarship for Heroism shall be awarded in accordance with policies and procedures established by the Higher Education Student Assistance Authority. In general, recipients must have performed the act of heroism for which they are being recognized prior to reaching their twenty-second birthday, awards are for a one time only scholarship of up to \$10,000 and awards must be used for educational expenses related to attendance at a postsecondary institution that participates in the federal student assistance programs authorized under Title IV of the "Higher Education Act of 1965," as amended. (20 U.S.C. s.10871l). In addition to the amounts appropriated hereinabove there is appropriated an amount not to exceed \$500,000 for the World Class Economy Scholarship Program.

2410 Rutgers, The State University
GRANTS-IN-AID

82-2410 Institutional Support	\$1,328,403,000
Subtotal General Operations	<u>\$1,328,403,000</u>
<i>Less:</i>	
<i>General Services Income</i>	<i>\$287,931,000</i>
<i>Auxiliary Funds Income</i>	<i>169,246,000</i>
<i>Special Funds Income</i>	<i>440,515,000</i>
<i>Employee Fringe Benefits</i>	<i>113,014,000</i>
<i>Total Income Deductions</i>	<u><i>\$1,010,706,000</i></u>
Total Appropriation, Rutgers, The State University . . .	<u>\$317,697,000</u>
Special Purpose:	
82 General Institutional	
Operations	(\$1,325,304,000)
82 Performance Incentive Funding . . .	(3,099,000)

Less:
Income Deductions*** ***1,010,706,000

Of the sums hereinabove appropriated for Rutgers, The State University, there is \$180,000 for the Masters in Government Accounting Program, \$105,000 for the Tomato Technology Transfer Program, \$95,000 for the Haskin Shellfish Research Laboratory, \$200,000 for the Camden Law School Clinical Legal Programs for the Poor, \$200,000 for the Newark Law School Clinical Legal

Programs for the Poor, \$740,000 for the Civic-Square Project - Debt Service, \$700,000 for In Lieu of Taxes to New Brunswick, and \$100,000 for the Bloustein School - Government Services Study. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

Receipts in excess of the amount hereinabove for the Clinical Legal Programs for the Poor are appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at Rutgers, The State University shall be 6,242.

From the amount appropriated hereinabove for Rutgers, The State University, the amount of \$300,000 is transferred to the Department of Community Affairs for the Burlington County - New Jersey EcoComplex account.

CAPITAL CONSTRUCTION

72-2410 Physical Plant and Support Services	<u>\$6,500,000</u>
Total Capital Construction Appropriation,	
Rutgers, The State University	<u>\$6,500,000</u>

Capital Projects:

72 Bioengineering Building	(\$1,000,000)
72 Human Genetics and	
Biomaterials Building	(1,000,000)
72 Athletic Facilities	(4,500,000)

2415 Agricultural Experiment Station

GRANTS-IN-AID

82-2415 Institutional Support	<u>\$72,749,000</u>
Subtotal General Operations <u>\$72,749,000</u>	

Less:

Special Funds Income \$32,117,000

Federal Research and Extension

Funds Income	7,710,000
Employee Fringe Benefits	5,948,000

Total Income Deductions \$45,775,000

Total Appropriation, Agricultural Experiment Station . . \$26,974,000

Special Purpose:

82 General Institutional Operations . . (\$72,599,000)	
82 Pest Management	(150,000)

Less:

Income Deductions 45,775,000

Of the sums hereinabove appropriated for the New Jersey Agricultural Experiment Station, there is \$900,000 for Pari-Mutuel Programs, \$250,000 for Blueberry and Cranberry Research, \$691,000 for the Snyder Farm Planning and Operation, and \$500,000 for Fruit Research. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at the Agricultural Experiment Station shall be 414.

2420 University of Medicine and Dentistry of New Jersey
GRANTS-IN-AID

82-2420 Institutional Support	<u>\$865,630,000</u>
Subtotal General Operations	<u>\$865,630,000</u>
Less:	
Hospital Services Income	\$348,498,000
Core Affiliates Income	5,678,000
General Services Income	83,368,000
Auxiliary Funds Income	5,444,000
Special Funds Income	176,917,000
Employee Fringe Benefits	39,631,000
Total Income Deductions	<u>\$659,536,000</u>
Total Appropriation, University of Medicine and Dentistry of New Jersey	<u>\$206,094,000</u>
Special Purpose:	
82 General Institutional Operations (\$856,034,000)	
82 Performance Incentive Funding ...	(1,936,000)
82 Center for Children's Support	(800,000)
82 Child Health Institute	(1,700,000)
82 Cancer Institute of New Jersey and Ancillary Facilities	(5,000,000)
82 New Jersey Area Health Education Program, School of Osteopathic Medicine	(160,000)

Less:
Income Deductions

659,536,000
The University of Medicine and Dentistry of New Jersey is authorized to operate its continuing medical-dental education program as a revolving fund and the revenue collected therefrom, and any unexpended balance therein, is retained for such fund.

The unexpended balances as of June 30, 2001, in the accounts hereinabove are appropriated for the purposes of the University of Medicine and Dentistry of New Jersey.

In addition to the sums hereinabove appropriated to the University of Medicine and Dentistry of New Jersey, all revenues from lease agreements between the university and contracted organizations are appropriated.

From the amount hereinabove for the University of Medicine and Dentistry of New Jersey, the Director of the Division of Budget and Accounting may transfer such amounts as deemed necessary to the Division of Medical Assistance and Health Services to maximize federal Medicaid funds.

From the amount hereinabove for the University of Medicine and Dentistry of New Jersey, the Director of the Division of Budget and Accounting may transfer such amounts related to hospital employee fringe benefits costs equal to enhanced Medicaid inpatient hospital payments for a hospital that has been recognized as a nominal charge hospital for the three years prior to June 30, 2000.

Of the sums hereinabove appropriated for the University of Medicine and Dentistry of New Jersey, there is \$100,000 for the Inflammatory Bowel Disease Center, \$800,000 for Emergency Medical Service - Camden, \$975,000 for the Regional Health Education Center - Physical Plant, \$750,000 for the Violence Institute of N.J. at UMDNJ, \$525,000 for the Regional Health Education Center - Educational Units, \$290,000 for the New Jersey Area Health Education Program and \$2,700,000 for Debt Service - School of Osteopathic Medicine Academic Center, Stratford. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at the University of Medicine and Dentistry of New Jersey shall be 5,545.

**2430 New Jersey Institute of Technology
GRANTS-IN-AID**

82-2430 Institutional Support	\$190,780,000
Subtotal General Operations	<u>\$190,780,000</u>

Less:

General Services Income	\$61,381,000
Auxiliary Funds Income	7,182,000
Special Funds Income	51,450,000
Employee Fringe Benefits	16,104,000
Total Income Deductions	<u>\$136,117,000</u>
Total Appropriation, New Jersey Institute of Technology	<u>\$54,663,000</u>

Special Purpose:

82 General Institutional Operations	(\$189,751,000)
82 Performance Incentive Funding	(529,000)
82 Sustainable State	(500,000)

Less:

Income Deductions	136,117,000
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Of the sums hereinabove appropriated for the New Jersey Institute of Technology, there is \$100,000 for the NJIT/Burlington County College Engineering Program. This account shall be considered a special purpose appropriation for accounting and reporting purposes.

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State--funded positions at the New Jersey Institute of Technology shall be 805.

Of the amount hereinabove appropriated for the Sustainable State project, funding for this program will be released subject to the execution of a memorandum of understanding between NJIT and the Department of the Treasury.

**2440 Thomas A. Edison State College
GRANTS-IN-AID**

82-2440 Institutional Support	\$20,398,000
Subtotal General Operations	<u>\$20,398,000</u>

Less:
General Services Income \$7,828,000
Fee Increase 313,000
Self Sustaining Income 3,613,000
Employee Fringe Benefits 2,375,000
Total Income Deductions \$14,129,000
 Total Appropriation, Thomas A. Edison State College ... \$6,269,000
 Special Purpose:
 82 General Institutional Operations . (\$20,337,000)
 82 Performance Incentive Funding (61,000)

Less:
Income Deductions 14,129,000

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at Thomas A. Edison State College shall be 171.

**2445 Rowan University
 GRANTS-IN-AID**

82-2445 Institutional Support \$128,942,000
 Subtotal General Operations \$128,942,000

Less:
General Services Income \$44,716,000
Auxiliary Funds Income 23,906,000
Special Funds Income 6,411,000
Employee Fringe Benefits 13,921,000
Total Income Deductions \$88,954,000
 Total Appropriation, Rowan University \$39,988,000

Special Purpose:
 82 General Institutional
 Operations (\$128,453,000)
 82 Performance Incentive Funding (389,000)
 82 Chair in Educational Leadership (100,000)

Less:
Income Deductions 88,954,000

Of the sums hereinabove appropriated for Rowan University, there is \$500,000 for the School of Engineering and \$215,000 for the Camden Urban Center. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at Rowan University shall be 865.

**2450 New Jersey City University
 GRANTS-IN-AID**

82-2450 Institutional Support \$90,697,000
 Subtotal General Operations \$90,697,000

Less:
General Services Income \$23,519,000
A.H. Moore Program Receipts 3,358,000
Auxiliary Funds Income 9,891,000

<i>Special Funds Income</i>	8,936,000
<i>Employee Fringe Benefits</i>	11,530,000
<i>Total Income Deductions</i>	<u>\$57,234,000</u>
Total Appropriation, New Jersey City University	<u>\$33,463,000</u>
Special Purpose:	
82 General Institutional Operations .	(\$90,370,000)
82 Performance Incentive Funding	(327,000)

Less:

Income Deductions

Of the sums hereinabove appropriated for New Jersey City University, there is \$1,078,000 for the A. Harry Moore Laboratory School, and \$145,000 for Tidelands Athletic Fields. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at New Jersey City University shall be 777.

2455 Kean University**GRANTS-IN-AID**

82-2455 Institutional Support	\$114,030,000
Subtotal General Operations	<u>\$114,030,000</u>

Less:

General Services Income

Auxiliary Funds Income

Special Funds Income

Employee Fringe Benefits

Total Income Deductions

Total Appropriation, Kean University

Special Purpose:

82 General Institutional
Operations

82 Performance Incentive Funding

Less:

Income Deductions

Of the sums hereinabove appropriated for Kean University, there is \$180,000 for Emerging Needs/Academic Initiatives. This account shall be considered a special purpose appropriation for accounting and reporting purposes.

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at Kean University shall be 875.

2460 William Paterson University of New Jersey**GRANTS-IN-AID**

82-2460 Institutional Support	\$112,154,000
Subtotal General Operations	<u>\$112,154,000</u>

Less:

General Services Income

Auxiliary Funds Income

Special Funds Income

Employee Fringe Benefits

Total Income Deductions	<u>\$69,677,000</u>
Total Appropriation, William Paterson University of New Jersey	<u>\$42,477,000</u>
Special Purpose:	
82 General Institutional Operations	(\$111,740,000)
82 Performance Incentive Funding	(414,000)

Less:
Income Deductions

69,677,000
Of the sums hereinabove appropriated for William Paterson University of New Jersey, there is \$100,000 for the New Jersey Project and \$65,000 for Outcomes Assessment. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at William Paterson University of New Jersey shall be 943.

**2465 Montclair State University
GRANTS-IN-AID**

82-2465 Institutional Support	<u>\$142,910,000</u>
Subtotal General Operations	<u>\$142,910,000</u>

Less:
General Services Income

\$51,381,000
Conservation School Receipts

975,000
Auxiliary Funds Income

18,302,000
Special Funds Income

7,161,000
Employee Fringe Benefits

17,102,000
Total Income Deductions

\$94,921,000
Total Appropriation, Montclair State University

\$47,989,000
Special Purpose:

 82 General Institutional
 Operations

(\$142,441,000)
 82 Performance Incentive Funding

(469,000)
Less:
Income Deductions

94,921,000
In addition to the sums hereinabove appropriated for Montclair State University, all revenues from lease agreements between Montclair State University and corporations operating satellite relay stations are appropriated.

Of the sums hereinabove appropriated for Montclair State University, there is \$975,000 for the New Jersey State School of Conservation. This account shall be considered a special purpose appropriation for accounting and reporting purposes.

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at Montclair State University shall be 1,095.

**2470 The College of New Jersey
GRANTS-IN-AID**

82-2470 Institutional Support \$142,883,000
 Subtotal General Operations \$142,883,000

Less:

General Services Income **\$33,082,000**
Auxiliary Funds Income **36,341,000**
Special Funds Income **21,109,000**
Employee Fringe Benefits **13,066,000**
Total Income Deductions **\$103,598,000**
 Total Appropriation, The College of New Jersey \$39,285,000

Special Purpose:

82 General Institutional
 Operations (\$142,500,000)
 82 Performance Incentive Funding (383,000)

Less:

Income Deductions **103,598,000**

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at The College of New Jersey shall be 820.

**2475 Ramapo College of New Jersey
GRANTS-IN-AID**

82-2475 Institutional Support \$67,520,000
 Subtotal General Operations \$67,520,000

Less:

General Services Income **\$14,914,000**
Auxiliary Funds Income **20,386,000**
Special Funds Income **3,426,000**
Employee Fringe Benefits **7,746,000**
Total Income Deductions **\$46,472,000**
 Total Appropriation, Ramapo College of New Jersey ... \$21,048,000

Special Purpose:

82 General Institutional Operations . (\$67,314,000)
 82 Performance Incentive Funding (206,000)

Less:

Income Deductions **46,472,000**

Of the sums hereinabove appropriated for Ramapo College of New Jersey, there is \$200,000 for the Governor William T. Cahill Recognition Programs. This account shall be considered a special purpose appropriation for accounting and reporting purposes.

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State--funded positions at Ramapo College of New Jersey shall be 481.

**2480 The Richard Stockton College of New Jersey
GRANTS-IN-AID**

82-2480 Institutional Support \$77,001,000
 Subtotal General Operations \$77,001,000

Less:

General Services Income	\$25,607,000
Auxiliary Funds Income	15,200,000
Special Funds Income	2,295,000
Employee Fringe Benefits	8,605,000
Total Income Deductions	<u>\$51,707,000</u>
Total Appropriation, The Richard Stockton College of New Jersey	<u>\$25,294,000</u>
Special Purpose:	
82 General Institutional Operations .	(\$75,764,000)
82 Performance Incentive Funding	(237,000)
82 Enrollment - Based Funding Aid . .	(1,000,000)

Less:

Income Deductions

51,707,000
For the purpose of implementing the fiscal year 2002 appropriations act, the number of State--funded positions at the Richard Stockton College of New Jersey shall be 620.

Higher Educational Services

Of the amount hereinabove for Higher Educational Services, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule included in the Governor's Budget Recommendation Document dated January 23, 2001, first shall be charged to the State Lottery Fund. Public colleges and universities are authorized to provide a voluntary employee furlough program.

30 Educational, Cultural and Intellectual Development

37 Cultural and Intellectual Development Services

DIRECT STATE SERVICES

05-2530 Support of the Arts	\$695,000
06-2535 Museum Services	2,934,000
07-2540 Development of Historical Resources	1,028,000
10-2570 Public Broadcasting Services	<u>8,438,000</u>
Total Direct State Services Appropriation, Cultural and Intellectual Development Services . . .	<u>\$13,095,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$8,334,000)
Materials and Supplies	(225,000)
Services Other Than Personal	(778,000)
Maintenance and Fixed Charges	(212,000)

Special Purpose:

05 Council Member Expenses	(3,000)
06 Maintenance of Old Barracks	(375,000)
06 War Memorial Operations	(535,000)

- 06 State Museum - 225th Anniversary
of the Battle of Trenton (100,000)
 - 07 Historic Trust (20,000)
 - 07 Historic Trust/Open Space
Administrative Costs (450,000)
 - 10 Affirmative Action and Equal
Employment Opportunity (20,000)
 - 10 New Jersey Network Audience and
Revenue Growth Initiative (140,000)
 - 10 New Jersey Network Extended
Broadcast Day Initiative (290,000)
 - Additions, Improvements
and Equipment (1,613,000)
- Of the amount appropriated for Cultural Projects, Grants-In-Aid, an amount not to exceed \$75,000 may be used for administrative purposes, subject to the approval of the Director of the Division of Budget and Accounting.
- Of the amount appropriated for Cultural Projects, Grants-In-Aid, an amount not to exceed \$125,000 may be used for the assessment and oversight of cultural projects, including administrative costs attendant to this function, in compliance with all pertinent State and federal laws and regulations, including the Single Audit Act, subject to the approval of the Director of the Division of Budget and Accounting.
- A sum, not to exceed \$200,000, is appropriated from the "Cultural Centers and Historic Preservation Fund," established pursuant to section 20 of P.L.1987, c.265, for costs attributable to planning and administering grants for the development of cultural centers, subject to the approval of the Director of the Division of Budget and Accounting.
- The amount hereinabove for the New Jersey Historic Trust Program is appropriated for all administrative costs and expenses pursuant to the "New Jersey Cultural Trust Act," P.L.2000, c.76 (C.52:16A-72 et seq.); the "Garden State Preservation Trust Act," P.L.1999, c.152 (C.13:8C-1 et seq.); the "Historic Preservation Revolving Loan Fund," P.L.1991, c.41 (C.13:1B-15.115a et seq.); the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992," P.L.1992, c.88; and the "Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995," P.L.1995, c.204, subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balance as June 30, 2001 in the Underground Railroad Project account is appropriated for the same purpose.
- Notwithstanding the provisions of section 4 of P.L.1999, c.131 (C:18A:73-22.4), from the amount appropriated for New Jersey Historical Commission Research and Agency Grants, an amount not to exceed \$200,000 is appropriated for administrative costs, subject to the approval of the Director of the Division of Budget and Accounting.
- Unexpended balances as of June 30, 2001 not to exceed \$1,000,000 are appropriated for the New Jersey Public Broadcasting Authority Digital Classroom, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

05-2530 Support of the Arts	\$22,045,000
06-2535 Museum Services	250,000
07-2540 Development of Historical Resources	<u>5,827,000</u>
Total Grants-in-Aid Appropriation, Cultural and Intellectual Development Services	<u>\$28,122,000</u>

Grants-in-Aid:

05 Cultural Projects	(\$20,000,000)
05 Passage Theater Company	(30,000)
05 Public Art Foundation, Inc. - Grounds for Sculpture	(150,000)
05 South Jersey Performing Arts Center	(1,000,000)
05 Center for the Arts in Southern New Jersey, Marlton	(20,000)
05 Mainstage Center for the Arts, Blackwood	(150,000)
05 Access to Art, Inc.	(50,000)
05 Levoy Theatre Preservation Society, Inc.	(20,000)
05 Greater Trenton Symphony	(125,000)
05 Papermill Playhouse	(500,000)
06 Morris Museum - Capital Improvements	(125,000)
06 All Sports Museum of South Jersey	(100,000)
06 Aviation Hall of Fame and Museum of New Jersey - Historical Hovercraft Restoration	(25,000)
07 Grants in New Jersey History	(189,000)
07 Grants in Afro-American History	(13,000)
07 Ellis Island New Jersey Foundation ...	(400,000)
07 New Jersey Transportation Heritage Center	(150,000)
07 Vineland Historical and Antiquarian Society	(100,000)
07 Salem County Historical Society	(75,000)
07 Port Mercer Canal House Restoration ...	(20,000)
07 Humanities Council	(150,000)
07 Encyclopedia of New Jersey, Rutgers University Press	(50,000)
07 The Evergreens, Moorestown - Historic Preservation	(35,000)
07 Island Heights Borough - Wanamaker Hall Historic Restoration	(100,000)
07 Plainsboro - Historical Society and Museum	(20,000)

- 07 Monroe Township Historic Preservation
Commission - Charles Dey Homestead
Refurbishment (25,000)
- 07 New Jersey Historical Commission --
Research Grants (500,000)
- 07 New Jersey Historical Commission -
Agency Grants (4,000,000)

The State Council on the Arts may require of recipient groups, and in the case of those receiving over \$200,000 shall require, that those groups must demonstrate a statewide benefit as a result of the grants.

Of the amount hereinabove for Cultural Projects, funds may be used for the purpose of matching federal grants.

Of the amount hereinabove for Cultural Projects, the value of project grants awarded within each county shall total not less than \$50,000.

The unexpended balance as of June 30, 2001 in the New Jersey Historical Commission Grant accounts are appropriated for the same purpose.

Notwithstanding the provision of any other law to the contrary, of the amount appropriated for Cultural Projects 25% shall be awarded to cultural groups or artists based in the eight southernmost counties (Cape May, Salem, Cumberland, Gloucester, Camden, Ocean, Atlantic, and Burlington), provided however, that the total amount available for the granting of awards for cultural projects in the remaining counties shall not be reduced from the total amount available during fiscal year 1997 for cultural projects in those remaining counties. The value of project grants awarded within each county shall total not less than \$50,000.

STATE AID

- 06-2535 Museum Services \$3,200,000
Total State Aid Appropriation, Cultural and Intellectual
Development Services \$3,200,000

State Aid:

- 06 Operational Grant for
Newark Museum (\$3,200,000)

CAPITAL CONSTRUCTION

- 06 Museum Services \$641,000
Total Capital Construction Appropriation,
Cultural and Intellectual Development Services \$641,000

Capital Projects:

- 06 Upgrade Storage System (\$492,000)
- 06 Replace Auditorium Seating
and Curtain (149,000)

2541 Division of State Library

DIRECT STATE SERVICES

- 51-2541 Library Services \$3,227,000
Total Direct State Services Appropriation,
Division of State Library \$3,227,000

Direct State Services:

Personal Services:

Salaries and Wages (\$2,084,000)
 Materials and Supplies (393,000)
 Services Other Than Personal (230,000)
 Maintenance and Fixed Charges (20,000)

Special Purpose:

51 Supplies and Extended Services (500,000)

STATE AID

51-2541 Library Services \$15,412,000
 Total State Aid Appropriation,
 Division of State Library \$15,412,000

State Aid:

51 Per Capital Library Aid (\$8,665,000)
 51 Emergency Aid/Incentive Grants (100,000)
 51 Library Network (4,777,000)
 51 Library Development Aid (570,000)
 51 Virtual Library Aid (1,300,000)

CAPITAL CONSTRUCTION

51-2541 Library Services \$400,000
 Total Capital Construction Appropriation,
 Division of State Library \$400,000

Capital Projects:

51 Computerized Research System for
 Users and Staff (\$400,000)

70 Government Direction, Management and Control

74 General Government Services

2505 Office of the Secretary of State

DIRECT STATE SERVICES

01-2505 Office of the Secretary of State \$4,331,000
 08-2545 Records Management 1,928,000
 Total Direct State Services Appropriation,
 Office of the Secretary of State \$6,259,000

Direct State Services:

Personal Services:

Salaries and Wages (\$3,495,000)
 Materials and Supplies (124,000)
 Services Other Than Personal (291,000)
 Maintenance and Fixed Charges (38,000)

Special Purpose:

01 Affirmative Action and Equal
 Employment Opportunity (34,000)

01 Center for Youth Policy
and Programs (1,000,000)
01 Office of Volunteerism (264,000)
01 Martin Luther King, Jr.
Commemorative Commission (193,000)
01 Cultural Trust - Administration (535,000)
01 Office of Cultural Affairs (85,000)
Additions, Improvements and Equipment . . (200,000)
The unexpended balance as of June 30, 2001 in the Martin Luther King, Jr.
Commemorative Commission is appropriated for the same purpose.
The Director of the Division of Budget and Accounting shall transfer from
departmental accounts and credit to the Records Management program classifica-
tion a sum up to \$360,000 for cost recoveries in the Division of Records.
The Director of the Division of Budget and Accounting is empowered to transfer or
credit to the Microfilm Section any appropriation made to any department for
microfilming costs which had been appropriated or allocated to such department
for its share of the costs of the Microfilm Section.
Receipts derived from fees charged for microfilming services provided to local
governments are appropriated for the same purpose.
The unexpended balance as of June 30, 2001 in the Division of Records Manage-
ment, Integrated Archives and Records Management Data System account, is
appropriated for the same purpose, subject to the approval of the Director of the
Division of Budget and Accounting.
From the unexpended balances in the Office of Secretary of State as of June 20,
2001, an amount not to exceed \$2,000,000 is appropriated for the Governor's
Study Commission on Discrimination in State Employment and Contracting,
subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

01-2505 Office of the Secretary of State \$10,000,000
Total Grants-in-Aid Appropriation,
Office of the Secretary of State \$10,000,000
Grants-in-Aid:
01 Cultural Trust (\$10,000,000)

Department of State, Total State Appropriation \$1,249,326,000

Summary of Department of State Appropriations
(For Display Purposes Only)

Appropriations by Category:
Direct State Services \$27,238,000
Grants-in-Aid 1,195,935,000
State Aid 18,612,000
Capital Construction 7,541,000
Appropriation by Fund:
General Fund \$1,249,326,000

78 DEPARTMENT OF TRANSPORTATION
10 Public Safety and Criminal Justice
11 Vehicular Safety

DIRECT STATE SERVICES

01-6400 Motor Vehicle Services	\$114,106,000
18-6430 Security Responsibility	<u>11,329,000</u>
Total Direct State Services Appropriation, Vehicular Safety	<u>\$125,435,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$48,121,000)
Materials and Supplies	(3,160,000)
Services Other Than Personal	(16,516,000)
Maintenance and Fixed Charges	(879,000)

Special Purpose:

01 Toll Free Telephone Service	(750,000)
01 Reflectorized Plates	(3,852,000)
01 Vehicle Inspection Program	(27,278,000)
01 Debt Service for Equipment Purchases	(2,005,000)
01 Agency Operations	(15,617,000)
01 Graduated Drivers License	(1,750,000)
01 Agency Modernization	(757,000)
01 On-Line Registrations	(2,100,000)
18 Security Responsibility -- Agency Operations	(1,427,000)
18 Insurance Verification System	(500,000)
Additions, Improvements and Equipment ..	(723,000)

Sums required for the processing of credit card transaction fees are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated for the Uninsured Motorist Program are appropriated for the purpose of implementing an Insurance Verification System, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001 in the Auto Body Licensing and Enforcement program account, together with any receipts in excess of the amount anticipated, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from motorbus petition and inspection fees are appropriated for the purpose of administering the Motorbus Regulation program, subject to the approval of the Director of the Division of Budget and Accounting.

Funds necessary to defray the cost of collection to implement the provisions of P.L.1994, c.64 (C.17:29A-35 et seq.), as well as the cost of billing and collection of surcharges levied on drivers in accordance with the New Jersey Automobile Insurance Reform Act of 1982 - Merit Rating System Surcharge Program, P.L.1983, c.65 (C.17:29A-33 et al.) as amended, are appropriated from fees in

lieu of actual cost of collection receipts and from surcharges derived, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001 in the Litigation Service Fees - Delinquent Surcharge Program, is appropriated for the implementation and administration of this program, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated for special plates, derived pursuant to P.L.1964, c.195 (C.39:3-27.3 et seq.), P.L.1968, c.247 (C.39:3-27.5 et seq.), P.L.1977, c.369 (C.39:3-27.8 et seq.), P.L.1979, c.456 (C.39:3-27.13 et seq.), P.L.1979, c.457 (C.39:3-27.15 et seq.), section 12 of P.L.1979, c.224 (C.39:3-19.5), P.L.1981, c.240 (C.39:3-27.27 et seq.), P.L.1981, c.401 (C.39:3-27.29 et seq.), P.L.1983, c.165 (C.39:3-27.33 et seq.), P.L.1959, c.56 (C.39:3-33.3 et seq.), P.L.1987, c.374 (C.39:3-27.35 et seq.), P.L.1991, c.168 (C.39:3-27.42), P.L.1993, c.72 (C.39:3-27.46), P.L.1994, c.29 (C.39:3-27.59 et seq.), and P.L.1949, c.280 (C.39:4-204 et seq.), are appropriated for the purchase of license plates, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any other law, if on July 1, 2001, the ten-year digitized license program is not implemented pursuant to P.L.1999, c.28, such sums are appropriated as are necessary to enable the Director of Motor Vehicles to continue the existing photo license program, including the charging of fees, until such time that the ten-year digitized license program becomes implemented, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from initial In-Terminal School Bus Inspection fees are appropriated for the purpose of administering the In-Terminal School Bus Program, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of the "Motor Vehicle Inspection Fund" established pursuant to subsection j. of R.S.39:8-2, balances in the fund are available for other-Clean Air purposes, subject to the approval of the Director of the Division of Budget and Accounting.

The amount appropriated hereinabove for the Vehicle Inspection Program is payable from the "Motor Vehicle Inspection Fund".

Notwithstanding the provisions of P.L.1995, c.112 (C.39:8-41 et al.), there are appropriated such sums as are necessary to fund portions of the Enhanced Inspection and Maintenance Program that are not eligible for federal Congestion Mitigation and Air Quality Improvement funding, subject to the approval of the Director of the Division of Budget and Accounting.

The sum hereinabove for Agency Operations is available for maintaining services at privately operated motor vehicle agencies, provided however, that the expenditures thereof are subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any other provision of law, in addition to the amount hereinabove appropriated for On-Line Registrations, such sums as are necessary are appropriated to implement the program pursuant to P.L.1997, c.136 (C.27:1D-1 et seq.), or otherwise allowable by law, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in the "Commercial Vehicle Enforcement Fund" established pursuant to section 17 of P.L.1995, c.157 (C.39:8-75), are appropriated to offset all reasonable and necessary expenses of the Division of State Police and the Department of Transportation-Division of Motor Vehicles in the performance of commercial truck safety and emission inspections, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from the new fees available with the implementation of the Enhanced Inspection and Maintenance Program derived pursuant to subsection d. of section 5 of P.L.1995, c.112 (C.39:8-45), subsection b. of section 7 of P.L.1995, c.112 (C.39:8-47), section 8 of P.L.1995, c.112 (C.39:8-48), subsection a. of section 12 of P.L.1995, c.112 (C.39:8-52), subsection a. of section 13 of P.L.1995, c.112 (C.39:8-53), section 14 of P.L.1995, c.112 (C.39:8-54), paragraph (2) of subsection I. of R.S.39:8-2, and subsections c. and e. of R.S.39:8-9, are deposited in the "Motor Vehicle Inspection Fund" and are appropriated for the Vehicle Inspection Program, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived pursuant to the New Jersey Medical Service Helicopter Response Act under section 1 of P.L.1992, c.87 (C.39:3-8.2) are appropriated to the Division of State Police and the Department of Health and Senior Services to defray the operating costs of the program as authorized under P.L.1986, c.106 (C.26:2K-35 et seq.). The unexpended balance as of June 30, 2001 is appropriated to the special capital maintenance reserve account for capital replacement and major maintenance of helicopter equipment, subject to the approval of the Director of the Division of Budget and Accounting.

The amount appropriated hereinabove for the Security Responsibility program classification as well as an amount for central rent, fringe benefits and indirect costs shall be reimbursed from receipts received from mutual associations and stock companies writing motor vehicle liability insurance within the State under section 2 of P.L.1952, c.176 (C.39:6-59), and any receipts in excess of the amount hereinabove are appropriated to defray additional costs of administration of the security responsibility law, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances as of June 30, 2001 in the Graduated Driver's License account are appropriated.

Notwithstanding any other provision of law, in addition to the amount hereinabove appropriated for Insurance Verification System, such sums as are necessary are appropriated to implement the program, subject to the approval of the Director of the Division of Budget and Accounting.

CAPITAL CONSTRUCTION

01-6400 Motor Vehicle Services	<u>\$5,990,000</u>
Total Capital Construction Appropriation,	
Vehicular Safety	<u>\$5,990,000</u>

Capital Projects:

01 Roof Replacement, Various Facilities	(\$500,000)
01 HVAC Replacement	(377,000)

- 01 DMV Office Construction (350,000)
- 01 Agency Modernization (4,763,000)

Notwithstanding the provisions of P.L.1995, c.112 (C.39:8-41 et al.), if the increase in capital costs for the implementation of the Enhanced Inspection and Maintenance program exceeds the available funding from federal Congestion Mitigation and Air Quality Improvement funds, there are appropriated such sums as are necessary for the capital or debt service costs of the Enhanced Inspection and Maintenance program, subject to the approval of the Director of the Division of Budget and Accounting, and the Joint Budget Oversight Committee.

60 Transportation Programs
61 State and Local Highway Facilities

DIRECT STATE SERVICES

06-6100 Maintenance and Operations	\$85,196,000
08-6120 Physical Plant and Support Services	8,750,000
71-6200 Transportation Systems Improvements	<u>580,000</u>
Total Direct State Services Appropriation, State and Local Highway Facilities <u>\$94,526,000</u>	

Direct State Services:

Personal Services:

- Salaries and Wages (\$59,226,000)
- Materials and Supplies (11,935,000)
- Services Other Than Personal (3,041,000)
- Maintenance and Fixed Charges (11,853,000)

Special Purpose:

- 06 Disposal of Dead Deer (503,000)
- 06 Gateway Enhanced
Maintenance Program (7,968,000)

In addition to the amount appropriated hereinabove for Maintenance and Operations, such additional sums as may be required are appropriated for snow removal costs, not to exceed \$3,000,000, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances as of June 30, 2001 in excess of \$1,000,000 in the accounts hereinabove are appropriated.

Receipts in excess of the amount anticipated from the Logo Sign program fees, which include the Trailblazer Sign Program, the Variable Message Advertising Program, the Excess Parcel Advertising Program, and the Land Service Road Advertising Program are appropriated for the purpose of administering the program, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated derived from highway application and permit fees pursuant to subsection (h) of section 5 of P.L.1966, c.301 (C.27:1A-5) are appropriated for the purpose of administering the Access Permit Review program, subject to the approval of the Director of the Division of Budget and Accounting.

The department is permitted to transfer an amount approved by the Director of the Division of Budget and Accounting from funds previously appropriated for State

highway projects from the "Transportation Rehabilitation and Improvement Fund of 1979," established pursuant to section 15 of P.L.1979, c.165, for planning, engineering, design, right-of-way acquisition, or other costs related to the construction of projects financed from that fund.

CAPITAL CONSTRUCTION

60-6200 Trust Fund Authority	<u>\$709,500,000</u>
Total Capital Construction Appropriation, State and Local Highway Facilities	<u>\$709,500,000</u>

Capital Projects:

Transportation Trust Fund Account . . . (\$709,500,000)

Receipts representing the State share from the rental or lease of property, and the unexpended balances as of June 30, 2001 of such receipts are appropriated for maintenance or improvement of transportation property, equipment and facilities. The sum provided hereinabove for the Transportation Trust Fund Account shall first be provided from revenues received from motor fuel taxes, the petroleum products gross receipts tax, and the sales and use tax pursuant to Article VIII, Section II, paragraph 4 of the State Constitution, and from funds received or receivable from the various transportation-oriented authorities pursuant to contracts between the authorities and the State, together with such additional sums pursuant to P.L.1984, c.73 (C.27:1B-1 et al.) and R.S.54:39-27 as amended, as may be necessary to satisfy all fiscal year 2002 debt service, bond reserve requirements, and other fiscal obligations of the New Jersey Transportation Trust Fund Authority.

Notwithstanding any other requirements of law, the department may expend necessary sums for improvements to streets and roads providing access to State facilities within the capital city without local participation.

Notwithstanding any other provision of law, the Department of Transportation may transfer Transportation Trust Fund monies to federal projects contracted in federal fiscal years 2000, 2001, and 2002 until such time as federal funds become available for the projects. These transfers shall be subject to the approval of the Director of the Division of Budget and Accounting, and the Legislative Budget and Finance Officer. Subject to the receipt of federal funds, the Transportation Trust Fund shall be reimbursed for all the monies that were transferred to advance federally funded projects.

Notwithstanding the provisions of P.L.1984, c.73 (C.27:1B-1 et al.), there is appropriated the sum of \$535,000,000 from the revenues and other funds of the New Jersey Transportation Trust Fund Authority for the specific projects identified under the six general program headings as follows:

<u>Route</u>	<u>Section</u>	<u>Description</u>	<u>County</u>	<u>Amount</u>
1.	CONSTRUCTION			
		Access management	Various	(\$1,000,000)
		Access permit application review	Various	(200,000)
		Adopt-A-Highway program	Various	(100,000)
		Airport Safety Fund	Various	(7,000,000)

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Allaire airport	Monmouth	(3,000,000)
Automated systems, acquisition and development	Various	(1,000,000)
Betterments, bridge preservation	Various	(8,300,000)
Betterments, roadway preservation	Various	(8,000,000)
Betterments, safety	Various	(2,000,000)
Bicycle projects, Local System	Various	(7,000,000)
Bridge, concrete casement removal	Various	(100,000)
Bridge, emergency repair	Various	(5,500,000)
Camden freight route, vicinity of Beckett Street terminal	Camden	(1,000,000)
Computer aided design and drafting program	Various	(495,000)
Construction inspection	Various	(1,500,000)
Culvert inspection program	Various	(500,000)
Doremus Avenue bridge over Oak Island Yards, replacement	Essex	(800,000)
Drainage rehabilitation and maintenance, State	Various	(4,000,000)
Duck Island remediation	Mercer	(100,000)
Economic development	Various	(5,000,000)
Ecotourism grants	Various	(1,000,000)
Electrical and signal safety engineering program	Various	(500,000)
Electrical facilities	Various	(1,400,000)
Emergency response operations	Various	(500,000)
Environmental investigations	Various	(1,500,000)
Equipment: vehicles and construction equipment	Various	(8,000,000)
Equipment, overage reduction program	Various	(3,000,000)
Freight program	Various	(9,000,000)
Good Neighbor landscaping	Various	(2,000,000)
Hackettstown remediation	Warren	(300,000)
Interstate service facilities	Various	(500,000)
Legal costs for right-of-way condemnation and capital project litigation work	Various	(1,000,000)
Local aid for Centers of Place	Various	(3,000,000)
Maritime transportation system	Various	(4,000,000)
Orphan bridge emergency repairs	Various	(1,000,000)

Pedestrian projects, Local System	Various	(5,000,000)
Perth Amboy Industrial Road; Victory Bridge connector road to vicinity of bay front	Middlesex	(400,000)
Physical plant PRIMIS (Philadelphia Regional Integrated Multimodal Information Sharing)	Various	(100,000)
Professional auditing services	Various	(450,000)
Program implementation and indirect capital program costs	Various	(67,000,000)
Regional action program	Various	(4,000,000)
Restriping program	Various	(3,000,000)
Resurfacing program, State	Various	(22,700,000)
Sign structure inspection	Various	(1,000,000)
Signs program, Statewide	Various	(1,500,000)
Solid and hazardous waste cleanup, reduction and disposal	Various	(2,910,000)
State Police enforcement and safety services	Various	(2,000,000)
Survey program, National Highway System	Various	(250,000)
Technology evaluation	Various	(100,000)
Traffic signal LED (light emitting diodes) installation	Various	(1,000,000)
Traffic signal relamping	Various	(1,700,000)
Traffic signal replacement	Various	(4,400,000)
Training and technology development	Various	(750,000)
TRANSCOM	Various	(400,000)
Transportation Demand Management/Smart Moves Program	Various	(500,000)
Unanticipated design, right- of-way, and construction expenses	Various	(10,000,000)
Underground exploration for utility facilities	Various	(150,000)
University Transportation Research Technology	Various	(2,000,000)
USS New Jersey port facility	Camden	(1,500,000)
Utility reconnaissance and relocation	Various	(1,000,000)
Woodbridge Center, grade- separated interchange at Main Street and Woodbridge Center Drive	Middlesex	(4,000,000)

1		Grade separated interchange at Meadow Road	Mercer	(800,000)
1 and 9		Airport connection: ramp south of Haynes Avenue intersection; crossover north of I-78 connection	Essex	(500,000)
1 and 9		Ramps at McClellan Street, safety and operational improvements	Essex	(5,000,000)
9		Improvements at Garden State Parkway Interchange 83	Ocean	(1,900,000)
166	(21)	Martin Terrace Road to North Shore Road, rehabilitation	Atlantic	(5,350,000)
9	(32)			
10	4L	Intersection improvement at Ridgedale Avenue	Morris	(6,600,000)
21		Raymond Boulevard to I-280 overpass, widening and bridgereplacement	Essex	(20,000,000)
21		Lafayette Street to Raymond Boulevard, widening	Essex	(10,000,000)
30	11A	Bridges over Atlantic City Line and Albertson's Branch, replacement	Camden	(5,000,000)
31	6E 6F	River Road to Stanton Station Road, widening	Hunterdon	(17,500,000)
31		Intersection improvements at County Route 579	Hunterdon	(2,300,000)
33		Freehold Bypass completion; Halls Mill Road to Route 33 at Fairfield Road	Monmouth	(11,000,000)
46		Improvements at Beverwyck Park and Ride	Morris	(200,000)
80	G	Garden State Parkway to vicinity of Route 17, rehabilitation and operational improvements	Bergen	(3,265,000)
95	NJTPK	Noise barriers, Leonia and Englewood (NJTPK jurisdiction)	Bergen	(500,000)
206	15J	Brown Avenue to Frelinghuysen Avenue, widening	Somerset	(15,500,000)
2.	DESIGN			
		Emerging projects	Various	(2,000,000)
27	1C	Bridge over Harry's Brook, replacement	Mercer	(400,000)
55		Noise barriers, vicinity of Cedar Bridge Road	Gloucester	(300,000)
82		Rahway River bridge, rehabilitation or replacement	Union	(1,200,000)
130		Pedestrian bridge, Washington Township	Mercer	(500,000)

440		High Street Connector, proposed connector ramps and roadway between Route 440 and High Street	Middlesex	(1,000,000)
3.	PLANNING	Planning and research	Various	(3,000,000)
4.	PROJECT DEVELOPMENT	Dams, preliminary engineering	Various	(250,000)
		Maintenance management system	Various	(300,000)
		Project development, preliminary engineering	Various	(9,500,000)
5.	RIGHT-OF-WAY ACQUISITION	Advance acquisition of right-of-way	Various	(4,000,000)
1	7L	Pierson Avenue to south of Garden State Parkway, widening	Middlesex	(12,000,000)
27	1C	Bridge over Harry's Brook, replacement	Mercer	(30,000)
46				
80/23	(43)	Interchange improvements at I-80 and Route 23	Passaic	(7,000,000)
6.	LOCAL AID	County Aid	Various	(67,500,000)
		Municipal aid	Various	(67,500,000)
		Discretionary aid: County and municipal	Various	(15,000,000)

Notwithstanding the provisions of subsection d. of section 21 of P.L.1984, c.73 (C.27:1B-21), in order to provide the department with flexibility in administering the appropriations identified, the Commissioner of Transportation may transfer funds among projects within the same general program heading subject to the approval of the Director of the Division of Budget and Accounting. The Commissioner of Transportation shall apply to the Director of the Division of Budget and Accounting for permission to transfer funds among projects within different program headings. If the Director of the Division of Budget and Accounting shall consent thereto, the request to transfer funds among projects within different program headings shall be transmitted to the Legislative Budget and Finance Officer for approval or disapproval then returned to the Director of the Division of Budget and Accounting. The Joint Budget Oversight Committee or its successor shall be empowered to review all transfers submitted to the Legislative Budget and Finance Officer and may direct said Legislative Budget and Finance Officer to approve or disapprove any transfer.

From the amounts appropriated from the revenues and other funds of the New Jersey Transportation Trust Fund Authority for fiscal year 2002 transportation capital program, the Commissioner of Transportation shall allocate and transfer up to \$300,000 for Ocean County preliminary engineering and design study of the Fischer Boulevard Extension in Dover Township.

Notwithstanding the provisions of any law to the contrary, the Department of Transportation is authorized to expend funds not to exceed \$1,500,000 to supplement a federal grant for a project which will expedite the transportation of the victims of automobile accidents on the highways and roads of this State to a treatment at a Level I Trauma Facility.

From the amounts appropriated from the revenues and other funds of the New Jersey Transportation Trust Fund Authority for fiscal year 2002 transportation capital program, the Commissioner of Transportation shall allocate and transfer from a part or all of any item or items such sums as are necessary for the cost of producing, posting and erecting of appropriate road signs on the roads designated as the "Washington Victory Trail" pursuant to Joint Resolution No. 9 of 1999 and on those highways which are located on routes traversed by General George Washington and the soldiers of the Continental Army during their marches from the second battle of Trenton to the battle of Princeton which shall also be included by the commissioner, in consultation with the New Jersey Historical Commission, in the route designated as the "Washington Victory Trail."

From the amounts appropriated from the revenues and other funds of the New Jersey Transportation Trust Fund Authority for the Fiscal Year 2002 transportation capital construction program, the Commissioner of Transportation shall allocate and transfer from a part or all of any item or items such sums as are necessary for installation of a sound barrier on the north side of Route 80 between Mount Hope Road and Mount Hope Avenue in Rockaway Township.

Notwithstanding the provisions of P.L.1984, c.73 (C.27:1B-1 et al.), there is appropriated the sum of \$572,500,000 from the revenues and other funds of the New Jersey Transportation Trust Fund Authority for the specific projects identified as follows:

NEW JERSEY TRANSIT CORPORATION				
<u>Route</u>	<u>Section</u>	<u>Description</u>	<u>County</u>	<u>Estimated Cost</u>
		Accessibility for people with disabilities; platforms/stations	Various	(\$8,410,000)
		Accessibility for people with disabilities; vans for paratransit services	Various	(4,654,000)
		Amtrak - Northeast Corridor	Various	(25,000,000)
		Joint Benefit Agreement	Various	(17,760,000)
		Bridge and tunnel rehabilitation	Various	(30,000)
		Building capital leases	Various	(1,600,000)
		Bus acquisition program	Passaic	(31,900,000)
		Bus maintenance facilities	Various	(5,110,000)
		Bus support facilities and equipment	Various	(19,540,000)
		Capital program implementation and indirect capital program costs	Various	(2,000,000)
		Claims support	Various	(1,830,000)
		Clean Air Programs	Various	(6,313,000)
		Environmental compliance	Various	(660,000)
		Geographic information systems	Various	

Hoboken Terminal/Yard rehabilitation	Hudson	(34,233,000)
Hudson - Bergen Light Rail Transit System, Minimum Operating Segment I	Hudson Bergen	(17,114,000)
Hudson - Bergen Light Rail Transit System, Minimum Operating Segment II	Hudson Bergen	(107,500,000)
Immediate action program	Various	(17,406,000)
Locomotive overhaul	Various	(2,200,000)
Major bridge program, replacement and rehabilitation	Various	(1,250,000)
Miscellaneous	Various	(715,000)
Montclair Connection	Essex Morris Passaic	(8,700,000)
Northeast Corridor, equipment and infrastructure improvements	Various	(20,000,000)
Newark City subway	Essex	(5,390,000)
Newark Penn Station	Essex	(4,540,000)
New York Penn Station	New York	(4,000,000)
Other rail station/terminal improvements	Various	(18,515,000)
Physical plant	Various	(6,835,000)
Private carrier equipment program	Various	(11,730,000)
Rail capital maintenance	Various	(21,170,000)
Rail fleet overhaul	Various	(46,170,000)
Rail park and ride	Various	(6,850,000)
Rail rolling stock procurement	Various	(17,495,000)
Rail support facilities and equipment	Various	(13,500,000)
Railroad associated capital maintenance	Various	(8,020,000)
Signals and communications	Various	(26,290,000)
Southern New Jersey Light Rail Transit System	Mercer Burlington Camden	(48,000,000)
Study and development	Various	(3,740,000)
Technology improvements	Various	(13,480,000)
Track program	Various	(9,320,000)
Transit beneficial highway improvements	Various	(500,000)

The total expenditure of the Department of Transportation, under the New Jersey Transit Corporation general program heading with an "Estimated Cost" exceeding \$572,500,000 by \$50,000,000, shall not exceed \$572,500,000 and shall be subject to the following conditions:

(a) On or before the 180th day after the effective date of this act, the Commissioner of Transportation shall transmit to the Senate Transportation

Committee and the Assembly Transportation Committee a list of the specific projects identified hereinabove with the amounts of allotments for each project.

(b) The total allotments for all projects shall not exceed \$572,500,000 and the maximum allotment allowed for each project shall not exceed 110% of the amount of "Estimated Cost" for each project listed hereinabove.

(c) Any change to the allotment amount listed for a project as transmitted to the committees, which results in an allotment amount for that project not greater than or equal to 110% of the "Estimated Cost" for the project, may be made by the commissioner upon written notice thereof to the committees.

(d) Any change to the allotment amount listed for a project as transmitted to the committees, which results in an allotment amount for that project greater than 110% of the "Estimated Cost" for the project, shall be subject to the approval of the Director of the Division of Budget and Accounting, and the Joint Budget Oversight Committee.

The unexpended balances as of June 30, 2001 of appropriations from the New Jersey Transportation Trust Fund Authority are appropriated.

**62 Public Transportation
GRANTS-IN-AID**

04-6050 Railroad and Bus Operations	<u>\$1,145,300,000</u>
Total State, Federal and All Other	
Funds Appropriation	<u>\$1,145,300,000</u>

Less:

Farebox Revenue	<u>\$489,100,000</u>
Other Resources	<u>396,173,000</u>
Total Income Deductions	<u>\$885,273,000</u>
Total Grants-in-Aid Appropriation,	
Public Transportation	<u>\$260,027,000</u>

Grants-in-Aid:

Personal Services:

Salaries and Wages	(\$688,900,000)
Materials and Supplies	(176,500,000)
Services Other Than Personal	(79,000,000)

Special Purpose:

04 Leases and Rentals	(1,700,000)
04 Purchased Transportation	(114,600,000)
04 Insurance and Claims	(22,000,000)
04 Tolls, Taxes and Other	
Operating Expenses	(62,600,000)

Less:

Income Deductions	<u>885,273,000</u>
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In addition to the amount appropriated hereinabove for Public Transportation, an amount not to exceed \$4,000,000 is appropriated to enable the New Jersey Transit Corporation to adjust service levels in response to overcrowding on the mass transit system, subject to the approval of the Director of the Division of Budget and Accounting.

The Director of the Division of Budget and Accounting is authorized to reduce the appropriation hereinabove to the New Jersey Transit Corporation by an amount equal to one-half of the receipts that are in excess of \$12,600,000 that are derived from leveraged leases secured by the New Jersey Transit Corporation.

STATE AID

04-6050 Railroad and Bus Operations	<u>\$24,821,000</u>
(From Casino Revenue Fund)	\$24,821,000)
Total State Aid Appropriation, Public Transportation	<u>\$24,821,000</u>
(Total From Casino Revenue Fund)	\$24,821,000)

State Aid:

04 Transportation Assistance for Senior Citizens and Disabled Residents (CRF)	(\$24,821,000)
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The unexpended balance as of June 30, 2001, in this account is appropriated. Counties which provide para-transit services for sheltered workshop clients may seek reimbursement for such services pursuant to P.L.1987, c.455 (C.34:16-51 et seq.).

64 Regulation and General Management

DIRECT STATE SERVICES

05-6070 Access and Use Management	\$1,548,000
99-6000 Administration and Support Services	<u>10,853,000</u>
Total Direct State Services Appropriation, Regulation and General Management	<u>\$12,401,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$4,848,000)
Materials and Supplies	(424,000)
Services Other Than Personal	(5,164,000)
Maintenance and Fixed Charges	(189,000)

Special Purpose:

05 Airport Safety Fund	(965,000)
99 Office of Maritime Resources	(350,000)
99 Affirmative Action and Equal Employment	(461,000)

The unexpended balance as of June 30, 2001 and the reimbursements in the department's Stock Purchase Revolving Fund for the purchase of materials and supplies required for the operation of the department are appropriated.

Receipts in excess of the amount anticipated derived from outdoor advertising application and permit fees are appropriated for the purpose of administering the Outdoor Advertising Permit and Regulation program, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001 in the Airport Safety Fund account, together with any receipts in excess of the amount anticipated, are appropriated.

The amount hereinabove for the Airport Safety Fund is payable out of the "Airport Safety Fund" established pursuant to section 4 of P.L.1983, c.264 (C.6:1-92). If receipts to that fund are less than anticipated, the appropriation shall be reduced proportionately.

Receipts derived from fees on placarded rail freight cars transporting hazardous materials in this State are appropriated to defray the expenses of the Placarded Rail Freight Car Transporting Hazardous Materials program, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

The unexpended balance as of June 30, 2001 in the Airport Safety Fund account together with any receipts in excess of the amount anticipated are appropriated.

Department of Transportation,
 Total State Appropriation \$1,232,700,000

Such receipts as may be received by the Department of Transportation from the State's Highway Authorities as reimbursement for services that are performed by the department on behalf of the authorities, including but not limited to maintenance and operations programs, are appropriated for purposes within the department as shall be determined by the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of subsection b. of section 8 or P.L.1987, c.460 (C.27:1B-21.1), the Commissioner of Transportation shall allocate and transfer from a part or all of any item or items up to \$13,900,000 for eligible salary costs incurred by either the Department of Transportation or the New Jersey Transit Corporation from the amounts appropriated from the revenues and other funds of the New Jersey Transportation Trust Fund Authority for the fiscal year 2002 transportation capital construction program.

Summary of Department of Transportation Appropriations
 (For Display Purposes Only)

Appropriations by Category:

Direct State Services	.....	\$232,362,000
Grants-in-Aid	.....	260,027,000
State Aid	.....	24,821,000
Capital Construction	.....	715,490,000

Appropriation by Fund:

General Fund	.....	\$1,207,879,000
Casino Revenue Fund	.....	24,821,000

82 DEPARTMENT OF THE TREASURY
30 Educational, Cultural and Intellectual Development
36 Higher Educational Services
GRANTS-IN-AID

47-2155 Support to Independent Institutions \$29,590,000

49-2155 Miscellaneous Higher Education Programs	<u>78,062,000</u>
Total Grants-in-Aid Appropriation, Higher Educational Services	<u>\$107,652,000</u>
Grants-in-Aid:	
47 Aid to Independent Colleges and Universities	(\$24,485,000)
47 Clinical Legal Programs for the Poor -- Seton Hall University (P.L.1996, c.52)	(200,000)
47 Einstein Chair for Scholarly Studies at the Institute for Advanced Study	(65,000)
47 Discrete Mathematics and Computer Science Center -- Institute for Advanced Study	(150,000)
47 Institute for Advanced Study -- Park City Mathematics Institute	(150,000)
47 Richard J. Hughes Chair for Constitutional and Public Law and Service at Seton Hall University	(65,000)
47 Alfred E. Driscoll Chair in Pharmaceutical/Chemical Studies at F.D.U.	(65,000)
47 Laurie Chair in Women's Studies at Douglass College	(75,000)
47 Will and Ariel Durant Chair in the Humanities at St. Peters College	(65,000)
47 Senator Wynona Lipman Chair in Womens' Political Leadership at the Eagleton Institute of Politics at Rutgers University	(100,000)
47 Small Business and Entrepreneurship Chair at Rutgers University	(65,000)
47 Raoul Wallenberg Visiting Professorship in Human Rights -- Rutgers University	(100,000)
47 Millicent Fenwick Research Professorship in Education at Monmouth University	(75,000)
47 Research Under Contract with the Institute of Medical Research, Camden	(1,000,000)
47 Beth Medrash Govoha - Urban Center Campus Improvements	(300,000)
47 Georgian Court College - Fire Safety Improvements	(35,000)

47	Monmouth University - Multi-Purpose Regional Activity Center . . .	(1,500,000)
47	Centenary College - Athletic Center	(500,000)
47	Institute of Law and Mental Health - Seton Hall	(95,000)
47	Rider University - Sports and Recreation Facility	(500,000)
49	Higher Education Incentive Grant Fund	(2,500,000)
49	Higher Education Incentive Endowment Fund	(2,500,000)
49	Garden State Savings Bonds Incentive	(400,000)
49	Higher Education Capital Improvement Program -- Debt Service	(26,909,000)
49	Equipment Leasing Fund -- Debt Service	(2,708,000)
49	Higher Education Facilities Trust Fund -- Debt Service	(21,019,000)
49	Higher Education Technology Bond -- Debt Service	(6,400,000)
49	Marine Sciences Consortium	(526,000)
49	Dormitory Safety Trust Fund -- Debt Service	(9,095,000)
49	Statewide Systemic Initiative to Reform Mathematics and Science Education	(1,200,000)
49	Henry John Raimondo Chair in Urban Public Policy Research at New Jersey City University	(75,000)
49	Cumberland Community College - Aquaculture Technology Transfer Center	(250,000)
49	Ocean County College - New Jersey Coastal Communiiversity	(30,000)
49	Walter Rand Institute for Public Affairs at Rutgers University - Camden	(75,000)
49	Distance Learning Institute - Fairleigh Dickinson University	(3,900,000)
49	Salem Community College - Capital Improvements	(200,000)
49	Ocean County College - Camp Viking	(50,000)
49	Gloucester County College - Road to Success	(225,000)
	For the purpose of implementing the "Independent College and University Assistance Act," P.L.1979, c.132 (C.18A:72B-15 et seq.), the number of full-	

time equivalent students (FTE) at the eight State Colleges is 50,145 for fiscal year 2001.

Receipts in excess of the amount hereinabove for Clinical Legal Programs for the Poor - Seton Hall are appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

The sums provided hereinabove for Research under Contract with the Institute of Medical Research, Camden (Coriell Institute) shall be expended on support for research activities, and the Institute shall submit an annual audited financial statement to the Department of the Treasury which shall include a schedule showing the use of these funds.

The unexpended balances as of June 30, 2001 for the Higher Education Incentive Grant Fund and the Higher Education Incentive Endowment Fund are appropriated.

Notwithstanding the provisions of any other law to the contrary, such sums remaining from balances in either the Higher Education Incentive Grant Fund or the Higher Education Incentive Endowment Fund is available to be used for either purpose defined in the "Higher Education Incentive Funding Act," P.L.1999, c.226 (C.18A:62-29 et seq.).

Notwithstanding the provisions of the "Independent Colleges and University Assistance Act," P.L.1979, c.132 (C.18A:72B-15 et seq.), institutions with endowments in excess of \$1,000,000,000 shall not receive aid.

STATE AID

48-2155 Aid to County Colleges		<u>\$203,754,000</u>
<i>(From General Fund</i>	<i>\$176,549,000)</i>	
<i>(From Property Tax Relief Fund ...</i>	<i>27,205,000)</i>	
Total State Aid Appropriation,		
Higher Educational Services		<u>\$203,754,000</u>
<i>(Total from General Fund</i>	<i>\$176,549,000)</i>	
<i>(Total from Property Tax</i>		
<i>Relief Fund</i>	<i>27,205,000)</i>	
State Aid:		
48 Operational Costs	(\$155,749,000)	
48 Debt Service, N.J.S.18A:64A-22		
(PTRF)	(27,205,000)	
48 Employer Contributions -- Alternate		
Benefit Program	(15,796,000)	
48 Employer Contributions --		
Teachers' Pension and Annuity Fund ..	(197,000)	
48 Additional Health Benefits	(4,285,000)	
48 Employer Contributions -- FICA for		
County College Members of Teachers'		
Pension and Annuity Fund	(450,000)	
48 Debt Service on Pension Obligation		
Bonds P.L.1997, c.114		
(C.34:1B-7.46 et seq.)	(72,000)	

In addition to the sum hereinabove appropriated for Debt Service on Pension Obligation Bonds to make payments under the State Treasurer's contracts authorized pursuant to section 6 of P.L.1997, c.114 (C.34:1B-7.50), there are appropriated such other sums as the Director of the Division of Budget and Accounting shall determine are required to pay all amounts due from the State pursuant to such contracts.

Such sums as may be necessary for the payment of interest or principal or both, due from the issuance of any bonds authorized under the provisions of section 1 of P.L.1971, c.12 (C.18A:64A-22.1) are appropriated.

Higher Educational Services

Of the amount hereinabove for Higher Educational Services, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule in the Governor's Budget Recommendation Document dated January 23, 2001, first shall be charged to the State Lottery Fund.

50 Economic Planning, Development and Security

51 Economic Planning and Development

DIRECT STATE SERVICES

13-8031 Economic Development	<u>\$405,000</u>
Total Direct State Services Appropriation,	
Economic Planning and Development	<u>\$405,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$310,000)
Materials and Supplies	(17,000)
Services Other Than Personal	(60,000)
Maintenance and Fixed Charges	(10,000)
Additions, Improvements and Equipment	(8,000)

GRANTS-IN-AID

38-2049 Economic Development	<u>\$11,800,000</u>
Total Direct State Services Appropriation,	
Economic Planning and Development	<u>\$11,800,000</u>

Grants-in-Aid:

Grants:

38 Business Employment	
Incentive Program	(\$7,500,000)
38 Brownfield and Contaminated Site	
Remediation Fund	(4,300,000)

In addition to the amount hereinabove, there is appropriated to the Department of the Treasury on behalf of the New Jersey Economic Development Authority from the General Fund such sums as may be necessary to fund the Business Employment Incentive Program, the amount of which shall not exceed the total amount of revenues received as withholdings, as defined in section 2 of P.L.1996, c.26 (C.34:1B-125), from all businesses receiving grants pursuant to the "Business Employment Incentive Program Act," P.L.1996, c.26

(C.34:1B-124 et seq.), as certified by the Director of the Division of Taxation. The authority shall provide the Joint Budget Oversight Committee, on or before November 1, 2001, with a report of the grants funded in the prior fiscal year including, but not limited to, a summary of each grant agreement and the amount of each grant funded in that year.

In addition to the amount hereinabove for the Brownfield Site Reimbursement Fund, there are appropriated such sums as may be necessary to make payments under the provisions of P.L.1997, c.278, subject to the approval of the Director of the Division of Budget and Accounting.

2041 New Jersey Commerce and Economic Growth Commission

DIRECT STATE SERVICES

38-2041 Economic Development	<u>\$19,936,000</u>
Total Direct State Services Appropriation,	
New Jersey Commerce and	
Economic Growth Commission	
	<u>\$19,936,000</u>

Direct State Services:

Special Purpose:

- 38 New Jersey Commerce and Economic Growth Commission . . (\$19,891,000)
- 38 Council of Economic Advisors (45,000)

Of the sum hereinabove appropriated for the New Jersey Commerce and Economic Growth Commission, there is no less than \$8,450,000 for Advertising and Promotion, from which \$50,000 shall be allocated to each of the six regional tourism councils for regional tourism promotion; \$3,015,000 for Business Retention, Expansion and Attraction; \$1,850,000 for the Travel and Tourism Cooperative Marketing Program; \$2,000,000 for the Business Marketing Campaign coordinated with Prosperity New Jersey; \$1,000,000 for the Community Development Bank; \$25,000 for the Business Information-Call Management Center; \$130,000 for the New Jersey Israel Commission; \$150,000 for the Promotion of Agricultural Exports; except that the amount for the Cooperative Marketing Program is available for expenditure only to the extent that an amount equal to 25% of the State funds are expended from funds raised by the Commerce Commission, pursuant to subsection j. of section 9 of P.L.1977, c.225 (C.34:1A-53), through contributions from private tourism industry concerns and non-State public entities as determined by the Director of the Division of Budget and Accounting. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

Subject to the approval of the Director of the Division of Budget and Accounting, there is appropriated to the New Jersey Commerce and Economic Growth Commission, from the General Fund such sums as may be necessary, as certified by the Commissioner and the Director of the Division of Taxation, to fund business relocation grants made under the "Business Relocation Assistance Act," the amount of which shall not exceed the new income tax revenues as defined in section 2 of P.L.1996, c.25 (C.34:1B-113). In addition to the report required pursuant to section 10 of P.L.1996, c.25 (C.34:1B-121),

the Chief Executive Officer and Secretary of the Commission shall provide the Joint Budget Oversight Committee, on or before November 1, 2001, with a report of the grants funded in the prior fiscal year including, but not limited to, a summary of each grant agreement and the amount of each grant funded in that year.

There is appropriated from the Enterprise Zone Assistance Fund such sums as are necessary for administrative services provided by the New Jersey Commerce and Economic Growth Commission in accordance with the provisions of section 11 of P.L.1993, c.367 (C.52:27H-65.1), subject to the approval of the Director of the Division of Budget and Accounting.

Of the amount allocated by the Commission for the Advertising and Promotion account, the Commission shall expend such amounts as the Chief Executive Officer and Secretary determines will encourage the optimum effective continuing operation of each of the Tourist Welcome Centers, including but not limited to, the transfer of the operation of the centers to private, non-profit entities, whether under lease arrangements or such other agreements as the director may determine.

The Chief Executive Officer and Secretary of the Commission shall report semi-annually on the expenditure of State funds and private contributions during the preceding six months for the Advertising and Promotion Program and the Travel and Tourism, Advertising and Promotion - Cooperative Marketing Program. The first semi-annual report covering the first six months of fiscal year 2002 shall be completed not later than January 31, 2002, the second semi-annual report covering the second six months of fiscal year 2002 shall be completed not later than July 31, 2002 and both reports shall be submitted to the Governor and the Joint Budget Oversight Committee.

Notwithstanding any provision of law to the contrary, of the amount deposited in the General Fund in accordance with subsection d. of section 21 of P.L.1983, c.303 (C.52:27H-80), one-third thereof shall be credited to the enterprise zone assistance fund, and such sum is appropriated for allocation to those municipalities with designated enterprise zones, that effective on or after January 1, 2001, are in their final five-year period of zone designation. The amounts allocated to each respective account maintained by the State Treasurer for each enterprise zone shall be 33 1/3% of the monies deposited into the General Fund derived from the respective enterprise zone and shall be subject to all other terms and conditions imposed by law for such respective accounts.

The unexpended balance as of June 30, 2001 for the Council of Economic Advisors is appropriated.

GRANTS-IN-AID

38-2041 Economic Development	<u>\$655,000</u>
Total Grants-in-Aid Appropriation, New Jersey	
Commerce and Economic Growth Commission	<u>\$655,000</u>
Grants-in-Aid:	
38 Prosperity New Jersey, Inc.	(\$550,000)
38 Bayshore Development Office - Economic Development Activities	(105,000)

The unexpended balance as of June 30, 2001 in the Prosperity New Jersey, Inc. account is appropriated.

2042 New Jersey Commission on Science and Technology

DIRECT STATE SERVICES

39-2042 New Jersey Commission on Science and Technology	<u>\$657,000</u>
Total Direct State Services Appropriation, New Jersey Commission on Science and Technology	<u>\$657,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$570,000)
Materials and Supplies	(9,000)
Services Other Than Personal	(61,000)
Maintenance and Fixed Charges	(11,000)
Additions, Improvements and Equipment	(6,000)

GRANTS-IN-AID

39-2042 New Jersey Commission on Science and Technology	<u>\$22,659,000</u>
Total Grants-in-Aid Appropriation, New Jersey Commission on Science and Technology	<u>\$22,659,000</u>

Grants-in-Aid:

39 Research and Development Programs	(\$11,825,000)
39 Business Assistance	(2,087,000)
39 New Specialized Incubators	(4,775,000)
39 Technology Transfer Programs	(3,972,000)

The unexpended balances as of June 30, 2001 in the Science and Technology grant accounts are appropriated.

52 Economic Regulation

DIRECT STATE SERVICES

53-2018 Ratepayer Advocacy	\$4,433,000
54-2008 Utility Regulation	6,782,000
55-2004 Regulation of Cable Television	1,692,000
97-2016 Regulatory Support Services	3,637,000
99-2003 Administration and Support Services	<u>8,122,000</u>
Total Direct State Services Appropriation, Economic Regulation	<u>\$24,666,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$21,484,000)
Materials and Supplies	(330,000)
Services Other Than Personal	(1,942,000)
Maintenance and Fixed Charges	(620,000)

Special Purpose:

53 Ratepayer Advocacy (20,000)

Additions, Improvements and Equipment . . (270,000)

In addition to the sum hereinabove, such other sums as the Director of the Division of Budget and Accounting shall determine are appropriated on behalf of the Board of Public Utilities under P.L.1968, c.173 (C.48:2-59 et seq.) and P.L.1972, c.186 (C.48:5A-32 et seq.), or other applicable statutes with respect to assessment of public utilities or the cable television industry.

Notwithstanding the provisions of any law to the contrary, the unexpended balance as of June 30, 2001 of assessments of public utilities and the cable television industry that are not expended by the Board of Public Utilities, including but not limited to assessments attributable to rent, fringe benefits, and other indirect costs, are appropriated to the board for operating costs.

Receipts derived from fees are appropriated.

Receipts derived from fines and penalties in excess of \$300,000 are appropriated for regulatory enforcement activities, subject to the approval of the Director of the Division of Budget and Accounting.

Fees received from the "Electric Facility Need Assessment Act," P.L.1983, c.115 (C.48:7-16 et seq.) are appropriated.

The unexpended balances as of June 30, 2001 are appropriated.

Receipts of the Division of Ratepayer Advocate in excess of those anticipated are appropriated for the Division of Ratepayer Advocate to defray the costs of this activity under section 16 of P.L.1994, c.58 (C.52:27E-63).

There are appropriated from interest earned by the Petroleum Overcharge Reimbursement Fund such sums as may be required for costs attributable to the administration of the fund, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law, the balances from the Petroleum Overcharge Reimbursement Fund and the Secondary Stage Refunds and the monies required to be deposited in that fund from projects which have been completed or are no longer viable are reappropriated for new projects consistent with the court rulings which served as the basis for the original awards, subject to the approval of the Director of Budget and Accounting.

70 Government Direction, Management and Control

72 Governmental Review and Oversight

DIRECT STATE SERVICES

03-2015 Employee Relations and Collective Negotiations . . \$631,000

07-2040 Office of Management and Budget 20,772,000

Total Direct State Services Appropriation,

Governmental Review and Oversight \$21,403,000

Direct State Services:

Personal Services:

Salaries and Wages (\$13,854,000)

Materials and Supplies (254,000)

Services Other Than Personal (6,731,000)

Maintenance and Fixed Charges (72,000)

Special Purpose:

- 07 Independent Audits (460,000)
- 07 Governmental Accounting
Standards Board (32,000)

Such sums as may be necessary for administrative expenses incurred in processing federal benefit payments are appropriated from such sums as may be received or receivable for this purpose.

In addition to the amounts hereinabove, there are appropriated such additional sums as may be necessary for an independent audit of the State's general fixed asset account group, management, performance, and operational audits, and the single audit.

There are appropriated, out of receipts derived from the investment of State funds, such sums as may be necessary for bank service charges, custodial costs, mortgage servicing fees and advertising bank balances under section 1 of P.L.1956, c.174 (C.52:18-16.1).

There are appropriated out of revenues derived from the collection of fees charged for the issuance of dishonored checks, such sums as are necessary to defray administrative processing costs associated with such checks.

**73 Financial Administration
DIRECT STATE SERVICES**

15-2080 Taxation Services and Administration	\$95,355,000
16-2090 Administration of State Lottery	16,773,000
17-2105 Administration of State Revenues	30,519,000
19-2120 Management of State Investments	5,848,000
25-2095 Administration of Casino Gambling	25,245,000
<i>(From Casino Control Fund \$25,245,000)</i>	
50-2027 Commercial Recording	<u>4,703,000</u>
Total Direct State Services Appropriation, Financial Administration	<u>\$178,443,000</u>
<i>(Total From General Fund \$153,198,000)</i>	
<i>(Total From Casino Control Fund 25,245,000)</i>	

Direct State Services:

Personal Services:

Chairman and Commissioners (CCF)	(\$455,000)
Salaries and Wages	(90,629,000)
Salaries and Wages (CCF)	(17,346,000)
Employee Benefits (CCF)	(4,716,000)
Materials and Supplies	(5,587,000)
Materials and Supplies (CCF)	(243,000)
Services Other Than Personal	(45,218,000)
Services Other Than Personal (CCF)	(888,000)
Maintenance and Fixed Charges	(1,498,000)
Maintenance and Fixed Charges (CCF)	(1,297,000)

Special Purpose:

15 New Jersey Property Assessment Tax System	(8,500,000)
17 Wage Reporting/Temporary Disability Insurance	(1,524,000)
25 Administration of Casino Gambling (CCF)	(105,000)

Additions, Improvements and Equipment . . (242,000)

Additions, Improvements and
Equipment (CCF) (195,000)

So much of the receipts derived from the sale of confiscated equipment, materials and supplies under the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.), as may be necessary for confiscation, storage, disposal and other related expenses thereof, are appropriated.

Notwithstanding the provision of any law to the contrary, there shall be no retroactive payment for refunds due under section 9 of P.L.1976, c.141 (C.58:10-23.11h) as amended pursuant to section 1 of P.L.1997, c.134 for the period from January 1, 1996, through June 26, 1997, appropriated from the Spill Compensation Fund.

Such sums as may be necessary for the administration of the homestead property tax reimbursement established pursuant to P.L.1997, c.348 (C.54:4-8.67 et seq.) are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Upon certification of the Director of the Division of Taxation, the State Treasurer shall pay, upon warrants of the Director of the Division of Budget and Accounting, such claims for refund as may be necessary under the provisions of Title 54 of the Revised Statutes, as amended and supplemented.

Notwithstanding any other law to the contrary, there are appropriated out of the receipts in the Solid Waste Services Tax Fund such sums as may be necessary for the cost of administration and collection of taxes pursuant to P.L.1985, c.38 (C.13:1E-136 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

Such sums as are required for the acquisition of equipment essential to the modernization of processing tax returns, are appropriated from tax collections, subject to the approval of the Joint Budget Oversight Committee and the Director of the Division of Budget and Accounting.

The amount necessary to provide administrative costs incurred by the Division of Taxation to meet the statutory requirements of the "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et seq.) is appropriated from the Enterprise Zone Assistance Fund, subject to the approval of the Director of the Division of Budget and Accounting.

Pursuant to the provisions of section 12 of P.L.1992, c.165 (C.40:54D-12) there are appropriated such sums as may be required to compensate the Department of the Treasury for costs incurred in administering the "Tourism Improvement and Development District Act," P.L.1992, c.165 (C.40:54D-1 et seq.).

In addition to the amounts appropriated hereinabove, such additional sums as may be necessary are appropriated to fund costs of the collection and processing of

debts, taxes and other fees and charges owed to the State, including but not limited to the services of auditors and attorneys and enhanced compliance programs, subject to the approval of the Director of the Division of Budget and Accounting. The Director of the Division of Budget and Accounting shall provide the Joint Budget Oversight Committee with written reports on the detailed appropriation and expenditure of sums appropriated pursuant to this provision.

In addition to the amounts hereinabove, such sums as may be necessary for the administration of the State Earned Income Tax Credit program are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any provision of any other law to the contrary, there are available out of fees derived from the cost of collection pursuant to section 8 of P.L.1987, c.76 (C.54:49-12.1) such sums as may be required for compliance and enforcement activities associated with the collection process as promulgated by the Taxpayers' Bill of Rights under P.L.1992, c.175.

There are appropriated, out of revenues derived from escheated property under the various escheat acts, such sums as may be necessary to administer such acts and such sums as may be required for refunds.

There are appropriated out of the State Lottery Fund such sums as may be necessary for costs required to implement the "State Lottery Law," P.L.1970, c.13 (C.5:9-1 et seq.) and for payment for commissions, prizes and expenses of developing and implementing games pursuant to section 7 of P.L.1970, c.13 (C.5:9-7).

In addition to the amounts hereinabove, State Lottery Fund receipts in excess of anticipated contributions to education and State institutions, and reimbursement of administrative expenditures, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting and the Joint Budget Oversight Committee.

Of the amount hereinabove for Services Other Than Personal, \$3,500,000 is appropriated for expanded advertising for the State Lottery, subject to the approval of a plan by the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, there are appropriated out of receipts derived from communications fees such sums as may be necessary for telecommunications costs required in the administration of the State Lottery.

Notwithstanding the provisions of any other law to the contrary, there are appropriated out of receipts derived from the sale of advertising and/or promotional products by the State Lottery, such sums as may be necessary for advertising costs required in the administration of the State Lottery pursuant to P.L.1970, c.13 (C.5:9-1 et seq.).

The unexpended balances as of June 30, 2001 in the Revenue Management System account are appropriated.

The Director of the Division of Budget and Accounting is hereby authorized to transfer or credit such sums as are necessary between the Department of Labor and the Department of the Treasury for the administration of revenue collection and processing functions related to the Unemployment Insurance, Temporary

Disability Insurance, Workers Compensation, Special Compensation Programs, the Health Care Subsidy Fund, and Workforce Development Partnership program.

The amounts hereinabove for the Wage Reporting/Temporary Disability Insurance program are payable out of the State Disability Benefits Fund, and in addition to the amounts hereinabove, there are appropriated out of the State Disability Benefits Fund such additional sums as may be required to administer revenue collection associated with the Temporary Disability Insurance program, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of those anticipated from the over-the-counter surcharges are appropriated to meet the costs of the Division of Revenue's commercial recording function, subject to the approval of the Director of the Division of Budget and Accounting.

Funds necessary to defray the cost of collection to implement the provisions of P.L.1994, c.64 (C.17:29A-35 et seq.), as well as the cost of billing and collection of surcharges levied on drivers in accordance with the New Jersey Automobile Insurance Reform Act of 1982 - Merit Rating System Surcharge Program, P.L.1983, c.65 (C.17.29A-33 et al.) as amended, are appropriated from fees in lieu of actual cost of collection receipts and from surcharges derived, subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated, out of receipts derived from service fees billed to authorities for the handling of investment transactions, such sums as may be necessary to administer the above investment activity.

There are appropriated, out of receipts derived from the investments of State funds, such sums as may be necessary for bank service charges, custodial costs, mortgage servicing fees and advertising bank balances under section 1 of P.L.1956, c.174 (C.52:18-16.1).

Notwithstanding the provisions of any law to the contrary, the expenses of administration for the various retirement systems and employee benefit programs administered by the Division of Pensions and Benefits and the Division of Investments shall be charged to the pension and health benefits funds established by law to receive employer contributions or payments or to make benefit payments under the programs, as the case may be. In addition to the amounts hereinabove, there are appropriated such sums as may be necessary for administrative costs, which shall include bank service charges, investment services, and other such costs as are related to the management of the pension and health benefit programs as the Director of the Division of Budget and Accounting, shall determine. In addition, revenue resulting from such charges to the various pensions and health benefit funds, payable on a schedule to be determined by the Director of the Division of Budget and Accounting, shall be credited to the General Fund as anticipated revenue.

In addition to the amount hereinabove for Administration of Casino Gambling, there are appropriated from the Casino Control Fund such additional sums as may be required for operation of the Casino Control Commission, subject to the approval of the Director of the Division of Budget and Accounting.

74 General Government Services
DIRECT STATE SERVICES

02-2069 Garden State Preservation Trust	\$775,000
09-2050 Purchasing and Inventory Management	14,512,000
21-2140 Pensions and Benefits	31,248,000
26-2067 Property Management and Construction --	
Property Management Services	14,240,000
37-2051 Risk Management	<u>1,862,000</u>
Total Direct State Services Appropriation,	
General Government Services	<u>\$62,637,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$34,384,000)
Materials and Supplies	(749,000)
Services Other Than Personal	(17,359,000)
Maintenance and Fixed Charges	(1,695,000)

Special Purpose:

02 Garden State Preservation Trust ...	(775,000)
09 Gubernatorial Transition-	
Governor	(250,000)
09 Gubernatorial Transition-	
Governor-Elect	(250,000)
09 Gubernatorial Inaugural	
Commission	(100,000)
09 Fleet Renewal Management	
Program	(6,931,000)
21 State Pension System Audit	(128,000)
Additions, Improvements and Equipment ...	(16,000)

The Director of the Division of Budget and Accounting is empowered to transfer or credit to any central data processing center any appropriation made to any department which had been appropriated or allocated to such department for its share of costs of such data processing center including the replacement of data processing equipment and the purchase of additional data processing equipment.

There are appropriated, out of receipts derived from service fees billed to political subdivisions for the operating costs of the cooperative purchasing program, such sums as may be necessary to administer and operate the above purchasing activity.

Notwithstanding the provision of any other law to the contrary, there are appropriated from receipts derived from vendor registration fees sufficient sums for services and expenses related to the development, letting and administration of commodity or service contracts.

There are appropriated, out of receipts derived from service fees billed to authorities for the handling of insurance procurement and risk management services, such sums as may be necessary to administer the above insurance and risk management activities.

- Notwithstanding the provisions of any other law to the contrary, there are appropriated, out of the receipts derived from third party subrogation, such sums as may be necessary for the administrative expenses of this program.
- Notwithstanding the provisions of section 15 of article 6 of P.L.1944, c.112 (C.52:27B-67), revenues in excess of the anticipation derived from the sale of surplus state vehicles are available for the replacement of Central Motor Pool temporary assignment vehicles, subject to the approval of the Director of the Division of Budget and Accounting.
- Proceeds derived from commissions are credited to defray administrative costs incurred as a result of the management of the travel contract.
- The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Capitol Post Office revolving fund any appropriation made to any department for postage costs appropriated or allocated to such departments for their share of costs of the Capitol Post Office.
- The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Print Shop revolving fund any appropriation made to any department for printing costs appropriated or allocated to such departments for their share of costs of the Print Shop and the Office of Printing Control.
- The unexpended balance in the State Purchase Fund as of June 30, 2001, and the reimbursements thereto, are appropriated for the purpose of making payments for purchases under R.S.52:25-1 et seq., and for the expenses of handling, storing and transporting purchases so made and for administration of the Distribution Center.
- There are appropriated out of revenues received from the sale of surplus property, sufficient sums for the administrative costs of the Distribution Center-Surplus Property Unit.
- The unexpended balances in the State cafeteria accounts as of June 30, 2001, and receipts obtained from cafeteria operations, are appropriated for the improvement and extension of cafeteria services and facilities pursuant to section 2 of P.L.1951, c.312 (C.52:18A-19.6).
- The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Property Management and Construction program classification, from appropriations for construction and improvements, a sufficient sum to pay for the cost of architectural work, superintendence and other expert services in connection with such work.
- From the receipts derived from the sale of real property, such sums are appropriated for the costs incurred in order to preserve and maintain the property's value and condition and for costs incurred in the selling of the real property, including appraisal, survey, advertising, maintenance, security and other costs related to the preservation and disposal, subject to the approval of the Director of the Division of Budget and Accounting.
- In addition to the amounts hereinabove, there are appropriated by way of estimated receipts, an amount not to exceed \$500,000, to provide building modifications and tenant services which fall outside the scope of basic building maintenance in State-owned facilities under the auspices of the Division of Property Management and Construction, subject to the approval of the Director of the Division of Budget and Accounting.

- The unexpended balances in excess of \$300,000 in the Management of the Department of Environmental Protection Properties account as of June 30, 2001 are appropriated for the same purpose.
- Receipts derived from the leasing of State surplus real property are appropriated for the maintenance of leased property subject to the approval of the Director of the Division of Budget and Accounting, provided that a sum not to exceed \$100,000 shall be available for the administrative expenses of the program.
- There are appropriated such additional sums as may be necessary for the purchase of expert witness services related to the State's defense against inverse condemnation claims of the Land Use Regulation program.
- Receipts from employee maintenance charges in excess of \$300,000 are appropriated for maintenance of employee housing and associated relocation costs; provided, however, that a sum not to exceed \$25,000 shall be available for management of the program, the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.
- There are appropriated out of receipts derived from lease proceeds billed to the occupants of the James J. Howard Marine Science Laboratory, such sums as may be required to operate and maintain the facility and for the payment of interest and/or principal due from the issuance of bonds for this facility.
- Notwithstanding the provisions of any law to the contrary, there are appropriated such sums as may be required to provide education, outreach, and associated costs in order for the Garden State Preservation Trust to fulfill its statutory responsibility and achieve land preservation goals.
- In addition to the amounts hereinabove, there are appropriated such additional sums as may be necessary for independent audits of the State's pension systems, provided that such appropriations shall be reimbursed to the General Fund from the resources available to the various pension funds.
- Notwithstanding the provisions of any law to the contrary, the expenses of administration for the various retirement systems and employee benefit programs administered by the Division of Pensions and Benefits and the Division of Investments shall be charged to the pension and health benefits funds established by law to receive employer contributions or payments or to make benefit payments under the programs, as the case may be. In addition to the amounts hereinabove, there are appropriated such sums as may be necessary for administrative costs, which shall include bank service charges, investment services, and any other such costs as are related to the management of the pension and health benefit programs, as the Director of the Division of Budget and Accounting, shall determine. In addition, revenue resulting from such charges to the various pensions and health benefit funds, payable on a schedule to be determined by the Director of the Division of Budget and Accounting, shall be credited to the General Fund as anticipated revenue.
- In addition to the amounts hereinabove, there is appropriated an amount, not to exceed \$12,000,000, for the re-engineering of the pension and health benefits computer systems as referenced in the Division of Pensions and Benefits organizational study, provided that such appropriations shall be reimbursed to the General Fund from the resources available to the various pension funds.

There are appropriated sufficient sums as may be required for the expenses of the Pensions and Health Benefits Commission, provided that such appropriation shall be reimbursed to the General Fund from the resources available to the various pensions and health benefits funds.

Notwithstanding the provisions of any law to the contrary, there are appropriated from the Capital City Redevelopment Loan and Grant Fund such sums as may be required to provide for expenses, programs, and strategies which will enhance the vitality of the capital district as a place to live, visit, work and conduct business, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance in the Gubernatorial Transition - Governor of June 30, 2001 is appropriated for the same purpose, provided however, that notwithstanding the provisions of section 4 of P.L.1969, c.213 (C.52:15A-4), this appropriation and the services and facilities authorized shall continue to be available to the former Governor for a period not to exceed nine months from the date of the expiration of the term of office.

CAPITAL CONSTRUCTION

40-2034 Office of Information Technology	<u>\$1,100,000</u>
Total Capital Construction Appropriation,	
General Government Services	<u>\$1,100,000</u>

Capital Projects:

Office of Information Technology	
40 Video Bridging System	(\$400,000)
40 Statewide Voicemail Expansion	(700,000)

2026 Office of Administrative Law

DIRECT STATE SERVICES

45-2026 Adjudication of Administrative Appeals	<u>\$8,679,000</u>
Total Appropriation, State and All Other Funds	
	<u>\$8,679,000</u>

Less:

All Other Funds

Adjudication of Administrative

<i>Appeals</i>	<i>\$3,238,000</i>
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<i>Total Deduction</i>	<i><u>\$3,238,000</u></i>
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Total Direct State Services Appropriation,

Office of Administrative Law	<u>\$5,441,000</u>
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Direct State Services:

Personal Services:

Salaries and Wages	(\$7,493,000)
Employee Benefits	(147,000)
Materials and Supplies	(209,000)
Services Other Than Personal	(668,000)
Maintenance and Fixed Charges	(130,000)

Special Purpose:

45 Affirmative Action and Equal Employment Opportunity	(6,000)
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Additions, Improvements and Equipment . . . (26,000)

Less:

All Other Funds 3,238,000

Notwithstanding any law to the contrary, the salary of the Director of the Office of Administrative Law shall be established by the Commissioner of Personnel in the "State Compensation Plan."

In addition to the amount hereinabove, such sums as may be received or receivable from any department or non-State fund source for administrative hearing costs by the Office of Administrative Law and the unexpended balance as of June 30, 2001 of such sums are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Office of Administrative Law any appropriation made to any department for administrative hearing costs which had been appropriated or allocated to such department for its share of such costs.

Receipts derived from the annual license fee, payable to the Office of Administrative Law, and the unexpended balance as of June 30, 2001 of such receipts are appropriated.

Receipts derived from the royalties, payable to the Office of Administrative Law, and the unexpended balance as of June 30, 2001 of such receipts are appropriated.

**75 State Subsidies and Financial Aid
GRANTS-IN-AID**

33-2078 Homestead Rebates	\$493,199,000
<i>(From Property Tax Relief Fund . . \$493,199,000)</i>	
84-2078 Direct Tax Relief	<u>607,428,000</u>
<i>(From Property Tax Relief Fund . . . 607,428,000)</i>	
Total Grants-in-Aid Appropriation, State Subsidies and Financial Aid	<u>\$1,100,627,000</u>
<i>(Total From Property Tax Relief Fund \$1,100,627,000)</i>	

Grants-in-Aid:

33 Homestead Property Tax Rebates for Homeowners and Tenants (PTRF)	(\$482,600,000)
33 Senior and Disabled Citizens Property Tax Freeze (P.L.1997, c.348) (PTRF)	(10,599,000)
84 NJ SAVER Program (PTRF)	(607,428,000)

In addition to the amount hereinabove, there are appropriated from the Property Tax Relief Fund such additional sums as may be required for payments to homeowners and tenants qualifying for homestead property tax rebates, subject to the limitations and conditions provided in this act.

In addition to the amount hereinabove, there are appropriated from the Property Tax Relief Fund such additional sums as may be required for payments of property

tax credits to homeowners and tenants pursuant to the "Property Tax Deduction Act," P.L.1996, c.60 (C.54A:3A-15 et seq.).

Notwithstanding the provisions of P.L.1997, c.348 (C.54:4-8.67 et seq.), the amount hereinabove for the Senior and Disabled Citizens Property Tax Freeze, and any additional sum which may be required for this purpose, is appropriated from the Property Tax Relief Fund.

The appropriation hereinabove for NJ SAVER Program grants shall be made available as provided for by the "New Jersey School Assessment Valuation Exemption Relief and Homestead Property Tax Rebate Act," P.L.1999, c.63 (C.54:4-8.57 et al.).

In addition to the amount appropriated herein, there is appropriated from the Property Tax Relief Fund such additional sums as may be required for payments to homeowners and tenants qualifying for direct school tax relief, subject to the limitations and conditions provided in the "New Jersey School Assessment Valuation Exemption Relief and Homestead Property Tax Rebate Act," P.L.1999, c.63 (C.54:4-8.57 et al.), subject to the approval of the Director of the Division of Budget and Accounting.

From the amount appropriated hereinabove for the NJ SAVER program, there are appropriated such sums as may be necessary for the administration of the "New Jersey School Assessment Valuation Exemption Relief and Homestead Property Tax Rebate Act," P.L.1999, c.63 (C.54:4-8.57 et al.), subject to the approval of the Director of the Division of Budget and Accounting.

STATE AID

28-2078 County Boards of Taxation	\$1,349,000
29-2078 Locally Provided Services	212,144,000
<i>(From General Fund</i>	<i>\$188,368,000)</i>
<i>(From Property Tax Relief Fund ...</i>	<i>23,776,000)</i>
34-2078 Reimbursement of Senior/Disabled Citizens and Veterans' Tax Exemption .....	.81,378,000
<i>(From Property Tax Relief Fund ...</i>	<i>81,378,000)</i>
35-2078 Consolidated Police and Firemen's Pension Fund .	<u>21,852,000</u>
Total State Aid Appropriation, State Subsidies and Financial Aid	<u>\$316,723,000</u>
<i>(Total From General Fund</i>	<i>\$211,569,000)</i>
<i>(Total From Property Tax Relief Fund</i>	<i>105,154,000)</i>

State Aid:

28 County Tax Board Members	(\$1,349,000)
29 South Jersey Port Corporation Debt Service Reserve Fund	(4,375,000)
29 School Construction and Renovation Fund	(181,993,000)
29 Pinelands Area Municipality Aid (PTRF)	(776,000)
29 South Jersey Port Corporation Property Tax Reserve Fund	(2,000,000)

- 29 Solid Waste Management - County
Environmental Debt Service Aid . . . (23,000,000)
- 34 Reimbursement to Municipalities --
Senior and Disabled Citizens'
Tax Exemptions (PTRF) (28,339,000)
- 34 State Reimbursement for
Veterans' Property Tax Relief
Exemption (PTRF) (53,039,000)
- 35 Debt Service on Pension
Obligation Bonds (11,382,000)
- 35 Police and Firemen's Retirement
System, Health Benefits (PTRF) . . (10,470,000)

The Director of the Division of Budget and Accounting shall reduce amounts provided to any municipality from the appropriations hereinabove by the difference, if any, between pension contribution savings, and the amount of Consolidated Municipal Property Tax Relief Aid payable to such municipality.

There are appropriated such additional sums as may be certified to the Governor by the South Jersey Port Corporation as necessary to meet the requirements of the "South Jersey Port Corporation Debt Service Reserve Fund" under section 14 of P.L.1968, c.60 (C.12:11A-14), the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.

The State Treasurer may pay the amount hereinabove for the South Jersey Port Corporation Property Tax Reserve Fund directly to the city of Camden, any provision of law to the contrary notwithstanding and in the absence of an approved agreement between the corporation and the city pursuant to section 20 of P.L.1968, c.60 (C.12:11A-20), upon notification from the Commissioner of the Department of Community Affairs that the payment is anticipated as revenue in any city budget adopted by the city with the approval of the Camden Financial Review Board.

Of the amount hereinabove for School Construction and Renovation, \$5,000,000 of the total earnings of investments of the School Fund shall first be charged to such fund.

Of the amount hereinabove for the School Construction and Renovation Fund, such sums as the Director of the Division of Budget and Accounting shall determine, shall be charged to the State Lottery Fund.

The unexpended balance as of June 30, 2001 in the School Construction and Renovation Fund account is appropriated for the same purpose.

Of the amount hereinabove appropriated to the School Construction and Renovation Fund, such sums as are necessary for the administrative, insurance, operating and other expenses of the New Jersey Economic Development Authority for implementation of the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), are available for use, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amount hereinabove appropriated to the School Construction and Renovation Fund, such sums as are required for payment of retroactive debt service in accordance with section 9 of P.L.2000, c.72 (C.18A:7G-9), may be transferred

to the Department of Education to make such payments to eligible school districts.

In addition to the funds appropriated to the Department of Treasury for the School Construction and Renovation Fund, it is anticipated that federal revenues may be available to supplement that appropriation for health and safety projects in eligible school districts and any such federal funds received are appropriated for the same purpose. Nothing herein shall affect the ability to expend monies on the School Construction and Renovation Fund for the purposes for which they were appropriated.

In addition to the sum hereinabove appropriated to make payments under the contracts authorized pursuant to section 18 of P.L.2000, c.72 (C.18A:7G-18), there are hereby appropriated such other sums as the Director of the Division of Budget and Accounting shall determine are required to pay all amounts due from the State pursuant to such contracts.

Notwithstanding the provisions of the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), the sum apportioned to the several counties of the State shall not be distributed and shall be anticipated as revenue for general State purposes.

Notwithstanding the provisions of P.L.1945, c.162 (C.54:10A-1 et seq.), the amounts collected from banking corporations pursuant to the "Corporation Business Tax Act (1945)" shall not be distributed to the counties and municipalities and shall be anticipated as revenue for general State purposes.

The unexpended balance as of June 30, 2001 from the taxes 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.) shall lapse.

There is appropriated from taxes collected from certain insurance companies, pursuant to the insurance tax act, so much as may be required for payments to counties pursuant to P.L.1945, c.132 (C.54:18A-1 et seq.).

There is appropriated \$755,000,000 from the "Energy Tax Receipts Property Tax Relief Fund" pursuant to P.L.1997, c.167 (C.52:27D-438 et seq.).

Notwithstanding the provisions of any other law to the contrary, the amount hereinabove for Solid Waste Management-County Environmental Investment Debt Service Aid is appropriated to subsidize county and county authority debt service payments for environmental investments incurred as of June 30, 1997, pursuant to the "Solid Waste Management Act," P.L.1970, c.39 (C.13:1E-1 et seq.) and the "Solid Waste Utility Control Act," P.L.1970, c.40 (C.48:13A-1 et seq.) and to subsidize county due obligations financed through county taxes pursuant to a settlement agreement approved by the Department of Environmental Protection prior to December 1, 1997 that financed solid waste facilities that were part of a solid waste plan approved by the Department of Environmental Protection and which were the subject of an interdistrict agreement, in accordance with the criteria and program guidelines established by the Commissioners of the Departments of Community Affairs and Environmental Protection and the State Treasurer, subject to the approval of the Director of the Division of Budget and Accounting, provided however, that if such county or county authority debt is restructured through the issuance of debt through the New Jersey Economic Development Authority (EDA), pursuant to pending

legislation, then the amount hereinabove may be made available to pay debt service on that debt, in accordance with any agreements between the State Treasurer and the EDA. Expenditure of such funds to a county or county authority is conditioned upon the State Treasurer having conducted or contracted for an operational audit of such county or county authority, and such county or county authority having implemented the audit recommendations to the satisfaction of the State Treasurer. Prior to the distribution of any amounts to a county or county authority, the State Treasurer shall notify the Joint Budget Oversight Committee of the amount and recipient of each distribution and shall also notify the committee of the progress of each county and county authority in implementing the audit recommendations. In the event that funds remaining in the Resource Recovery and Solid Waste Disposal Facility Fund are unavailable to address remaining county and county authority debt service needs, pursuant to P.L.1988, c.66, or if the amount hereinabove is insufficient, there are appropriated in addition to the amount hereinabove such sums as are necessary for county and county authority debt service needs subject to the conditions herein and subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove, there is appropriated from the Property Tax Relief Fund such additional sums as may be required for State reimbursement to municipalities for senior and disabled citizens' and veterans' property tax exemptions.

In addition to the sum hereinabove appropriated for Debt Service on Pension Obligation Bonds to make payments under the State Treasurer's contracts authorized pursuant to section 6 of P.L.1997, c.114 (C.34:1B-7.50), there are appropriated such other sums as the Director of the Division of Budget and Accounting shall determine are required to pay all amounts due from the State pursuant to such contracts.

The unexpended balance as of June 30, 2001 in the Police and Firemen's Retirement System, Health Benefits account is appropriated for the same purpose.

From the amount appropriated hereinabove for Pinelands Area Municipality Aid the following municipalities with at least 50% of their land areas in one or more land conservation designations shall receive an amount equal to the amount allocated to them in fiscal year 2001 for this purpose: Estelle Manor City, Mullica Township, Weymouth Township, Bass River Township, Washington Township, Woodland Township, and Maurice River Township.

76 Management and Administration
DIRECT STATE SERVICES

86-2047 Local Budget Government Review	\$4,007,000
98-2006 Contract Compliance and Equal Employment Opportunity in Public Contracts	1,508,000
99-2000 Administration and Support Services	<u>10,191,000</u>
Total Direct State Services Appropriation, Management and Administration	<u>\$15,706,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$9,337,000)
Materials and Supplies	(93,000)
Services Other Than Personal	(2,170,000)
Maintenance and Fixed Charges	(76,000)

Special Purpose:

86 Local Budget Government	
Review	(4,007,000)
99 Federal Liaison Office, Washington, D.C.	(23,000)

There are appropriated from the investment earnings of general obligation bond proceeds, such sums as may be necessary for the payment of debt service administrative costs.

The unexpended balance as of June 30, 2001 in the State Revenue Forecasting Advisory Commission account is appropriated for the same purpose.

The unexpended balance as of June 30, 2001 in the Productivity and Efficiency Program is appropriated for the same purpose.

There is appropriated from investment earnings of State funds a sum, not to exceed \$700,000, for public finance activities.

There are appropriated out of receipts derived from service fees billed to authorities for the handling of Public Finance transactions such sums as may be necessary to administer the above public finance activities.

Such sums as may be necessary for payment of expenses incurred by issuing officials appointed under the several bond acts of the State are appropriated for the purposes and from the sources defined in those acts.

An amount equivalent to the amount due to be paid in fiscal year 2002 to the State by the Port Authority of New York and New Jersey pursuant to the regional economic development agreement dated January 1, 1990 among the States of New York and New Jersey and the Port Authority of New York and New Jersey is appropriated to the Economic Recovery Fund established pursuant to section 3 of P.L.1992, c.16 (C.34:1B-7.12) for the purposes of P.L.1992, c.16 (C.34:1B-7.10 et seq.).

Notwithstanding the provisions of any law to the contrary, there are appropriated from the "Drug Enforcement and Demand Reduction Fund" such sums as may be required to provide for the administrative expenses of the Governor's Council on Alcoholism and Drug Abuse and for programs and grants to other agencies, subject to the approval of the Director of the Division of Budget and Accounting.

Fees collected on behalf of the Contract Compliance and Equal Employment Opportunity in Public Contracts program and the unexpended balance as of June 30, 2001 of such fees are appropriated for program costs, subject to allotment by the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove, the Director of the Division of Budget and Accounting shall transfer from departmental accounts and credit to the Local Government Budget Review, such sums as may be available for the purpose of expanding the review of local government organizations.

There are appropriated such additional sums as may be required to pay for the operating expenses of the Casino Revenue Fund Advisory Commission, subject to the approval of the Director of the Division of Budget and Accounting.

**80 Special Government Services
82 Protection of Citizens' Rights
DIRECT STATE SERVICES**

06-2024 Appellate Services to Indigents	\$7,535,000
57-2021 Trial Services to Indigents and Special Programs	63,911,000
58-2022 Mental Health Screening Services	3,095,000
61-2023 Dispute Settlement	328,000
99-2025 Administration and Support Services	<u>2,576,000</u>
Total Direct State Services Appropriation, Protection of Citizens' Rights	<u>\$77,445,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$51,633,000)
Materials and Supplies	(741,000)
Services Other Than Personal	(17,834,000)
Maintenance and Fixed Charges	(438,000)

Special Purpose:

57 Continuous Representation -- Title 9 to Title 30	(5,139,000)
57 Public Defender Pilot Program ...	(184,000)
58 Representation of Civilly Committed Sexual Offenders	(602,000)
99 Affirmative Action and Equal Employment Opportunity	(64,000)
Additions, Improvements and Equipment ..	(810,000)

Sums provided for legal and investigative services are available for payment of obligations applicable to prior fiscal years.

In addition to the amount hereinabove for the operation of the Public Defender's office there are appropriated additional sums as may be required for Trial and Appellate services to indigents, the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any provision of section 2 of P.L.1974, c.33 (C.2A:158A-5.1), or any other provision of law, or any other provision of this appropriations act, no State funds are appropriated to fund the expenses associated with the legal representation of persons before the State Parole Board or the Parole Bureau.

Lawsuit settlements and legal costs awarded by any court to the Office of the Public Defender are appropriated for the expenses associated with the representation of indigent clients.

The funds appropriated to the Office of the Public Defender are available for expenses associated with the defense of pool attorneys hired by the Public Defender for the representation of indigent clients.

Receipts in excess of the amount anticipated up to \$500,000 are appropriated subject to the approval of the Director of the Division of Budget and Accounting. The unexpended balances as of June 30, 2001 are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

57-2021 Trial Services to Indigents and
 Special Programs \$12,000,000
 Total Grants-in-Aid Appropriation,
 Protection of Citizens' Rights \$12,000,000

Grants-in-Aid:

57 State Legal Services Office (\$4,000,000)
 57 Legal Services of New Jersey --
 Legal Assistance in Civil Matters
 (P.L.1996, c.52) (8,000,000)

Receipts in excess of the amount hereinabove for Legal Services of New Jersey - Legal Assistance in Civil Matters, PL.1996, c.52, are appropriated for the same purposes, subject to the approval of the Director of the Division of Budget and Accounting.

Department of the Treasury,
 Total State Appropriation \$2,183,709,000

Such sums as may be necessary are appropriated or transferred from existing appropriations within the Department of the Treasury for the purpose of promoting awareness to increase participation in programs that are administered by the department, subject to the approval of the Director of the Division of Budget and Accounting.

Summary of Department of The Treasury Appropriations
 (For Display Purposes Only)

Appropriations by Category:

Direct State Services \$406,739,000
 Grants-in-Aid 1,255,393,000
 State Aid 520,477,000
 Capital Construction 1,100,000

Appropriation by Fund:

General Fund \$925,478,000
 Property Tax Relief Fund 1,232,986,000
 Casino Control Fund 25,245,000

90 MISCELLANEOUS COMMISSIONS

40 Community Development and Environmental Management

43 Science and Technical Programs

9130 Interstate Environmental Commission

DIRECT STATE SERVICES

03-9130 Interstate Sanitation Commission \$388,000
 Total Direct State Services Appropriation,
 Interstate Environmental Commission \$388,000

Direct State Services:

Special Purpose:

03 Expenses of the Commission (\$388,000)

9140 Delaware River Basin Commission

DIRECT STATE SERVICES

03-9140 Delaware River Basin Commission \$867,000

Total Direct State Services Appropriation,

Delaware River Basin Commission \$867,000

Direct State Services:

Special Purpose:

03 Expenses of the Commission (\$867,000)

9148 Council on Local Mandates

DIRECT STATE SERVICES

03-9148 Council on Local Mandates \$137,000

Total Direct State Services Appropriation,

Council on Local Mandates \$137,000

Direct State Services:

Special Purpose:

03 Expenses of the Commission (\$137,000)

The unexpended balance as of June 30, 2001 in this account is appropriated.

Miscellaneous Commissions,

Total State Appropriation \$1,392,000

Summary of Miscellaneous Commissions Appropriations

(For Display Purposes Only)

Appropriations by Category:

Direct State Services \$1,392,000

Appropriation by Fund:

General Fund \$1,392,000

94 INTER-DEPARTMENTAL ACCOUNTS

70 Government Direction, Management and Control

74 General Government Services

DIRECT STATE SERVICES

01-9400 Property Rentals \$172,641,000

02-9400 Insurance and Other Services 50,710,000

06-9400 Utilities and Other Services 21,816,000

Total Direct State Services Appropriation,

General Government Services \$245,167,000

Direct State Services:

Property Rentals:

Existing and Anticipated Leases (\$162,500,000)

Economic Development Authority (23,783,000)
 Other Debt Service Leases and
 Tax Payments (27,143,000)

Less:

**Direct Charges and Charges to Non-
 State Fund Sources 40,785,000**

Insurance and Other Services:

Property Insurance (1,460,000)
 Casualty Insurance (505,000)
 Special Insurance Policies (220,000)
 Tort Claims Liability Fund (11,000,000)
 Workers' Compensation Fund (34,900,000)
 Vehicle Claims Liability Fund (2,000,000)
 Self-Insurance Deductible Fund (500,000)
 Self-Insurance Fund-Foster Parents (125,000)

Utilities and Other Services:

Fuel and Utilities (15,913,000)
 Household and Security (5,903,000)

The Director of the Division of Budget and Accounting is empowered to allocate to any State agency occupying space in any State-owned building equitable charges for the rental of such space, to include, but not be limited to the costs of operation and maintenance thereof, and the amounts so charged shall be credited to the General Fund; and, to the extent that such charges exceed the amounts appropriated for such purposes to any agency financed from any fund other than the General Fund, the required additional appropriation shall be made out of such other fund.

Receipts derived from direct charges and charges to non-State fund sources are appropriated for the rental of property, including the costs of operation and maintenance of such properties.

Notwithstanding any other provision of law, and except for leases negotiated by the Division of Property Management and Construction and subject to the approval or disapproval by the State Leasing and Space Utilization Committee pursuant to P.L.1992, c.130 (C.52:18A-191.1 et seq.), and except as hereinafter provided, no lease for the rental of any office or building shall be executed without the prior written consent of the State Treasurer, the Director of the Division of Budget and Accounting, the President of the Senate and the Speaker of the General Assembly.

To the extent that sums appropriated for property rental payments are insufficient, there are appropriated such additional sums, not to exceed \$3,000,000 as may be required to pay property rental obligations, subject to the approval of the Director of the Division of Budget and Accounting.

An amount not to exceed \$2,000,000 shall be appropriated for the costs of security, maintenance, utilities and other operating expenses related to the Marlboro Psychiatric Hospital and North Princeton Developmental Center closure initiatives, subject to the approval of the Director of the Division of Budget and Accounting.

- There are appropriated such sums that are necessary to make debt service payments for facilities related to the reconfiguration of Greystone Park Psychiatric Hospital, not to exceed \$2,500,000, subject to the approval of the Director of the Division of Budget and Accounting. Additionally, amounts may be transferred from various Department of Human Services' institutional operating accounts for the same purpose, not to exceed \$3,000,000, subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balance as of June 30, 2001 in the Master Lease Program Fund is appropriated for the same purpose.
- There are appropriated such additional sums as may be required to pay tort claims under N.J.S.59:12-1, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.
- The funds appropriated to the Tort Claims Liability Fund are available for the payment of claims of a tortious nature, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.
- The funds appropriated to the Tort Claims Liability Fund are available for the payment of direct costs of legal, administrative and medical services related to the investigation, mitigation and litigation of tort claims under N.J.S.59:12-1, and claims of a tortious nature, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.
- The funds appropriated to the Tort Claims Liability Fund are available for the indemnification of pool attorneys engaged by the Public Defender for the defense of indigents.
- The funds appropriated to the Tort Claims Liability Fund are available for the indemnification of designated pathologists engaged by the State Medical Examiner.
- Notwithstanding any other law to the contrary, claims paid from the Tort Claims Liability Fund on behalf of entities funded, in whole or in part, from non-State funds may be reimbursed from such non-State fund sources as determined by the Director of the Division of Budget and Accounting.
- There are appropriated such additional sums as may be required to pay claims not payable from the Tort Claims Liability Fund or payable under the New Jersey Contractual Liability Act, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine. The funds appropriated are available for the payment of direct costs of legal, administrative and medical services related to the investigation, mitigation and litigation of claims not payable from the Tort Claims Liability Fund or payable under the New Jersey Contractual Liability Act, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine. Notwithstanding any other law to the contrary, claims or costs paid from the monies appropriated under this paragraph on behalf of entities funded, in whole or in part from non-State funds may be reimbursed from such non-State funds sources as determined by the Director of the Division of Budget and Accounting. Appropriations under this paragraph shall not be available to pay

punitive damages and shall not be deemed a waiver of any immunity by the State.

To the extent that sums appropriated to pay Workers' Compensation claims under R.S.34:15-1 et seq. are insufficient, there are appropriated such additional sums as may be required to pay Workers' Compensation claims, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Workers' Compensation Self-Insurance Fund under R.S. 34:15-1 et seq. is available for the payment of direct costs of legal, investigative, administrative and medical services related to the investigation, mitigation, litigation and administration of claims against the fund, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any other law to the contrary, benefits provided to community work experience participants shall be borne by the Work First New Jersey program funded through the Department of Human Services and any costs related to administration, mitigation, litigation and investigation of claims will be reimbursed to the Bureau of Risk Management by the Work First New Jersey Program funded through the Department of Human Services, subject to the approval of the Director of the Division of Budget and Accounting.

To the extent that sums appropriated to pay auto insurance claims are insufficient, there are appropriated such additional sums as may be required to pay auto insurance claims, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Vehicle Claims Liability Fund is available for the payment of direct costs of legal, investigative and medical services related to the investigation, mitigation and litigation of claims against the fund.

The unexpended balance as of June 30, 2001 in the Self-Insurance Deductible Fund is appropriated for the same purposes.

The amount appropriated for the Self-Insurance Fund - Foster Parents is available for the payment of direct costs of legal, investigative and medical services related to the investigation, mitigation and litigation of claims against the fund.

The sums hereinabove are available for payment of obligations applicable to prior fiscal years.

There are appropriated out of revenues received from utility companies such sums as may be required for implementation and administration of the Energy Conservation Initiatives Program, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the sums hereinabove for Fuel and Utilities, the Director of the Division of Budget and Accounting shall transfer or credit to this account such sums that accrue from appropriations made to various spending agencies for Fuel and Utilities and Salaries and Wages, to reflect savings associated with electrical deregulation, fuel switch and other energy-conservation initiatives.

Of the unexpended balances in the Petroleum Overcharge Reimbursement Fund available for "Green Power," such sums shall be transferred to the various departments and agencies participating in the State electricity contract, as applicable, to reimburse additional costs associated with "Green Power" sources, subject to the approval of the Director of the Division of Budget and Accounting.

Such sums as are necessary are appropriated to the Division of Property Management and Construction for the purpose of conducting a study of the benefits resulting from the proposed purchase by the New Jersey Economic Development Authority and lease back by the State of New Jersey of office space located at 50 West State Street, 28 West State Street and 33 West State Street in the City of Trenton, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

09-9400 Aid to Independent Authorities	<u>\$74,492,000</u>
Total Grants-in-Aid Appropriation,	
General Government Services	<u>\$74,492,000</u>

Grants-in-Aid:

09 Sports and Exposition	
Authority Operations	(\$11,000,000)
09 Sports Complex	(25,573,000)
09 Atlantic City Projects	(15,217,000)
09 Higher Education and	
Other Projects	(2,569,000)
09 Wildwood Convention Center	(4,740,000)
09 Camden Aquarium	
Management Agreement	(2,000,000)
09 New Jersey Performing Arts	
Center, EDA	(5,543,000)
09 Liberty Science Center - EDA	(700,000)
09 Liberty Science Center	
Educational Services	(6,600,000)
09 War Memorial Management	
Agreement	(550,000)

In addition to the amounts appropriated hereinabove for the Sports and Exposition Authority -- Debt Service, there are appropriated such additional sums as may be necessary, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Newark Performing Arts Center account shall be used to pay the State's obligations pursuant to a lease with the New Jersey Economic Development Authority for the lease of real property and infrastructure improvements and the Performing Arts Center structure constructed thereon purchased by the authority for the State in the city of Newark for the purpose of constructing buildings to comprise a Performing Arts Center. Notwithstanding any other provision of law, the State Treasurer may enter into a lease with the New Jersey Economic Development Authority to lease the real property and improvements thereon purchased or caused to be constructed by the authority for the State in the city of Newark for the Performing Arts Center, subject to the prior written consent of the Director of the Division of Budget and Accounting, the President of the Senate and the Speaker of the General Assembly. Upon the final payment of the State's obligations pursuant to the

lease for the real property and infrastructure improvements purchased by the authority, the title to the real property and improvements shall revert to the State. The State may sublease the land and facilities for the purpose of operating, maintaining or financing a Performing Arts Center in Newark. Any sublease for use of land and improvements acquired for the State by the New Jersey Economic Development Authority for the Performing Arts Center shall be subject to the prior written approval of the Director of the Division of Budget and Accounting and the Joint Budget Oversight Committee, or its successor.

The amount hereinabove for the Liberty Science Center shall be used to provide educational services to students in the "Abbott districts" in the science education component of the comprehensive core curriculum standards as established by law.

Notwithstanding the provisions of any other law to the contrary, the Department of Environmental Protection may enter into a memoranda of understanding with the New Jersey Economic Development Authority (EDA) and the Liberty Science Center that sets forth the terms and conditions for a lease of the real property and improvements thereon to be constructed by the EDA on behalf of the State for the Liberty Science Center, subject to the approval of the Director of the Division of Budget and Accounting.

CAPITAL CONSTRUCTION

08-9400 Capital Projects -- Statewide	<u>\$177,219,000</u>
Total Capital Construction Appropriation,	
General Government Services	<u>\$179,219,000</u>

Capital Projects:

Statewide Capital Projects

08 Capital Improvements,	
Capital Complex	(\$2,385,000)
08 Americans with Disabilities Act	
Compliance Projects -- Statewide	(2,500,000)
08 Hazardous Materials Removal	
Projects -- Statewide	(2,000,000)
08 New Jersey Building Authority	(54,092,000)
08 Renovation Projects, Existing and	
Anticipated Leases	(3,700,000)
08 Complex-wide Security	
System Design	(750,000)
08 Health and Agriculture	
Space Evaluation	(480,000)
08 Alternate Fuel Stations	(500,000)
08 Van Sciver Renovation	(775,000)
08 Agriculture Building Retaining Wall	(2,000,000)
08 Repair State House Annex	
Roof Slab	(5,037,000)
08 Walson Army Hospital Study	(200,000)
08 DEP Infrastructure Wiring	(1,200,000)

Enterprise Initiative

08 Enterprise Network Security (3,600,000)
 08 Garden State Preservation Trust
 Fund Account (98,000,000)

There are appropriated such additional sums as may be required to pay future debt service costs for projects undertaken by the New Jersey Building Authority, subject to the approval of the Director of the Division of Budget and Accounting.

Prior to the unexpended balance as of June 30, 2001 in the Network Infrastructure account intended for the development of the server farm initiative being expended, any participating department shall enter into a Memorandum of Understanding with the Chief Information Officer that no enterprise, data warehousing, application or database servers will be purchased by these departments but that they will participate in the implementation of the server farm.

Unless otherwise indicated, the above amount for Enterprise Initiative: Enterprise Network Security may be allotted by the Director of the Division of Budget and Accounting to the various departments and agencies.

The amount hereinabove for the Garden State Preservation Trust Fund Account is subject to the provisions of P.L.1999, c.152 (C.13:8C-1 et al.) and the constitutional amendment on open space (Article VIII, Section II, paragraph 7).

In addition to the amount appropriated hereinabove for the Garden State Preservation Trust Fund Account, interest earned and accumulated from July 1, 2000 to June 30, 2002, is appropriated.

Interest earned and accumulated on the portion of the fiscal year 2000 appropriation for the Garden State Historic Preservation Trust Fund payable from the Garden State Preservation Trust Fund Account pursuant to P.L.1999, c.152 is appropriated to the Garden State Historic Preservation Trust Fund. Interest earned and accumulated on the remainder of the fiscal year 2000 appropriation for the Garden State Preservation Trust Fund Account is appropriated and of that amount: (a) \$1,800,000 is appropriated to the Department of Environmental Protection for the restoration of buildings and other facilities on the New Jersey portion of Ellis Island; and (b) \$2,000,000 is appropriated to the Department of Environmental Protection as grants-in-aid for the purpose of assisting local units of government to acquire lands for recreation and conservation purposes in areas within Atlantic County which are designated as Regional Growth Areas pursuant to the Pinelands Comprehensive Management Plan adopted pursuant to P.L.1979, c.111 (C.13:18A-1 et seq.). Such sums as are necessary may be transferred from grants-in-aid to capital construction for the purpose of State acquisition of lands in Regional Growth Areas, subject to the approval of the Director of the Division of Budget and Accounting.

9410 Employee Benefits
DIRECT STATE SERVICES

03-9410 Employee Benefits	<u>\$751,252,000</u>
Total Direct State Services Appropriation,	
Employee Benefits	<u>\$751,252,000</u>

Direct State Services:**Special Purpose:**

03 Public Employees' Retirement System	(\$70,559,000)
03 Police and Firemen's Retirement System	(70,000)
03 Alternate Benefits Program -- Employer Contributions	(909,000)
03 Teachers' Pension and Annuity Fund and Non-Contributory Group Life Insurance -- State	(786,000)
03 Pension Adjustment Program . . .	(1,592,000)
03 Veterans Act Pensions	(127,000)
03 P.E.R.S. Minimum Pension Benefit Act -- Pre-1955 Retirees	(9,000)
03 Heath Act Pensions	(4,000)
03 Debt Service on Pension Obligation Bonds	(24,001,000)
03 State Employees' Health Benefits	(361,358,000)
03 State Employees' Prescription Drug Program	(115,939,000)
03 State Employees' Dental Program -- Shared Cost	(20,433,000)
03 State Employees' Vision Care Program	(1,000,000)
03 Social Security Tax -- State . . .	(290,681,000)
03 Temporary Disability Insurance Liability	(5,440,000)
03 Unemployment Insurance Liability	(4,844,000)

Less:**Credit for Cash Management**

Reserve Refund 65,000,000

Reimbursements from

Agency Accounts 81,500,000

There is appropriated a sufficient amount in order that upon application to the Director of the Division of Budget and Accounting, an annuity of \$4,000 shall be paid to the widow or widower of any person, now deceased, who was elected and served as Governor of the State; provided such widow or widower was the spouse of such person for all or part of the period during which he or she served as Governor; and provided further, that this shall not apply to any widow or widower receiving a pension granted under R.S. 43:8-2, and continued by R.S.43:7-1 et seq., R.S.43:8-1 et seq., and R.S.43:8-8 et seq.

Such additional sums as may be required for Social Security Tax - State may be allotted from the various departmental operating appropriations to this account, as the Director of the Division of Budget and Accounting shall determine.

- Such additional sums as may be required for State Employees' Health Benefits may be allotted from the various departmental operating appropriations to this account, as the Director of the Division of Budget and Accounting shall determine.
- Of the amounts hereinabove for the Pension Adjustment Program, such sums as are appropriated in advance for increased retirement benefits for local employee members of State-administered retirement systems shall be repaid to the General Treasury upon reimbursement from local public employers.
- Such additional sums as may be required for State Employees' Health Benefits, State Employees' Prescription Drug Program, Social Security Tax - State, Temporary Disability Insurance Liability, and Unemployment Insurance Liability are appropriated, as the Director of the Division of Budget and Accounting shall determine.
- Notwithstanding the provisions of the Pension Adjustment Act, P.L.1958, c.143 (C.43:3B-1 et seq.), pension adjustment benefits for members and beneficiaries of the Consolidated Police and Firemen's Pension Fund shall be paid by the fund. Employer appropriations for these benefits as required under the act shall be paid to the fund.
- In addition to the sum hereinabove appropriated for Debt Service on Pension Obligation Bonds to make payments under the State Treasurer's contracts authorized pursuant to section 6 of P.L.1997, c.114 (C.34:1B-7.50), there are appropriated such other sums as the Director of the Division of Budget and Accounting shall determine are required to pay all amounts due from the State pursuant to such contracts.
- The unexpended balance as of June 30, 2001 in the Debt Service on Pension Obligation Bonds account is appropriated for the same purpose.
- The amounts hereinabove for Employee Benefits may be transferred to the Grants-In-Aid accounts for the same purposes.
- Among the amounts appropriated in section 1 of this act that are designated as State aid or grants-in-aid to be distributed by the State to governmental units that participate in the State of New Jersey Cash Management Fund reserve fund, there shall be a corresponding reduction in the distribution of payments from those appropriations amounts, as the Director of the Division of Budget and Accounting shall determine, up to the amount of funds returned from the reserve fund to those participating governmental units pursuant to this act. The Director of the Division of Budget and Accounting shall provide notice of the payment reductions to the Legislative Budget and Finance Officer on the effective date of any payment reductions. An amount up to the total reduced payments shall be transferred by the Director of the Division of Budget and Accounting from such appropriations to the appropriations made in the Employee Benefits program classification accounts in the Inter-Departmental accounts for the purposes of those accounts, which transferred amount shall be deemed a "Base Year Appropriations" for the purposes of the "State Appropriations Limitation Act," P. L. 1990, c.94 (C.52:9H-24 et seq.).

GRANTS-IN-AID

03-9410 Employee Benefits	<u>\$419,110,000</u>
Total Grants-in-Aid Appropriation, Employee Benefits	<u>\$419,110,000</u>

Grants-in-Aid:**Special Purpose:**

03 Public Employees' Retirement System	(\$11,422,000)
03 Alternate Benefits Program -- Employer Contributions	(88,782,000)
03 Teachers' Pension and Annuity Fund and Non-Contributory Group Life Insurance -- State	(368,000)
03 Debt Service on Pension Obligation Bonds	(3,116,000)
03 State Employees' Health Benefits	(131,891,000)
03 State Employees' Prescription Drug Program	(46,157,000)
03 State Employees' Dental Program -- Shared Cost	(8,125,000)
03 Social Security Tax -- State ...	(125,191,000)
03 Temporary Disability Insurance Liability	(2,480,000)
03 Unemployment Insurance Liability	(1,578,000)

Such additional sums as may be required for Alternate Benefits Program, State Employees' Health Benefits, State Employees' Prescription Drug Program, Social Security Tax - State, Temporary Disability Insurance Liability, and Unemployment Insurance Liability are appropriated, as the Director of the Division of Budget and Accounting shall determine.

In addition to the sum hereinabove appropriated to make payments under the State Treasurer's contracts authorized pursuant to section 6 of P.L.1997, c.114 (C.34:1B-7.50), there are appropriated such other sums as the Director of the Division of Budget and Accounting shall determine are required to pay all amounts due from the State pursuant to such contracts.

The unexpended balance as of June 30, 2001 in the Debt Service on Pension Obligation Bonds account is appropriated for the same purpose.

The amounts hereinabove for Employee Benefits may be transferred to the Direct State Services accounts for the same purposes.

9420 Other Inter-Departmental Accounts**DIRECT STATE SERVICES**

04-9420 Other Inter-Departmental Accounts	<u>\$33,576,000</u>
Total Direct State Services Appropriation, Other Inter-Departmental Accounts	<u>\$33,576,000</u>

Direct State Services:

Special Purpose:

- 04 To the Governor, for allotment to the various departments or agencies, to meet any condition of emergency or necessity; provided however, that a sum not in excess of \$5,000 shall be available for the expense of officially receiving dignitaries and for incidental expenses, including lunches for non-salaried board members and others for whom official reception shall be beneficial to the State (\$2,000,000)
- 04 Contingency Funds (1,500,000)
- 04 Interest on Short Term Notes (400,000)
- 04 Notes Issuance Expenses -- Underwriters Costs (1,100,000)
- 04 Catastrophic Illness in Children Relief Fund -- Employer Contributions (125,000)
- 04 Interest on Interfund Borrowing (3,000,000)
- 04 Statewide 911 Emergency Telephone System (15,419,000)
- 04 Geographic Information System (GIS) Integration (1,000,000)
- 04 Information Technology On-Line State Portal (1,850,000)
- 04 Enterprise Contingency Planning and Disaster Recovery (750,000)
- 04 Network Infrastructure (2,640,000)
- 04 Garden State Network Infrastructure (517,000)
- 04 Automated Document Factory (166,000)
- 04 Automated Cartridge System Upgrade (109,000)
- 04 Enterprise License Agreements (3,000,000)

Unless otherwise indicated, the above amounts may be allotted by the Director of the Division of Budget and Accounting to the various departments and agencies.

Notwithstanding the provisions of N.J.S.2A:153-1 et seq., there is allocated at the discretion of the Governor, an amount up to \$50,000, from the Special Purpose amount appropriated hereinabove to meet any condition of emergency or necessity, as a reward for the capture and return of Joanne Chesimard.

There are appropriated to the Emergency Services Fund such sums as are required to meet the costs of any emergency occasioned by aggression, civil disturbance, sabotage, disaster, or for flood expenses for State owned structures to comply with Federal Insurance Administration requirements, as recommended by the Emergency Services Council and approved by the Governor, and subject to the approval of the Director of the Division of Budget and Accounting.

To the extent that the costs of imaging projects are reduced, funds appropriated to individual departments for imaging related projects may be available for reallocation to a centralized function, as the Director of the Division of Budget and Accounting shall determine.

In addition to the amount hereinabove for the Information Technology, there is appropriated an amount as determined by the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2001 in the Governor's Contingency Fund is appropriated for the same purpose.

In addition to the sum hereinabove appropriated for Geographic Information System (GIS) Integration, there are appropriated such other sums as may be received from federal, county, municipal governments or agencies and nonprofit organizations for orthoimagery and parcel data mapping.

GRANTS-IN-AID

04-9420 Other Inter-Departmental Accounts	<u>\$200,000</u>
Total Grants-in-Aid Appropriation,	
Other Inter-Departmental Accounts	<u>\$200,000</u>

Grants-in-Aid:

04 Enhanced 911 County Grants	(\$200,000)
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9430 Salary Increases and Other Benefits

DIRECT STATE SERVICES

05-9430 Salary Increases and Other Benefits	<u>\$75,171,000</u>
Total Direct State Services Appropriation,	
Salary Increases and Other Benefits	<u>\$75,171,000</u>

Direct State Services:

Special Purpose:

05 Salary Increases and	
Other Benefits	(\$68,171,000)
05 Unused Accumulated Sick	
Leave Benefits	(7,000,000)

The sums hereinabove appropriated to the various State departments, agencies or commissions for the cost of salaries, wages or other benefits shall be allotted, as the Director of the Division of Budget and Accounting shall determine.

Notwithstanding the provisions of any other law, including R.S.34:15-49 and section 1 of P.L.1981, c.353 (C.34:15-49.1), the State Treasurer, the Commissioner of Personnel, and the Director of the Division of Budget and Accounting shall establish directives governing salary ranges and rates of pay, including salary increases. The implementation of such directives shall be made effective at the first full pay period of Fiscal Year 2002 as determined by such directives,

with timely notification of such directives to the Joint Budget Oversight Committee or its successor. Such directives shall not be considered an "administrative rule" or "rule" within the meaning of subsection (e) of section 2 of P.L.1968, c.410 (C.52:14B-2), but shall be considered exempt under paragraphs (1) and (2) of subsection (e) of section 2 of P.L.1968, c.410 (C.52:14B-2), and shall not be subject to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). Nothing herein shall be construed as applicable to the Presidents of the State Colleges, Rutgers, The State University, the University of Medicine and Dentistry of New Jersey and the New Jersey Institute of Technology.

No salary range or rate of pay shall be increased or paid in any State department, agency, or commission without the approval of the Director of the Division of Budget and Accounting. Nothing herein shall be construed as applicable to unclassified personnel of the Legislative Branch, or the unclassified personnel of the Judicial Branch.

In addition to the amount hereinabove for Unused Accumulated Sick Leave Payments, there are appropriated such sums as may be necessary for payments of unused accumulated sick leave.

Any sums appropriated for Salary Increases and Other Benefits shall be made available for any person holding State office, position or employment whose compensation is paid directly or indirectly, in whole or in part, from State funds, including any person holding office, position or employment under the Palisades Interstate Park Commission.

The Director of the Division of Budget and Accounting shall transfer from departmental accounts and credit to the Salary Increases and Other Benefits accounts a sum of \$13,837,000 to reflect savings from a managed attrition program. This additional sum is appropriated for Salary Increases and Other Benefits.

GRANTS-IN-AID

05-9430 Salary Increases and Other Benefits \$29,500,000
 Total Grants-in-Aid Appropriation,
 Salary Increases and Other Benefits \$29,500,000

Grants-in-Aid:

Special Purpose:

05 Salary Increases and
 Other Benefits (\$29,500,000)

The sums hereinabove shall be allotted to the various institutions of higher education for the cost of salaries, wages or other benefits, as determined by the Director of the Division of Budget and Accounting.

Inter-Departmental Accounts,
 Total State Appropriation \$1,805,687,000

Summary of Inter-Departmental Accounts Appropriations
(For Display Purposes Only)

Appropriations by Category:

Direct State Services	\$1,105,166,000
Grants-in-Aid	523,302,000
Capital Construction	177,219,000

Appropriation by Fund:

General Fund	\$1,805,687,000
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THE JUDICIARY

10 Public Safety and Criminal Justice

15 Judicial Services

DIRECT STATE SERVICES

01-9710 Supreme Court	\$4,732,000
02-9715 Superior Court -- Appellate Division	16,722,000
03-9720 Civil Courts	89,514,000
04-9725 Criminal Courts	76,409,000
05-9730 Family Courts	81,370,000
06-9735 Municipal Courts	876,000
07-9740 Probation Services	103,064,000
08-9745 Court Reporting	7,945,000
09-9750 Public Affairs and Education	2,030,000
10-9755 Information Services	16,754,000
11-9760 Trial Court Services	43,315,000
12-9765 Management and Administration	<u>3,651,000</u>
Total Direct State Services Appropriation, Judicial Services	<u>\$446,382,000</u>

Direct State Services:

Personal Services:

Chief Justice	(\$157,000)
Associate Justices	(903,000)
Judges	(58,180,000)
Salaries and Wages	(297,701,000)

Materials and Supplies	(8,259,000)
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Services Other Than Personal	(27,714,000)
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Maintenance and Fixed Charges	(2,043,000)
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Special Purpose:

01 Rules Development	(200,000)
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04 Additional Drug Courts	(4,256,000)
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05 Kinship Legal Guardianship	(970,000)
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05 Child Placement Review	
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Advisory Council	(75,000)
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05 Child Support and Paternity	
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Program Title IV-D	
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(Family Court)	(7,228,000)
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07 Intensive Supervision Program ..	(9,519,000)
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07 Juvenile Intensive Supervision Program	(1,892,000)
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- 07 Child Support and Paternity
Program Title IV-D (Probation) . (19,469,000)
 - 10 Information Systems Division --
FACTS Graphical User
Interface (GUI) (415,000)
 - 10 Information Systems Division --
Electronic Filing - Law and
Dissolution (244,000)
 - 12 Affirmative Action and Equal
Employment Opportunity 458,000)
 - Additions, Improvements
and Equipment (6,699,000)
- The unexpended balances as of June 30, 2001 in the Civil Arbitration Program are appropriated subject to the approval of the Director of the Division of Budget and Accounting.
- Of the amounts appropriated hereinabove for Additional Drug Courts, such sums up to \$2,680,000 shall be transferred to the Department of Corrections, Drug Court Treatment Programs account for the residential drug treatment services of eligible participants, subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balances as of June 30, 2001 in the Drug Court Pilot Initiative accounts are appropriated for the same purposes, subject to the approval of the Director of the Division of Budget and Accounting.
- Receipts from charges to certain Special Purpose accounts listed hereinabove are appropriated for services provided to these funds.
- Receipts from charges to the Superior Court Trust Fund, NJ Lawyers Fund for Client Protection, Disciplinary Oversight Committee, Board on Attorney Certification, Bar Admission Financial Committee, Parents' Education Fund, Automated Traffic System Fund, Municipal Court Administrator Certification, Comprehensive Enforcement Program, and Courts Computerized Information Systems Fund are appropriated for services provided to these funds.
- The unexpended balances as of June 30, 2001 in these respective accounts are appropriated subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balance as of June 30, 2001 in the Increased Juror Fees account established pursuant to section 3 of P.L.2001, c.38, not to exceed \$4,600,000, is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.
- An amount not to exceed \$7,500,000 may be transferred to the Management and Administration program classification account for Salaries and Wages from the appropriations hereinabove in any of the other program classification accounts in the Judiciary, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

05-9730 Family Courts \$90,000

Total Grants-in-Aid Appropriation, Judicial Services	<u>\$90,000</u>
Grants-in-Aid:	
05 Court Appointed Special Advocates of New Jersey, Inc.	(\$90,000)
The Judiciary, Total State Appropriation	<u>\$446,472,000</u>

Summary of Judiciary Appropriations
(For Display Purposes Only)

Appropriations by Category:

Direct State Services	\$446,382,000
Grants-in-Aid	\$90,000

Appropriation by Fund:

General Fund	\$446,472,000
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DEBT SERVICE

42 DEPARTMENT OF ENVIRONMENTAL PROTECTION

40 Community Development and Environmental Management

46 Environmental Planning and Administration

99-4800 Interest on Bonds	\$45,418,000
99-4800 Bond Redemption	<u>60,661,000</u>
Total Debt Service Appropriation, Department of Environmental Protection	<u>\$106,079,000</u>

Special Purpose:

Interest:

Water Conservation Bonds (P.L.1969, c.127)	(\$803,000)
State Recreation and Conservation Land Acquisition Bonds (P.L.1971, c.165) . . .	(11,000)
State Recreation and Conservation Land Acquisition and Development Bonds (P.L.1974, c.102)	(649,000)
Clean Waters Bonds (P.L.1976, c.92)	(538,000)
Beaches and Harbors Bonds (P.L.1977, c.208)	(131,000)
State Land Acquisition and Development Bonds (P.L.1978, c.118)	(562,000)
Emergency Flood Control Bonds (P.L.1978, c.118)	(76,000)
Natural Resources Bonds (P.L.1980, c.70) . .	(112,000)
Water Supply Bonds (P.L.1981, c.261)	(359,000)
Hazardous Discharge Bonds (P.L.1981, c.275)	(656,000)
1983 New Jersey Green Acres Bonds (P.L.1983, c.354)	(169,000)
Shore Protection Bonds (P.L.1983, c.356) . . .	(71,000)

Resource Recovery and Solid Waste	
Disposal Facility Bonds	
(P.L.1985, c.330)	(1,918,000)
Pinelands Infrastructure Trust Bonds	
(P.L.1985, c.302)	(31,000)
Wastewater Treatment Bonds	
(P.L.1985, c.330)	(32,000)
Hazardous Discharge Bonds	
(P.L.1986 c.113)	(4,837,000)
1987 Green Acres, Cultural Centers and	
Historic Preservation Bonds	
(P.L.1987, c.265)	(879,000)
1989 New Jersey Open Space	
Preservation Bonds (P.L.1989,	
c.183)	(6,325,000)
Stormwater Management and Combined	
Sewer Overflow Abatement Bonds	
(P.L.1989, c.181)	(378,000)
Green Acres, Clean Water, Farmland and	
Historic Preservation Bonds	
(P.L.1992, c.88)	(11,979,000)
Green Acres, Farmland and Historic	
Preservation and Blue Acres Bonds	
(P.L.1995, c.204)	(12,041,000)
Port of New Jersey Revitalization,	
Dredging, Bonds (P.L.1996, c.70) ..	(2,861,000)
Redemption:	
Water Conservation Bonds	
(P.L.1969, c.127)	(2,330,000)
State Recreation and Conservation Land	
Acquisition Bonds (P.L.1971, c.165) ..	(200,000)
State Recreation and Conservation Land	
Acquisition and Development Bonds	
(P.L.1974, c.102)	(3,973,000)
Clean Waters Bonds (P.L.1976, c.92) ...	(3,315,000)
Beaches and Harbors Bonds	
(P.L.1977, c.208)	(500,000)
State Land Acquisition and Development	
Bonds (P.L.1978, c.118)	(922,000)
Emergency Flood Control Bonds	
(P.L.1978, c.78)	(450,000)
Natural Resources Bonds	
(P.L.1980, c.70)	(233,000)
Water Supply Bonds (P.L.1981, c.261) ..	(2,750,000)
Hazardous Discharge Bonds	
(P.L.1981, c.275)	(423,000)

1983 New Jersey Green Acres Bonds (P.L.1983, c.354)	(970,000)
Shore Protection Bonds (P.L.1983, c.356) ..	(588,000)
Resource Recovery and Solid Waste Disposal Facility Bonds (P.L.1985, c.330)	(3,480,000)
Pinelands Infrastructure Trust Bonds (P.L.1985, c.302)	(600,000)
Wastewater Treatment Bonds (P.L.1985 c.329)	(725,000)
Hazardous Discharge Bonds (P.L.1986, c.113)	(5,368,000)
1987 Green Acres, Cultural Centers and Historic Preservation Bonds (P.L.1987, c.265)	(2,675,000)
1989 New Jersey Open Space Preservation Bonds (P.L.1989, c.183)	(10,660,000)
Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L.1989, c.181)	(770,000)
Green Acres, Clean Water, Farmland and Historic Preservation Bonds (P.L.1992, c.88)	(9,629,000)
Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L.1995, c.204)	(7,845,000)
Port of New Jersey Revitalization, Dredging Bonds (P.L.1996, c.70) ...	(2,255,000)
Total Debt Service Appropriation, Department of Environmental Protection,	<u>\$106,079,000</u>

66 DEPARTMENT OF THE TREASURY

70 Government Direction, Management and Control

76 Management and Administration

99-2000 Interest on Bonds	\$141,523,000
99-2000 Bond Redemption	<u>246,285,000</u>
Total Debt Service Appropriation, Department of the Treasury	<u>\$387,808,000</u>
Special Purpose:	
Interest:	
State Transportation Bonds (P.L.1968, c.126)	(\$209,000)
Higher Education Construction Bonds (P.L.1971, c.164)	(21,000)
State Mortgage Assistance Bonds (P.L.1976, c.94)	(142,000)

Institutions Construction Bonds (P.L.1976, c.93)	(425,000)
Medical Education Facilities Bonds (P.L.1977, c.235)	(697,000)
Institutional Construction Bonds (P.L.1978, c.79)	(252,000)
Transportation Rehabilitation and Improvement Bonds (P.L.1979, c.165)	(1,486,000)
Energy Conservation Bonds (P.L.1980, c.68)	(188,000)
Public Purpose Buildings Construction Bonds (P.L.1980, c.119)	(27,000)
Farmland Preservation Bonds (P.L.1981, c.276)	(4,000)
Community Development Bonds (P.L.1981, c. 486)	(706,000)
Jobs, Science and Technology Bonds (P.L.1984, c.99)	(29,000)
Human Services Facilities Construction Bonds (P.L.1984, c.157)	(194,000)
Refunding Bonds (P.L.1985, c.74, as amended by P.L.1992, c.182)	(110,553,000)
Correctional Facilities Construction Bonds (P.L.1987, c.178)	(195,000)
Jobs, Education and Competitiveness Bonds (P.L.1988, c.78)	(4,277,000)
Public Purpose Buildings and Community-Based Facilities Construction Bonds (P.L.1989, c.184)	(1,554,000)
1989 Bridge Rehabilitation and Improvement and Railroad Right-of- way Preservation Bonds (P.L.1989, c.180)	(3,728,000)
Developmental Disabilities' Waiting List Reduction and Human Services Facilities Construction Bonds (P.L.1994, c.108)	(5,496,000)
Statewide Transportation and Local Bridge Bond Act of 1999 (P.L.1999, c.81)	(11,340,000)
Redemption: State Transportation Bonds (P.L.1968, c.126)	(2,150,000)

Higher Education Construction Bonds (P.L.1971, c.164)	(400,000)
State Mortgage Assistance Bonds (P.L.1976, c.94)	(880,000)
Institutions Construction Bonds (P.L.1976, c.93)	(2,140,000)
Medical Education Facilities Bonds (P.L.1977, c.235)	(6,800,000)
Institutional Construction Bonds (P.L.1978, c.79)	(1,200,000)
Transportation Rehabilitation and Improvement Bonds (P.L.1979, c.165)	(3,815,000)
Energy Conservation Bonds (P.L.1980, c.68)	(285,000)
Public Purpose Buildings Construction Bonds (P.L.1980, c.119)	(300,000)
Farmland Preservation Bonds (P.L.1981, c.276)	(125,000)
Community Development Bonds (P.L.1981, c.486)	(2,170,000)
Jobs, Science and Technology Bonds (P.L.1984, c.99)	(650,000)
Human Services Facilities Construction Bonds (P.L.1984, c.157)	(970,000)
Refunding Bonds (P.L.1985, c.74, as amended by P.L.1992, c.182)	(190,516,000)
Correctional Facilities Construction Bonds (P.L.1987, c.178)	(4,150,000)
Jobs, Education and Competitiveness Bonds (P.L.1988, c.78)	(13,151,000)
Public Purpose Buildings and Community-Based Facilities Construction Bonds (P.L.1989, c.184)	(4,500,000)
1989 Bridge Rehabilitation and Improvement and Railroad Right- of-way Preservation Bonds (P.L.1989, c.180)	(3,772,000)
Developmental Disabilities' Waiting List Reduction and Human Services Facilities Construction Bonds (P.L.1994, c.108)	(3,806,000)
Statewide Transportation and Local Bond Act of 1999 (P.L.1999, c.181)	(4,505,000)
 Total Debt Service Appropriation, Department of The Treasury	 <u>\$387,808,000</u>

Total Appropriation, Debt Service \$493,887,000

Such sums as may be needed for the payment of interest and/or principal due from the issuance of any bonds authorized under the several bond acts of the State are appropriated and shall first be charged to the earnings from the investments of such bond proceeds.

There are appropriated such sums as may be needed for the payment of debt service administrative costs.

Subsequent to the refunding of bonds in fiscal year 2002, the Director of the Division of Budget and Accounting is authorized to reallocate amounts appropriated hereinabove among the various debt service accounts to reflect the debt service savings of the refunding and to permit the proper debt service payments.

Summary of Appropriations -- All Departments
(For Display Purposes Only)

Appropriations by Category:

Direct State Services \$4,750,645,000
 Grants-in-Aid 7,463,701,000
 State Aid 9,148,138,000
 Capital Construction 1,064,332,000
 Debt Service 493,887,000

Appropriation by Fund:

General Fund \$13,814,173,000
 Property Tax Relief Fund 8,674,373,000
 Casino Revenue Fund 362,354,000
 Casino Control Fund 59,703,000
 Gubernatorial Elections Fund 10,100,000

Total Appropriation, All State Funds \$22,920,703,000

FEDERAL FUNDS

10 DEPARTMENT OF AGRICULTURE

40 Community Development and Environmental Management

49 Agricultural Resources, Planning, and Regulation

02-3320 Animal and Plant Disease Control \$608,000
 04-3340 Dairy and Commodity Regulation 144,000
 06-3360 Marketing Services 232,688,000
 07-3360 Commodity Distribution 1,510,000

Total Appropriation, Agricultural Resources,
 Planning, and Regulation \$234,950,000

Personal Services:

Salaries and Wages (\$2,654,000)
 Employee Benefits (549,000)
 Materials and Supplies (350,000)
 Services Other Than Personal (2,139,000)

Maintenance and Fixed Charges	(140,000)
Special Purpose:	
Child Nutrition - Administration	(50,000)
State Aid and Grants:	
Child Nutrition - School Lunch	(145,395,000)
Child Nutrition - Special Milk	(1,519,000)
School Breakfast	(24,957,000)
Child Care Food	(43,236,000)
Child Care Sponsor Administration	(1,752,000)
Child Care - Cash for Commodities	(1,870,000)
Summer Food	(8,588,000)
Summer Sponsor Administration	(736,000)
Child Nutrition - State Administration	(80,000)
State Aid and Grants	(760,000)
Additions, Improvements and Equipment	(175,000)

Total Appropriation, Department of Agriculture \$234,950,000

22 DEPARTMENT OF COMMUNITY AFFAIRS

40 Community Development and Environmental Management

41 Community Development Management

02-8020 Housing Services	\$166,221,000
Total Appropriation, Community Development Management	<u>\$166,221,000</u>

Personal Services:

Salaries and Wages	(\$10,650,000)
Employee Benefits	(2,681,000)
Materials and Supplies	(199,000)
Services Other Than Personal	(1,245,000)
Maintenance and Fixed Charges	(1,042,000)

Special Purpose:

Shelter Plus Care Program	(48,000)
Moderate Rehabilitation	
Housing Assistance	(81,000)
Section 8 Housing Voucher Program	(974,000)
Housing Opportunities for Persons with AIDS	(5,000)
Small Cities Block Grant Program	(21,000)
National Affordable Housing -- HOME Investment Partnerships	(59,000)
Other Special Purpose	(6,000)
State Aid and Grants	(149,066,000)
Additions, Improvements and Equipment	(144,000)

50 Economic Planning, Development and Security

55 Social Services Programs

05-8050 Community Resources	\$41,853,000
15-8051 Women's Programs	<u>1,485,000</u>

Total Appropriation, Social Services Programs	<u>\$43,338,000</u>
Personal Services:	
Salaries and Wages	(\$2,106,000)
Employee Benefits	(551,000)
Materials and Supplies	(44,000)
Services Other Than Personal	(282,000)
Maintenance and Fixed Charges	(33,000)
Special Purpose:	
Weatherization Assistance Program	(28,000)
Low Income Home Energy Assistance Program	(125,000)
Community Services Block Grant	(64,000)
Rape Prevention	(11,000)
State Aid and Grants	(40,076,000)
Additions, Improvements and Equipment	(18,000)
 Total Appropriation, Department of Community Affairs	 <u>\$209,559,000</u>

26 DEPARTMENT OF CORRECTIONS*10 Public Safety and Criminal Justice**16 Detention and Rehabilitation*

08-7040 Institutional Care and Treatment	\$54,000
08-7050 Institutional Care and Treatment	257,000
08-7060 Institutional Care and Treatment	77,000
08-7065 Institutional Care and Treatment	77,000
08-7070 Institutional Care and Treatment	62,000
08-7075 Institutional Care and Treatment	55,000
08-7080 Institutional Care and Treatment	336,000
08-7085 Institutional Care and Treatment	79,000
08-7090 Institutional Care and Treatment	64,000
08-7110 Institutional Care and Treatment	439,000
08-7120 Institutional Care and Treatment	170,000
08-7130 Institutional Care and Treatment	251,000
13-7025 Institutional Program Support	<u>11,855,000</u>
Total Appropriation, Detention and Rehabilitation	<u>\$13,776,000</u>
Personal Services:	
Salaries and Wages	(\$13,139,000)
Employee Benefits	(217,000)
Special Purpose:	
Edna Mahan Visitation Program	(7,000)
Individuals with Disabilities Act -- Part B	(156,000)
State Aid and Grants	(257,000)

19 Central Planning, Direction and Management

99-7000 Administration and Support Services	<u>\$118,000</u>
Total Appropriation, Central Planning, Direction and Management	<u>\$118,000</u>
Special Purpose	(\$27,000)
Special Purpose:	
Perkins - Vocational Education	(91,000)
 Total Appropriation, Department of Corrections	<u>\$13,894,000</u>

34 DEPARTMENT OF EDUCATION**30 Educational, Cultural and Intellectual Development****31 Direct Educational Services and Assistance**

03-5060 Miscellaneous Grants-In-Aid	\$8,900,000
04-5060 Adult and Continuing Education	12,709,000
04-5062 Adult and Continuing Education	2,907,000
05-5060 Bilingual Education and Equity Issues	5,535,000
05-5064 Bilingual Education and Equity Issues	486,000
06-5060 Programs for Disadvantaged Youth	219,229,000
06-5064 Programs for Disadvantaged Youth	6,425,000
07-5060 Special Education	148,038,000
07-5065 Special Education	<u>66,135,000</u>
Total Appropriation, Direct Educational Services and Assistance	<u>\$470,364,000</u>
Personal Services:	
Salaries and Wages	(\$6,927,000)
Employee Benefits	(1,720,000)
Materials and Supplies	(526,000)
Services Other Than Personal	(1,959,000)
Special Purpose:	
Adult Basic Education -- Administration/Discretionary	(211,000)
Adult Basic Education -- Evaluation and Training, Ancillary	(1,319,000)
Vocational Education - Basic Grants ..	(15,000)
Bilingual Education, SEA Project -- Coordinating Technical Assistance ..	(59,000)
Emergency Immigrants Education Assistance -- Administration	(6,000)
Bilingual and Compensatory Education -- Homeless Children and Youth	(238,000)
Tri-State Positive Behavior - Discretionary, Administration	(5,000)
State Improvement Grant, Administration	(71,000)
IDEA -- Handicapped	(232,000)
IDEA Part B -- LRC North	(324,000)

Deaf/Blind Children Services --
 Administration/Discretionary (15,000)
 Pre-School Regional T.A. Project
 LRC -- Central (85,000)
 IDEA Part B -- Discretionary
 Administration (17,298,000)
 State Aid and Grants:
 Adult Basic Education --
 Administration/Discretionary . . (12,709,000)
 State Aid and Grants (426,549,000)
 Additions, Improvements and Equipment . . . (96,000)

32 Operation and Support of Educational Institutions

12-5011 Marie H. Katzenbach School for the Deaf \$858,000
 Total Appropriation, Operation and Support
 of Educational Institutions \$858,000
 Personal Services:
 Salaries and Wages (\$46,000)
 Employee Benefits (12,000)
 Materials and Supplies (18,000)
 Services Other Than Personal (61,000)
 Maintenance and Fixed Charges (176,000)
 Special Purpose:
 Halfway Home Project (122,000)
 State Aid and Grants (419,000)
 Additions, Improvements and Equipment (4,000)

33 Supplemental Education and Training Programs

20-5060 General Vocational Education \$20,745,000
 20-5062 General Vocational Education 2,476,000
 Total Appropriation, Supplemental Education
 and Training Programs \$23,221,000
 Personal Services:
 Salaries and Wages (\$1,565,000)
 Employee Benefits (316,000)
 Materials and Supplies (83,000)
 Services Other Than Personal (411,000)
 Special Purpose:
 Vocational Education -- Title II B
 Leadership Activities (101,000)
 State Aid and Grants (20,745,000)

34 Educational Support Services

29-5029 Educational Technology \$537,000
 29-5060 Educational Technology 28,441,000
 30-5060 Academic Programs and Standards 13,966,000

30-5063 Academic Programs and Standards	6,832,000
31-5060 Grants Management and Development	38,781,000
33-5060 Service to Local Districts	6,702,000
33-5067 Service to Local Districts	4,285,000
34-5064 Office of School Choice	115,000
34-5068 Office of School Choice	144,000
34-5120 Facilities Planning and School Building Aid	23,445,000
40-5060 Health, Safety and Community Services	8,213,000
40-5064 Health, Safety and Community Services	<u>2,662,000</u>
Total Appropriation, Educational Support Services	<u>\$134,123,000</u>
Personal Services:	
Salaries and Wages	(\$4,419,000)
Employee Benefits	(1,035,000)
Materials and Supplies	(333,000)
Services Other Than Personal	(4,310,000)
Special Purpose:	
Technology Literacy Challenge Fund	(39,000)
Vocational Education --	
Administration	(39,000)
IDEA - Elementary School	
Proficiencies	(174,000)
Title VI -- Innovative Program	
Strategies	(44,000)
Vocational Education -- Leadership	(22,000)
EESA, Title II -- Math/Science	
Training, Exemplary	(11,000)
Vocational Education -- Occupational	
Competencies	(2,000)
Foreign Language	(1,000)
Adult Basic Education --	
Administration	(31,000)
Vocational Education -- Basic Grants,	
Administration	(4,000)
National Community Service --	
Americorps	(10,000)
Class Size Reduction	(37,081,000)
IDEA, Part B -- Child Study	
Supervisors, Administration	(159,000)
Learn & Serve - Community Based	(15,000)
IDEA, Part B -- Child Study	
Supervisors	(373,000)
NCS -- Urban School Services Corp.	(347,000)
NCS -- Learn and Serve America	
(K-12)	(38,000)
NCS -- State Commission	(91,000)
NCS -- Program Development	
Assistance and Training	(14,000)
NCS -- Disability Funds	(21,000)

School Choice	(10,000)
Vocational Education --	
Administration	(117,000)
Title VI -- Innovative Program	
Strategies	(3,000)
Drug-Free Schools and Communities --	
Discretionary	(29,000)
AIDS Prevention Education	(179,000)
SDFSCA -- Governor's Portion --	
Program Expenses	(45,000)
SDFSCA -- Governor's Portion --	
Admin.	(16,000)
Other Special Purpose	(59,000)
State Aid and Grants	(84,281,000)
Additions, Improvements and	
Equipment	(771,000)

35 Education Administration and Management

42-5120 School Finance	\$579,000
99-5095 Administration and Support Services	<u>3,628,000</u>
Total Appropriation, Education Administration and	
Management	<u>\$4,207,000</u>
Personal Services:	
Salaries and Wages	(\$3,025,000)
Employee Benefits	(774,000)
Materials and Supplies	(97,000)
Services Other Than Personal	(137,000)
Special Purpose:	
Adult Basic Education -- Single Audit ...	(3,000)
Vocational Education -- State Admin. --	
Compliance	(6,000)
IDEA part B - Finance/Single Audit ...	(51,000)
IASA Consolidated Administration ...	(114,000)

Total Appropriation, Department of Education \$632,773,000

42 DEPARTMENT OF ENVIRONMENTAL PROTECTION

40 Community Development and Environmental Management

42 Natural Resource Management

11-4870 Forest Resource Management	\$1,366,000
12-4875 Parks Management	27,867,000
13-4880 Hunters' and Anglers' License Fund	9,090,000
14-4885 Shellfish and Marine Fisheries Management	3,705,000
21-4895 Natural Resources Engineering	<u>290,000</u>
Total Appropriation, Natural Resource	
Management	<u>\$42,318,000</u>

Personal Services:

Salaries and Wages	(\$3,894,000)
Employee Benefits	(978,000)
Materials and Supplies	(1,068,000)
Services Other Than Personal	(1,102,000)
Maintenance and Fixed Charges	(150,000)

Special Purpose:

Rural Community Fire	
Protection Program	(4,000)
Forest Resource Management --	
Cooperative Forest Fire Control	(95,000)
Gypsy Moth Suppression	(10,000)
Nursery - Cm - 4	(35,000)
Consolidated Forest Management	(385,000)
Northeast Regional Biomass Program ..	(10,000)
Community Forestry Assessment	(40,000)
Rural Forestry Assistance	(16,000)
Conservation Education	(10,000)
Incentives Program	(10,000)
Forest Health Monitoring	(16,000)
Land and Water Conservation	
Grant	(5,000,000)
Pinelands Grant -- Acquisition	(6,000,000)
Historic Preservation Survey	
and Planning	(1,360,000)
Endangered Plant Species	
Supplemental Funding	(5,000)
Sussex Branch Trail Improvements	(500,000)
Seashore Line	(500,000)
Delaware and Raritan Canal East	
Side Path (ISTEA)	(565,000)
Forest Legacy	(5,000,000)
Forest Legacy Administration	(10,000)
National Recreational Trails	(297,000)
National Coastal Wetlands	
Conservation	(1,000,000)
Sussex Branch Trail	
Connector (ISTEA)	(75,000)
Cape May Point State Park	
Bikeway (ISTEA)	(200,000)
Liberty State Park Ferry Slip	
Restoration (ISTEA)	(1,000,000)
Paulinskill Valley Trail	
Improvements (ISTEA)	(550,000)
Delaware and Raritan Canal State Park	
Old Rose to Mulberry Street	(250,000)
Liberty State Park Train Sheds --	
Structural Report (ISTEA)	(350,000)

Appalachian Trail Viewshed	
Acquisition (ISTEA)	(500,000)
Delaware and Raritan Canal State	
Park/Bordentown Outlet (ISTEA) . .	(820,000)
Appalachian Trail Improvement	
(ISTEA)	(50,000)
Archaeological & History/GIS	
Inventory (ISTEA)	(500,000)
D&R Canal Rt. #1 Crossing (ISTEA) .	(825,000)
Hunters' and Anglers' License Fund . . .	(925,000)
Hunter Safety Training	(241,000)
Endangered Species	(7,000)
Boat Access (Fish and Game)	(1,000,000)
Fish & Wildlife Input to Activities --	
Projects of Others	(147,000)
NJ Fish, Wildlife and Anadromous	
Fishery Coordination	(17,000)
Research In Freshwater Fisheries	
Management	(3,000)
Fish Culture and Stocking Project	(50,000)
Aquatic Recreational Resource	
Awareness & Education Project	(30,000)
Development of a Computerized Fish &	
Wildlife Information System	(40,000)
Landscape Model For Rare	
Species Protection	(60,000)
Watchable Wildlife in New	
Jersey (PRW)	(100,000)
Wildlife Research and Management . . .	(50,000)
Wildlife Conservation and	
Restoration Projects.	(1,500,000)
Fish and Wildlife Health	(8,000)
Marine Fisheries Investigation and	
Management	(245,000)
Fisheries Management Council	(5,000)
Atlantic Coastal Fisheries	(81,000)
Inventory of New Jersey Surf	
Clam Resource	(39,000)
Artificial Reef Program	(120,000)
Clean Vessels	(506,000)
Marine Fisheries Law Enforcement . . .	(800,000)
Atlantic Coastal Cooperative Program .	(100,000)
Community Assistance Program	(68,000)
National Dam Safety Program	
(FEMA)	(47,000)
Other Special Purpose	(996,000)

State Aid and Grants (1,134,000)
 Additions, Improvements and Equipment . . (819,000)

43 Science and Technical Programs

02-4801 Air Pollution Control \$5,210,000
 07-4850 Water Monitoring and Planning 3,100,000
 15-4801 Land Use Regulation 3,950,000
 18-4810 Science, Research and Technology 1,320,000
 22-4861 New Jersey Geological Survey 305,000
 90-4801 Watershed Management 10,210,000

Total Appropriation, Science and
 Technical Programs \$24,095,000

Personal Services:

Salaries and Wages (\$4,160,000)
 Employee Benefits (1,041,000)
 Materials and Supplies (118,000)
 Services Other Than Personal (5,361,000)
 Maintenance and Fixed Charges (46,000)

Special Purpose:

Air Pollution Maintenance Program . (1,061,000)
 Greenhouse Gas Emission Bank (100,000)
 Particulate Monitoring Grant (899,000)
 Climate Change (100,000)
 Water Pollution Control Program . . . (1,167,000)
 Clean Lakes Program (500,000)
 Coastal Zone Management
 Implementation (401,000)
 Coastal Zone Management Grant --
 Section 309 (190,000)
 Coastal Zone Management Grant --
 Section 6217 (230,000)
 Coastal Zone Management -- 310 . . (1,000,000)
 New Jersey Climate Wise Partnerships . (30,000)
 New York/New Jersey Harbor
 Estuary Program (344,000)
 Multi-Media (255,000)
 Offshore Beach Replenishment (70,000)
 National Geologic Mapping Program . . (34,000)
 Earthquake Hazard Reduction (15,000)
 Strathmere Parcels (565,000)
 Conashank Point (215,000)
 Water Pollution Control (228,000)
 Coastal Wetlands Conservation
 (Land Acquisition) (1,000,000)
 Good Luck Point Land Acquisition . . . (480,000)
 Sloop/Maple Creek Acquisition (350,000)
 Stout's Creek Land Acquisition (750,000)
 Water Monitoring and Planning (446,000)

319H Supplemental	(352,000)
Non-Point Source Implementation (319H)	(352,000)
Whippany River Watershed Management Project (104B3)	(248,000)
Water Pollution Control - TMDL	(44,000)
Americorps	(300,000)
Other Special Purpose	(417,000)
Additions, Improvements and Equipment	(1,226,000)

44 Site Remediation

19-4815 Publicly-Funded Site Remediation	\$31,500,000
23-4815 Solid Hazardous Waste Management	360,000
27-4815 Responsible Party Site Remediation	<u>4,905,000</u>
Total Appropriation, Site Remediation	<u>\$36,765,000</u>
Personal Services:	
Salaries and Wages	(\$2,156,000)
Employee Benefits	(545,000)
Materials and Supplies	(37,000)
Services Other Than Personal	(142,000)
Maintenance and Fixed Charges	(86,000)
Special Purpose:	
Brownfields Preliminary Assessment/ Site Investigation	(411,000)
Voluntary Clean-up -- Site Specific	(38,000)
Superfund Core Grant -- CPCA	(350,000)
Voluntary Cleanup Program	(94,000)
Environmental Monitoring for Public Access and Community Tracking	(7,000)
Superfund Grants	(30,000,000)
Hazardous Waste -- Resource Conservation Recovery Act	(47,000)
Preliminary Assessments/ Site Inspections	(1,539,000)
Underground Storage Tanks	(400,000)
Underground Storage Tanks	(59,000)
Underground Storage Tanks	(50,000)
Other Special Purpose	(741,000)
Additions, Improvements and Equipment	(63,000)

45 Environmental Regulation

01-4820 Radiation Protection	\$500,000
02-4892 Air Pollution Control	1,007,000
05-4840 Water Supply and Watershed Management	22,200,000
09-4860 Public Wastewater Facilities	57,600,000

15-4890 Land Use Regulation	1,750,000
16-4891 Water Monitoring and Planning	710,000
23-4910 Solid and Hazardous Waste Management	<u>2,135,000</u>
Total Appropriation, Environmental Regulation	<u>\$85,902,000</u>
Personal Services:	
Salaries and Wages	(\$3,440,000)
Employee Benefits	(867,000)
Materials and Supplies	(151,000)
Services Other Than Personal	(966,000)
Maintenance and Fixed Charges	(52,000)
Special Purpose:	
Radon Program	(145,000)
Air Pollution Maintenance Program ...	(89,000)
Safe Drinking Water Act	(282,000)
Drinking Water State	
Revolving Fund	(1,100,000)
Clean Water State Revolving Fund ..	(2,500,000)
Coastal Zone Management	
Implementation	(333,000)
State Wetlands Conservation Plan	(250,000)
Publicly Owned Treatment	
Works Diagnostic	(5,000)
Underground Injection Control	(13,000)
NPDES Implementation	
Support Program	(269,000)
Hazardous Waste -- Resource	
Conservation Recovery Act	(264,000)
Pollution Prevention Incentive	(100,000)
Other Special Purpose	(930,000)
State Aid and Grants	(74,100,000)
Additions, Improvements and Equipment ...	(46,000)

46 Environmental Planning and Administration

26-4805 Regulatory and Governmental Affairs	\$150,000
99-4800 Administration and Support Services	<u>950,000</u>
Total Appropriation, Environmental Planning	
and Administration	<u>\$1,100,000</u>
Special Purpose:	
New Jersey Classroom Reform Grant .	(\$150,000)
Environmental Justice	(100,000)
State/EPA Data Management Grant ...	(750,000)
National Spatial Data Infrastructure ...	(100,000)

47 Compliance and Enforcement Policy

02-4855 Air Pollution Control	\$1,802,000
04-4835 Pesticide Control	750,000
08-4855 Water Pollution Control	1,000,000
15-4855 Land Use Regulation	500,000

23-4855 Solid and Hazardous Waste Management	<u>1,886,000</u>
Total Appropriation, Compliance and Enforcement Policy	<u>\$5,938,000</u>
Personal Services:	
Salaries and Wages	(\$2,254,000)
Employee Benefits	(569,000)
Materials and Supplies	(34,000)
Services Other Than Personal	(240,000)
Maintenance and Fixed Charges	(12,000)
Special Purpose:	
Air Pollution Maintenance Program ..	(576,000)
Pesticide Technology	(110,000)
Pesticide Control Consolidated	(82,000)
Pesticide Food Quality Protection	(70,000)
Multi-Media Enforcement Grant ...	(1,000,000)
Coastal Zone Management	
Implementation	(97,000)
Hazardous Waste -- Resource	
Conservation Recovery Act	(339,000)
Other Special Purpose	(456,000)
Additions, Improvements and Equipment ...	(99,000)
 Total Appropriation, Department of Environmental Protection	 <u>\$196,118,000</u>

46 DEPARTMENT OF HEALTH AND SENIOR SERVICES

20 Physical and Mental Health

21 Health Services

01-4215 Vital Statistics	\$850,000
02-4220 Family Health Services	142,819,000
03-4230 Public Health Protection Services	30,230,000
04-4240 Addiction Services	47,835,000
08-4280 Laboratory Services	1,799,000
12-4245 AIDS Services	<u>81,177,000</u>
Total Appropriation, Health Services	<u>\$304,710,000</u>
Personal Services:	
Salaries and Wages	(\$33,330,000)
Employee Benefits	(8,370,000)
Materials and Supplies	(2,647,000)
Services Other Than Personal	(14,104,000)
Maintenance and Fixed Charges	(199,000)
Special Purpose:	
Supplemental Food Program -	
W.I.C.	(66,174,000)
W.I.C. Farmer's Market	
Nutrition Program	(476,000)

Child Nutrition Program --	
Inspection Services	(37,000)
Toxic Substances Control Act	(25,000)
HIV AIDS Prevention	
Education Grant	(22,000)
Immunization Project	(1,854,000)
Other Special Purpose	(4,046,000)
State Aid and Grants:	
Pediatric EMS System Development	
for New Jersey	(100,000)
N.J. Project: Providing a MED Home	
in a Neighborhood of Services	(38,000)
Preparedness and Response	
for Bioterrorism	(407,000)
Substance Abuse Treatment and	
HIV/AIDS Services	(519,000)
Title IV-B Family Preservation and	
Support Services	(200,000)
State Treatment Performance	
Outcomes Study	(493,000)
State Aid and Grants	(170,513,000)
Additions, Improvements	
and Equipment	(1,156,000)
22 Health Planning and Evaluation	
06-4260 Long Term Care Systems	\$9,341,000
07-4270 Health Care Systems Analysis	<u>19,270,000</u>
Total Appropriation, Health Planning	
and Evaluation	<u>\$28,611,000</u>
Personal Services:	
Salaries and Wages	(\$5,234,000)
Employee Benefits	(1,317,000)
Materials and Supplies	(34,000)
Services Other Than Personal	(616,000)
Maintenance and Fixed Charges	(487,000)
Special Purpose:	
Other Special Purpose	(1,977,000)
State Aid and Grants	
Federal Civil Monetary Penalties	(50,000)
State Aid and Grants	(18,170,000)
Additions, Improvements	
and Equipment	(726,000)
25 Health Administration	
99-4210 Administration and Support Services	<u>\$770,000</u>
Total Appropriation, Health Administration	<u>\$770,000</u>
Personal Services:	
Salaries and Wages	(\$353,000)

Employee Benefits (89,000)
 Services Other Than Personal (160,000)
 Special Purpose:
 Other Special Purpose (77,000)
 Minority AIDS Demo (91,000)

26 Senior Services

22-4275 Medical Services for the Aged \$1,121,119,000
 55-4275 Programs for the Aged 44,603,000
 56-4275 Office of the Ombudsman 420,000
 57-4275 Office of the Public Guardian 250,000
 Total Appropriation, Senior Services \$1,166,392,000

Personal Services:

Salaries and Wages (\$10,013,000)
 Employee Benefits (2,098,000)
 Materials and Supplies (185,000)
 Services Other Than Personal (907,000)
 Maintenance and Fixed Charges (353,000)

Special Purpose:

Administration of U.S. Department
 of Health and Human Services
 Programs (2,281,000)
 Community Choice/Acuity Audits (558,000)
 Ombudsman for the Institutionalized
 Elderly:
 Medicaid Reimbursement (40,000)
 Other Special Purpose (1,035,000)

State Aid and Grants

Reducing the Burden of Arthritis and
 Other Rheumatic Conditions (63,000)
 State Aid and Grants (1,148,499,000)

Additions, Improvements

and Equipment (360,000)

Total Appropriation, Department of Health and
 Senior Services \$1,500,483,000

54 DEPARTMENT OF HUMAN SERVICES

20 Physical and Mental Health

23 Mental Health Services

7700 Division of Mental Health Services

08-7700 Community Services \$15,398,000
 99-7700 Administration and Support Services 300,000
 Total Appropriation, Division of
 Mental Health Services \$15,698,000

Personal Services:
 Salaries and Wages (\$405,000)
 Special Purpose:
 Fraud and Abuse Initiative (300,000)
 State Aid and Grants (14,993,000)

24 Special Health Services

7540 Division of Medical Assistance and Health Services

21-7540 Health Services Administration
 and Management \$57,236,000
 22-7540 General Medical Services 2,031,980,000
 Total Appropriation, Division of Medical
 Assistance and Health Services \$2,089,216,000

Personal Services:
 Salaries and Wages (\$17,149,000)
 Materials and Supplies (148,000)
 Services Other Than Personal (5,894,000)
 Maintenance and Fixed Charges (1,604,000)
 Special Purpose:
 Payments to Fiscal Agent (20,105,000)
 Professional Standards Review
 Organization -- Utilization
 Review (4,078,000)
 Drug Utilization Review Board --
 Administrative Costs (60,000)
 NJ KidCare A -- Administration (2,580,000)
 NJ KidCare B, C & D --
 Administration (5,238,000)
 State Aid and Grants:
 Payments for Medical Assistance
 Recipients -- Personal Care (103,197,000)
 Managed Care Initiative (523,747,000)
 Hospital Health Care Subsidy (68,664,000)
 Hospital Relief Offset Payment (28,812,000)
 Payments for Medical Assistance
 Recipients -- Waiver
 Initiatives (17,653,000)
 Other Treatment Facilities (9,288,000)
 Inpatient Hospital (372,144,000)
 Prescription Drugs (309,946,000)
 Outpatient Hospital (142,894,000)
 Physician (35,610,000)
 Home Health (26,980,000)
 Medicare Premiums (68,259,000)
 Dental (10,625,000)
 Psychiatric Hospital (11,079,000)
 Medical Supplies (14,742,000)
 Clinic (52,736,000)

Transportation	(13,533,000)
Other Services	(6,885,000)
Home Health Background Checks -- Title XIX federal matching funds	(1,800,000)
Unit Dose Contract Services	(3,645,000)
Consulting Pharmacy Services	(759,000)
SSI-Disabled Back-to- Work Incentive	(1,424,000)
Eligibility Determination Services	(6,864,000)
Health Benefit Coordination Services	(7,333,000)
Title XIX Children's Initiative	(39,679,000)
State Aid and Grants	(153,682,000)
Additions, Improvements and Equipment	(380,000)

30 Educational, Cultural and Intellectual Development

32 Operation and Support of Educational Institutions

01-7601	Purchased Residential Care	\$185,673,000
02-7601	Social Supervision and Consultation	14,582,000
03-7601	Adult Activities	28,211,000
04-7601	Education and Day Training	1,506,000
05-7610	Residential Care and Habilitation Services	5,435,000
05-7620	Residential Care and Habilitation Services	21,904,000
05-7630	Residential Care and Habilitation Services	18,613,000
05-7640	Residential Care and Habilitation Services	18,682,000
05-7650	Residential Care and Habilitation Services	24,223,000
05-7660	Residential Care and Habilitation Services	21,505,000
05-7670	Residential Care and Habilitation Services	22,100,000
99-7600	Administration and Support Services	6,180,000
99-7610	Administration and Support Services	2,175,000
99-7620	Administration and Support Services	1,920,000
99-7630	Administration and Support Services	1,586,000
99-7640	Administration and Support Services	3,215,000
99-7650	Administration and Support Services	3,626,000
99-7660	Administration and Support Services	1,343,000
99-7670	Administration and Support Services	<u>3,124,000</u>
	Total Appropriation, Operation and Support of Educational Institutions	<u>\$385,603,000</u>
	Personal Services:	
	Salaries and Wages	(\$170,254,000)
	Materials and Supplies	(34,000)
	Services Other Than Personal	(775,000)
	Maintenance and Fixed Charges	(2,000)

Special Purpose	
Foster Grandparents Program	(42,000)
State Aid and Grants	
Community Nursing Care	
Initiative - FY2002	(437,000)
Community Services Waiting List	
Reduction Initiative - FY2002 . .	(10,126,000)
Community Transition	
Initiative - FY2002	(3,822,000)
State Aid and Grants	(200,111,000)

33 Supplemental Education and Training Programs

11-7560 Services for the Blind and Visually Impaired	\$8,467,000
99-7560 Administration and Support Services	<u>1,857,000</u>
Total Appropriation, Supplemental Education and	
Training Programs	<u>\$10,324,000</u>
Personal Services:	
Salaries and Wages	(\$4,024,000)
Materials and Supplies	(116,000)
Services Other Than Personal	(708,000)
Maintenance and Fixed Charges	(254,000)
State Aid and Grants	(4,916,000)
Additions, Improvements and Equipment . .	(306,000)

50 Economic Planning, Development and Security

53 Economic Assistance and Security

15-7550 Income Maintenance Management	<u>\$849,386,000</u>
Total Appropriation, Economic Assistance	
and Security	<u>\$849,386,000</u>
Personal Services:	
Salaries and Wages	(\$16,817,000)
Materials and Supplies	(432,000)
Services Other Than Personal	(14,685,000)
Maintenance and Fixed Charges	(1,148,000)
Special Purpose:	
Electronic Benefits Transfer, Evaluation	
& Development, Food Stamps	(182,000)
Work First New Jersey -- Electronic	
Benefits Transfer -- Design &	
Development	(64,000)
Work First New Jersey Technology	
Investment -- Food Stamps	(3,523,000)
EBT -- Operational Food Stamp	
Match for CWA's	(1,671,000)
Work First New Jersey -- Benefits	
Transfer Operational	(588,000)
Work First New Jersey -- Technology	
Investments	(8,002,000)

Work First New Jersey -- Technology	
Investments -- Title XIX	(2,122,000)
Hospital Paternity Program	(959,000)
Work First New Jersey -- Technology	
Investment -- Title IV-D	(6,318,000)
Work First New Jersey -- Child	
Support -- Program Legislative	
Initiatives	(8,318,000)
Child Support Initiatives -- New	
Hires-- TANF	(6,000)
State Aid and Grants	
SSBG CWA Administration	
TANF Transfer	(5,163,000)
Child Care	(630,000)
Faith Based Initiatives	(1,000,000)
Criminal Background Evaluations ..	(2,615,000)
Domestic Violence and Prevention	
Training and Assessment	(450,000)
Medicaid Outreach	(5,000,000)
Abbott Headstart Subsidy	(6,000,000)
TANF Child Care Cost of	
Living Adjustment	(3,628,000)
Homeless Assistance	(2,000,000)
TANF Child Care Direct Care	
Salary Supplement	(4,537,000)
TANF Child Care Expenses	(19,898,000)
State Aid and Grants	(733,466,000)
Additions, Improvements and Equipment ..	(164,000)

55 Social Services Programs

16-7570 Services to Children and Families	\$179,715,000
99-7570 Administration and Support Services	<u>11,285,000</u>
Total Appropriation, Social Services Programs	<u>\$191,000,000</u>
Personal Services:	
Salaries and Wages	(\$105,984,000)
Materials and Supplies	(1,924,000)
Services Other Than Personal	(8,313,000)
Maintenance and Fixed Charges	(9,350,000)
State Aid and Grants:	
Adolescent Pregnancy School	
Based Youth	(3,750,000)
Independent Services Living	
Expansion	(1,500,000)
Title XIX (SHSP Foster)	(2,574,000)
Treatment Homes -- Title XIX	(486,000)
State Aid and Grants	(48,656,000)

Additions, Improvements and Equipment (8,463,000)

70 Government Direction, Management and Control

76 Management and Administration

7500 Division of Management and Budget

99-7500 Administration and Support Services \$34,198,000

Total Appropriation, Division of Management

and Budget \$34,198,000

Personal Services:

Salaries and Wages (\$150,000)

Special Purpose:

Traumatic Brain Injury Grant (198,000)

Community Based Residential

Program Grant (1,000,000)

DHS Adult Basic Education Program .. (211,000)

Deaf Blind Grant VI-C PL 94-142 (92,000)

Federal Cost Recoveries (14,701,000)

Child Support Enforcement Program .. (299,000)

Title IV-B Child Welfare Services (134,000)

Title IV-E Foster Care (288,000)

Low Income Energy Assistance

Block Grant (126,000)

Title XIX, ICF/MR (8,243,000)

Title XIX, Medical Assistance (2,600,000)

Refugee Resettlement Program (18,000)

Social Service Block Grant (2,326,000)

Vocational Rehabilitation Act --

Section 120 (100,000)

Food Stamp Program (447,000)

Temporary Assistance to Needy

Families Block Grant (604,000)

State Aid and Grants (2,661,000)

Total Appropriation, Department of

Human Services \$3,575,425,000

62 DEPARTMENT OF LABOR

50 Economic Planning, Development and Security

51 Economic Planning and Development

18-4570 Planning and Analysis \$7,790,000

Total Appropriation, Economic Planning

and Development \$7,790,000

Personal Services:

Salaries and Wages (\$4,879,000)

Employee Benefits (1,231,000)

Materials and Supplies (118,000)

Services Other Than Personal (675,000)

Maintenance and Fixed Charges (187,000)

Special Purpose:

Reports and Analysis -- Unemployment	
Insurance	(56,000)
ES 202 Covered Employment	
and Wages	(67,000)
Current Employment Statistics	(85,000)
Local Area Unemployment Statistics ...	(14,000)
Occupational Employment Statistics ...	(60,000)
Labor Market Information - ES	(7,000)
ES Cost Reimbursable Grants -- Alien	
Labor Certification	(12,000)
Permanent Mass Layoff Plant Closings .	(14,000)
Current Employment Statistics	
Additional to Maintain Current Issue .	(2,000)
ES 202 RELATED	(21,000)
Redesigned Occupational Safety and	
Health (ROSH)	(48,000)
One Stop Labor Market Information ...	(92,000)
OSHA Data Collection Survey	(9,000)
JTPA Title III LMI	(119,000)
Occupational Wage Survey-	
Alien Certification	(18,000)
Additions, Improvements and Equipment ...	(76,000)

53 Economic Assistance and Security

01-4510 Unemployment Insurance	\$93,675,000
02-4515 Disability Determination	<u>43,500,000</u>
Total Appropriation, Economic Assistance	
and Security	<u>\$137,175,000</u>

Personal Services:

Salaries and Wages	(\$69,800,000)
Employee Benefits	(16,725,000)
Materials and Supplies	(2,050,000)
Services Other Than Personal	(15,500,000)
Maintenance and Fixed Charges	(10,450,000)
Special Purpose:	
Unemployment Insurance	(9,500,000)
Employment Security Revenue	(200,000)
Old Age and Survivors' Insurance --	
Disability Determination	(3,500,000)
State Aid and Grants	(8,000,000)
Additions, Improvements and Equipment	(1,450,000)

54 Manpower and Employment Services

07-4535 Vocational Rehabilitation Services	\$48,260,000
09-4545 Employment Services	39,140,000

10-4545 Employment and Training Services	105,044,000
12-4550 Workplace Standards	<u>3,775,000</u>
Total Appropriation, Manpower and Employment Services	<u>\$196,219,000</u>
Personal Services:	
Salaries and Wages	(\$49,397,000)
Employee Benefits	(12,169,000)
Materials and Supplies	(1,938,000)
Services Other Than Personal	(7,639,000)
Maintenance and Fixed Charges	(6,645,000)
Special Purpose:	
Vocational Rehabilitation Act of 1973	(2,170,000)
Employment Services	(1,500,000)
Employment Service Intermittents	(10,000)
Disabled Veterans' Outreach Program	(160,000)
Local Veterans' Employment Representatives	(125,000)
Trade Adjustment Assistance Project	(80,000)
Employment Services Grants -- Alien Labor Certification	(250,000)
Work Opportunity Tax Credit	(85,000)
Employment Services Cost Reimbursable Grants -- Migrant Housing	(5,000)
Agricultural Wage Surveys	(10,000)
NAFTA Transitional Adjustment Assistance	(40,000)
Employment Services Rapid Response Team	(290,000)
WIA Title IIID Discretionary Funding	(75,000)
WIA - Toll Free Helpline	(67,000)
Occupational Safety Health Act, On- Site Consultation	(150,000)
Mine Safety Educational Program	(5,000)
Federal Public Employees Occupational Safety and Health Act	(1,800,000)
Other Special Purpose	(495,000)
State Aid and Grants:	
Technology Related Assistance Project	(700,000)
State Aid and Grants	(108,678,000)
Additions, Improvements and Equipment	(1,736,000)
 Total Appropriation, Department of Labor	 <u>\$341,184,000</u>

66 DEPARTMENT OF LAW AND PUBLIC SAFETY
10 Public Safety and Criminal Justice
12 Law Enforcement

06-1200 State Police Operations	\$33,927,000
09-1020 Criminal Justice	39,050,000
99-1200 Administration and Support Services	<u>14,250,000</u>
Total Appropriation, Law Enforcement	<u>\$87,227,000</u>
Personal Services:	
Salaries and Wages	(\$5,314,000)
Cash in Lieu of Maintenance	(124,000)
Employee Benefits	(987,000)
Materials and Supplies	(25,000)
Services Other Than Personal	(158,000)
Maintenance and Fixed Charges	(130,000)
Special Purpose:	
Federal Highway Hazardous Materials	
Transportation	(395,000)
Forensic DNA Laboratory	(300,000)
Domestic Marijuana Eradication	
Suppression Program	(280,000)
D.W.I. Training	(9,000)
COPS MORE 2002 17 Secretaries ...	(400,000)
Flood Mitigation Assistance	(2,000,000)
COPS TECH 2001 HI Technology	
Initiative	(152,000)
FIFS Live Scan	(210,000)
Digitized Mugshot Identification	
System	(2,200,000)
CJI/BI Garden State Parkway	(2,300,000)
Breathalyser Training OHTS	(44,000)
USS New Jersey Law Enforcement	
Facility	(5,000,000)
Forensic Crime Information	
Technology Center	(4,000,000)
Forensic Crime Laboratory	
Improvement Program	(2,500,000)
Northern New Jersey Heroin and	
Money Laundering	(200,000)
Domestic Preparedness Training ...	(2,300,000)
Hazardous Materials Transportation ...	(350,000)
NIEHS SARA Title III Section 126	(59,000)
Comprehensive Environmental	
Response and Compliance Liability .	(10,000)
Incident Command	(486,000)
EMPG -- Non -Terrorism	(3,436,000)
EMPG -- Terrorism	(1,000,000)

State Police Street Gang Initiative . . .	(2,500,000)
Police Sentry Initiative	(250,000)
Computer Crime Grant Program	(250,000)
County Prosecutors Assistance	
Megan's Law Implementation . . .	(1,300,000)
Bulletproof Vest Partnership	(400,000)
Medicaid Fraud Unit	(255,000)
Community Prosecutors	
Block Grant	(1,000,000)
Law Enforcement Training	
Academy	(12,000,000)
Distance Learning Law Enforcement	
Training Initiative	(1,500,000)
Attorney Advocacy Institute	(500,000)
Police Integrity Program	(250,000)
State Aid and Grants	(30,897,000)
Additions, Improvements	
and Equipment	(1,756,000)

13 Special Law Enforcement Activities

03-1160 Office of Highway Traffic Safety	\$8,131,000
21-1400 Regulation of Alcoholic Beverages	<u>760,000</u>
Total Appropriation, Special Law	
Enforcement Activities	<u>\$8,891,000</u>

Personal Services:

Salaries and Wages	(\$1,312,000)
Employee Benefits	(225,000)
Materials and Supplies	(87,000)
Services Other Than Personal	(712,000)
Maintenance and Fixed Charges	(41,000)

Special Purpose:

State Police Training DOT	(27,000)
Checkpoints	(145,000)
ABC	(63,000)
Project 2001	(53,000)
FHWA Program Management	(2,000)
Pedestrian Safety Grant	(218,000)
Selective Enforcement Management . . .	(37,000)
Highway Safety Data	
Improvement Grant	(25,000)
Safety Incentive Grants	(450,000)
Highway Safety -- Alcohol	
Education and Public	
Awareness Coordinator	(253,000)
Child Passenger Protection	
Education	(200,000)
Drunk Driver Protection	(5,000)
Increased Seat Belt Use	(800,000)

Paid Advertising	(154,000)
Combating Underage Drinking	(360,000)
Combat Underage Drinking --	
Discretionary	(400,000)
State Aid and Grants	(3,309,000)
Additions, Improvements and Equipment ...	(13,000)

18 Juvenile Services

34-1500 Juvenile Community Programs	\$6,381,000
36-1505 Institutional Care and Treatment	369,000
36-1510 Institutional Care and Treatment	295,000
99-1500 Administration and Support Services	<u>3,693,000</u>
Total Appropriation, Juvenile Services	<u>\$10,738,000</u>
Personal Services:	
Salaries and Wages	(\$1,526,000)
Employee Benefits	(173,000)
Special Purpose:	
Juvenile Accountability Incentive	
Block Grant	(5,700,000)
Title I - Part D, Neglected and	
Delinquent	(295,000)
Challenge Grant	(103,000)
Title V Funding	(1,100,000)
Juvenile Monitoring Unit	(28,000)
State Aid and Grants	(1,810,000)
Additions, Improvements and Equipment ...	(3,000)

19 Central Planning, Direction and Management

99-1000 Administration and Support Services	<u>\$17,350,000</u>
Total Appropriation, Central Planning, Direction	
and Management	<u>\$17,350,000</u>
Special Purpose	(\$2,500,000)
Special Purpose:	
National Criminal History	
Program - OAG	(1,500,000)
Criminal Justice Info. System	
Master Plan Study	(350,000)
Truth In Sentencing	
Incentive Grant	(13,000,000)

80 Special Government Services

82 Protection of Citizens' Rights

16-1350 Protection of Civil Rights	\$630,000
19-1440 Victims of Crime Compensation Board	<u>1,800,000</u>
Total Appropriation, Protection of Citizens' Rights ...	<u>\$2,430,000</u>

Personal Services:

Salaries and Wages (\$630,000)
 State Aid and Grants (1,800,000)

Total Appropriation, Department of Law
 and Public Safety \$126,636,000

67 DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS*10 Public Safety and Criminal Justice**14 Military Services*

40-3620 New Jersey National Guard Support Services . . . \$21,359,000
 99-3600 Administration and Support Services \$24,400,000
 Total Appropriation, Military Services \$45,759,000

Personal Services:

Salaries and Wages (\$5,399,000)
 Employee Benefits (912,000)
 Materials and Supplies (3,200,000)
 Services Other Than Personal (1,929,000)
 Maintenance and Fixed Charges (738,000)

Special Purpose:

Federal VA Distance Learning
 Program (500,000)
 Facilities Support Contract (2,909,000)
 Army Facilities Service Contracts (634,000)
 Atlantic City Air Base --
 Service Contracts (178,000)
 Maguire Air Force Base --
 Service Contracts (122,000)
 Air National Guard Security
 Agreement -- Atlantic City (307,000)
 Fire Fighter/Crash Rescue Service
 Cooperative Funding Agreement . . (71,000)
 Training Site Facilities
 Maintenance Agreements (13,000)
 Atlantic City Operations and
 Maintenance (15,000)
 New Jersey National Guard Counter
 Drug Program Interservice State . . . (12,000)
 New Jersey National Guard Challenge
 Youth Program (86,000)
 Combined Logistics Facility (24,400,000)
 Other Special Purpose (1,600,000)
 Additions, Improvements and Equipment (2,734,000)

*80 Special Government Services**83 Services to Veterans*

20-3630 Domiciliary and Treatment Services \$1,766,000
 20-3640 Domiciliary and Treatment Services 1,566,000

20-3650 Domiciliary and Treatment Services	123,000
50-3610 Veterans' Outreach and Assistance	1,451,000
70-3610 Burial Services	4,700,000
99-3650 Administration and Support Services	7,094,000
Total Appropriation, Services to Veterans	<u>\$16,700,000</u>
Personal Services:	
Salaries and Wages	(\$839,000)
Employee Benefits	(97,000)
Materials and Supplies	(4,729,000)
Services Other Than Personal	(319,000)
Special Purpose:	
Medicare Part A Receipts for Resident	
Care and Operational Costs	(2,033,000)
Menlo Adult Day Care Funds	(690,000)
Veterans' Education Monitoring	(21,000)
Transitional Housing	(800,000)
Other Special Purpose	(45,000)
Additions, Improvements	
and Equipment	(7,127,000)
Total Appropriation, Department of Military and	
Veterans' Affairs	<u>\$62,459,000</u>

74 DEPARTMENT OF STATE

30 Educational, Cultural and Intellectual Development

36 Higher Educational Services

45-2405 Student Assistance Programs	\$18,274,000
80-2400 Statewide Planning and Coordination	
of Higher Education	1,978,000
Total Appropriation, Higher Educational Services	<u>\$20,252,000</u>
Personal Services:	
Salaries and Wages	(\$8,960,000)
Employee Benefits	(2,385,000)
Materials and Supplies	(399,000)
Services Other Than Personal	(3,647,000)
Maintenance and Fixed Charges	(836,000)
Special Purpose:	
Student Loan Administrative Cost	
Deduction and Allowance	(241,000)
Other Special Purpose	(10,000)
State Aid and Grants	(3,374,000)
Additions, Improvements and Equipment	(400,000)

30 Educational, Cultural and Intellectual Development

37 Cultural and Intellectual Development Services

05-2530 Support of the Arts	\$743,000
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06-2535 Museum Services	315,000
10-2570 Public Broadcasting Services	<u>1,250,000</u>
Total Appropriation, Cultural and Intellectual Development Services	<u>\$2,308,000</u>
Personal Services:	
Salaries and Wages	(\$433,000)
Special Purpose:	
Delaware Water Gap National Recreational Area	(104,000)
Institute of Museum Services -- General Support Grant	(113,000)
National Endowment for the Arts -- Museum Exhibition	(50,000)
National Telecommunications Information Agency	(1,250,000)
State Aid and Grants:	
National Endowment for the Arts Partnership	(358,000)
 Total Appropriation, Department of State	<u>\$22,560,000</u>

82 DEPARTMENT OF TRANSPORTATION***10 Public Safety and Criminal Justice******11 Vehicular Safety***

01-6400 Motor Vehicle Services	<u>\$5,700,000</u>
Total Appropriation, Vehicular Safety	<u>\$5,700,000</u>
Special Purpose:	
Motor Carrier Safety Assistance Program	(\$5,700,000)

60 Transportation Programs***61 State and Local Highway Facilities***

02-6200 Transportation Systems Improvements -- Planning	\$25,960,000
10-6300 Interstate Program	101,920,000
28-6300 Demonstration Program	123,518,000
29-6300 Congestion Mitigation and Air Quality Program	54,120,000
36-6300 National Highway System	151,073,000
37-6300 Surface Transportation Program	172,428,000
40-6300 Bridge Program	160,523,000
50-6300 Minimum Guarantee.	66,910,000
55-6300 Ferry Program.	18,000,000
56-6300 Recreational Trails.	926,000
57-6000 National Boating Infrastructure Grant Program. ...	4,000,000
58-6300 Public Lands Highways	2,000,000
65-6200 Rail Freight Lines.	2,000,000
71-6200 Supportive Services Program.	<u>500,000</u>

Total Appropriation, State and Local	
Highway Facilities	<u>\$883,878,000</u>
Special Purpose:	
Highway Planning and Research . . .	(\$14,835,000)
Metropolitan Planning Funds	(8,125,000)
New Jersey Transportation	
Planning Assistance.	(3,000,000)
Rail Freight Capital Projects	(2,000,000)
Supportive Services Highway	
Construction Training Program	(500,000)
Recreational Trails.	(926,000)
Maritime Transportation System . . .	(4,000,000)
Public Lands Highways,	
Discretionary Program	(2,000,000)

<u>Route</u>	<u>Section</u>	<u>Description</u>	<u>County</u>	<u>Amount</u>
Special Purpose:				
INTERSTATE PROGRAM				
1. CONSTRUCTION				
80	G	Garden State Parkway to Route 17, rehabilitation and operational improvements	Bergen	(\$28,400,000)
80	I	Westbound local lanes from Route 17 to vicinity of Kennedy Avenue off-ramp, rehabilitation and operational improvements	Bergen	(9,180,000)
80	(20)	Eastbound local lanes from Route 17 to vicinity of Vreeland Avenue off-ramp, rehabilitation and operational improvements	Bergen	(12,100,000)
95		Interchange reconstruction at Scotch Road	Mercer	(20,000,000)
195		West of Route 206 to east of Robbinsville-Allentown Road, eastbound resurfacing	Mercer	(6,000,000)
287		Vicinity of Route 202 (Main Road) to vicinity of Route 202 (Ramapo Valley Road), pavement rehabilitation	Morris Passaic Bergen	(12,000,000)
295		South of County Route 561 to north of Route 38 interchange, rehabilitation	Burlington Camden	(3,190,000)
2. DESIGN				
78		Interchange improvements at County Route 655	Union	(1,400,000)
80		Eastbound and westbound from vicinity of Baldwin Road to east of Passaic River, noise barriers	Morris Essex Passaic	(400,000)

80		I-80 westbound from vicinity of Dewey Avenue to Ramp "C" entrance, noise barriers	Passaic	(300,000)
80	20	I-80 at Route 20, interchange improvements	Passaic	(400,000)
287		Southbound truck weigh station	Bergen	(3,000,000)
295		Klockner Road to vicinity of East State Street Extension, noise barriers	Mercer	(750,000)
676		Southbound entrance ramp from Atlantic Avenue, drainage improvements	Camden	(300,000)
3. PROJECT DEVELOPMENT				
295/42		I-295/42/I-76 interchange, proposed improvements (Study B)	Camden	(3,000,000)
4. RIGHT-OF-WAY				
80	95	E & J Palisades Avenue to I-95, rehabilitation and operational improvements	Bergen	(1,000,000)
676		Martin Luther King Boulevard: ramps, improvements	Camden	(500,000)
Special Purpose				
DEMONSTRATION PROGRAM				
1. CONSTRUCTION				
		Baldwin Avenue intersection improvements	Hudson	(\$1,000,000)
		Connector Road, Military Ocean Terminal to Port Jersey Pier	Hudson	(3,000,000)
		Cooper Hospital helipad	Camden	(1,500,000)
		Delaware River aerial tram from Camden waterfront to Penns Landing, Philadelphia	Camden Philadelphia	(8,000,000)
		Garden State Parkway, interchange improvements in Cape May	Cape May	(950,000)
		International intermodal center	Hudson Union Essex	(1,120,000)
		Secaucus connector, Route 1&9 to New Jersey Turnpike	Hudson	(665,000)
		South Amboy Intermodal Center: proposed roadway, marina, and ferry slip	Middlesex	(12,000,000)
		TRANSMIT program	Various	(3,000,000)
		Union City Intermodal Facility: Bergenline Avenue, reconstruction	Hudson	(2,000,000)

		Weehawken ferry/multimodal facility	Hudson	(12,000,000)
		West Deptford bicycle trail and riverside improvements	Gloucester	(700,000)
17	(3)	Essex Street over Route 17, bridge replacement	Bergen	(1,875,000)
29		South of Lalor Street to vicinity of Cass Street, landscape improvements	Mercer	(2,840,000)
46	12K	Interchange improvements at Union Boulevard	Passaic	(1,168,000)
		CR646 13E		
		2. DESIGN		
		Garden State Parkway, Interchange 142	Union	(3,900,000)
CR 530		South Pemberton Road, Route 206 to County Road 644, reconstruction	Burlington	(1,500,000)
		University Heights Connector, First Street from Sussex Avenue to West Market Street, improvements	Essex	(1,200,000)
22		Intersection improvements at Chimney Rock Road	Somerset	(2,000,000)
30	73	Improvements in vicinity of Berlin Circle	Camden	(1,850,000)
30		Vicinity of Comly Avenue to north of PATCO railroad bridge, eliminate Collingswood Circle	Camden	(450,000)
130		Route 202 to Route 31, highway on new alignment	Hunterdon	(5,000,000)
31		Victory Bridge over Raritan River, replacement	Middlesex	(3,000,000)
35	12T	Bridge over Manasquan River, replacement	Monmouth Ocean	(3,200,000)
70	(4)			
		3. PLANNING		
		Kapkowski Road, North Avenue and Trumbull Street, planning study	Union	(2,000,000)
		4. PROJECT DEVELOPMENT		
		Bedminster bicycle path	Somerset	(469,000)
		CARGOMATE	Various	(750,000)
		County Route 522, South Brunswick	Middlesex	(234,000)
		County Route 605	Hunterdon	(1,197,000)
		County Route 641	Hunterdon	(998,000)
		Elizabeth ferry project	Union	(500,000)
		Freehold roadway improvements	Monmouth	(249,000)
		Halls Mill Road	Monmouth	(7,982,000)
		Hudson River waterfront walkway	Hudson	(1,875,000)
		Lewisville Road	Mercer	(499,000)

		Park Avenue, Flemington	Hunterdon	(1,102,000)
		Princeton Township roadway improvements	Mercer	(499,000)
		Rosedale Road and Province Line Road	Mercer	(249,000)
		School Road East	Monmouth	(1,197,000)
		Proposed bridge over Toms River	Ocean	(2,250,000)
		Transportation Opportunity Center	Passaic	(4,989,000)
9		Robertsville Road, intersection improvements	Monmouth	(2,495,000)
CR520		Eatontown intersection improvements	Monmouth	(998,000)
35		Broad Street (Route 71) and Wyckoff Road	Monmouth	(150,000)
71		Proposed ramps between I-295 and Route 42 (Study A)	Camden	(1,750,000)
CR547				
295	42			
5. RIGHT-OF-WAY				
		Garden State Parkway, Interchange 142	Union	(1,200,000)
30	73	Improvements in vicinity of Berlin Circle	Camden	(2,388,000)
46	(47)	Interchange improvements at Van Houten Avenue and Grove Street	Passaic	(7,980,000)
70	(4)	Bridge over Manasquan River, replacement	Monmouth Ocean	(1,600,000)
206	(39)	Old York Road and Rising Sun Road, I-295 to Route 68, operational improvements	Burlington	(4,000,000)
Special Purpose:				
CONGESTION MITIGATION AND AIR QUALITY PROGRAM				
1. CONSTRUCTION				
		Bicycle & pedestrian facilities/ accommodations	Various	(\$3,000,000)
		Enhanced vehicle inspection and maintenance program	Various	(45,000,000)
		Freight program	Various	(1,000,000)
		Transportation Management Associations	Various	(3,200,000)
		Transportation Demand Management/Transit Village Program	Various	(1,000,000)
2. PLANNING				
		Transportation Management Association program support	Various	(420,000)
3. RIGHT-OF-WAY				
29		Calhoun Street bridge to Assunpink Creek, pedestrian/ bike path	Mercer	(500,000)
Special Purpose:				
NATIONAL HIGHWAY SYSTEM				

1. CONSTRUCTION

1, 130 6T	16E	Interchange improvements		
171	1B	at Route 1 and Route 130	Middlesex	(\$40,000,000)
1 & 9	(27)	Eliminate Ridgefield Circle	Bergen	(12,600,000)
4	2AC	Fairview Avenue to Johnson Avenue, rehabilitation and operational improvements	Bergen	(6,500,000)
15	4C	Houses Corner Road, realignment with Route 15 and railroad grade separation	Sussex	(1,000,000)
17	(3)	Essex Street over Route 17, bridge replacement	Bergen	(9,843,000)
17		Vicinity of Essex Street to Saddle River, drainage improvement	Bergen	(14,000,000)
18 Ext	2A	River Road to Hoes Lane Extension along Metlars Lane, highway on new alignment	Middlesex	(10,000,000)
33	9A	Route 35 to Route 71 (Corlies Avenue), widening	Monmouth	(8,400,000)
46	(34)	Vicinity of Fairfield Road overpass connector to vicinity of Passaic River, cost sharing agreement	Essex	(6,000,000)
46	(46)	Interchange improvements at Browertown Road	Passaic	(10,000,000)
47	1C	Garden State Parkway to Railroad Avenue, operational improvements	Cape May	(11,250,000)
2. DESIGN				
18	2F 7E	Vicinity of Route 1 to south of Route 27, rehabilitation and operational improvements	Middlesex	(5,000,000)
	11H			
18 Ext	3A	Hoes Lane extension to Route I-287 at Possumtown Road, rehabilitation	Middlesex	(2,000,000)
31	202	South Main Street to Flemington Circle, improvements	Hunterdon	(1,500,000)
52		Eliminate Somers Point Circle	Atlantic	(750,000)
3. PROJECT DEVELOPMENT				
1		Washington Road to Harrison Street, proposed grade separated interchange	Mercer	(500,000)
CR571			Burlington	(600,000)
73	70	Eliminate Marlton Circle		
73		Vicinity of Route 41 to vicinity of railroad bridge, operational improvements	Burlington	(500,000)
4. RIGHT-OF-WAY				
1 & 9	(28)	North of Secaucus Road to vicinity of Broad Avenue, reconstruction	Hudson Bergen	(800,000)

18	2F 7E 11H	Vicinity of Route 1 to south of Route 27, rehabilitation and operational improvements	Middlesex	(5,000,000)
27		Intersection improvements at Oak Tree Road/Green Street	Middlesex	(1,030,000)
46		Vicinity of Main Street, operational improvements	Morris	(300,000)
CR639 130 (16)		Intersection improvements, Renaissance Boulevard to Adams Lane	Middlesex	(3,500,000)
Special Purpose:				
SURFACE TRANSPORTATION PROGRAM				
1. CONSTRUCTION				
		Accident reduction program	Various	(\$1,000,000)
CR514		Amwell Road resurfacing, Wood Road to Clerico Lane	Somerset	(178,000)
CR656		Bay Avenue, Ocean City	Cape May	(225,000)
CR613		Breakwater Road	Cape May	(775,000)
		Bridge painting	Various	(9,000,000)
CR607		Broad Street, Penns Grove	Salem	(693,000)
		Broadway improvements, 1st Street to 55th Street	Hudson	(2,000,000)
CR670		Buckshutem Road, Phase 1, Route 49 to Cedarville Road	Cumberland	(994,000)
		Camden City resurfacing	Camden	(2,321,000)
		Camden City signalized intersection upgrade	Camden	(1,050,000)
		Cherry Hill Road bridge over Bedens Brook, replacement	Somerset	(1,340,000)
		Clinton Avenue bridge	Somerset Union	(1,530,000)
CR629		County Route 629 safety improvements, County Route 618 to Lebanon Township line	Hunterdon	(800,000)
		Disadvantaged Business Enterprises	Various	(200,000)
		Doremus Avenue: Wilson Avenue to Raymond Boulevard, reconstruction	Essex	(5,000,000)
		Drainage rehabilitation	Various	(1,000,000)
		Delaware Valley Regional Planning Commission - future projects	Various	(2,015,000)
		East Avenue	Cumberland	(556,000)
		Emergency Service Patrol	Various	(7,100,000)
		Fixed object safety treatment	Various	(500,000)
CR630		Fort Mott Road	Salem	(629,000)
CR617		Franklin Boulevard resurfacing, Easton Avenue to Hamilton Boulevard	Somerset	(382,000)
CR518		Georgetown-Franklin Turnpike resurfacing, Kingston Rocky Hill Road to Route 27	Somerset	(481,000)

	Gloucester County bus purchase	Gloucester	(60,000)
	Gloucester County traffic signal mast arm guide signs	Gloucester	(360,000)
CR549	Gloucester County resurfacing, various routes	Gloucester	(1,500,000)
	Hooper Avenue resurfacing, Bay Avenue to Silver Bay Road	Ocean	(1,442,000)
	Hunterdon County bridge painting	Hunterdon	(300,000)
	Intersection improvement program	Various	(1,000,000)
	Mays Landing-Somers Point Road: Route 9 to Route 52, reconstruction and rehabilitation	Atlantic	(1,620,000)
CR618	Motor vehicle accident record processing	Various	(2,000,000)
	Mount Horeb Road resurfacing, Liberty Corner Road to Mount Bethel Road	Somerset	(566,000)
CR527	Mountain Boulevard resurfacing, Warren Township border to Watchung Circle	Somerset	(161,000)
	Nevius Street bridge over Raritan River, replacement	Somerset	(7,500,000)
CR619	Ocean Drive	Cape May	(600,000)
	Old Croton Road bridge over Wickecheoke Creek Old Dutch Road Bridge, replacement	Hunterdon Somerset	(1,200,000) (750,000)
CR512	Pottersville Road resurfacing, Route 206 to Herzog Brook	Somerset	(446,000)
	Pre-apprenticeship training for minorities and females	Various	(1,000,000)
	Quality assurance	Various	(600,000)
	Rail-highway grade crossing program, Cape May Seashore Lines	Cape May	(500,000)
	Rail-highway grade crossing program	Various	(5,000,000)
	Raymond Boulevard, resurfacing	Essex	(150,000)
	Restriping program	Various	(4,500,000)
	Resurfacing program	Various	(1,000,000)
CR543	River Road bridges over Route 73 and Pennsauken Creek, deck replacement	Burlington	(920,000)
CR645	Rock Avenue resurfacing, Route 22 to Middlesex County border	Somerset	(119,000)
	Safety management system	Various	(5,400,000)
	Safety management system	Bergen	(591,000)

	Safety management system	Hunterdon	(591,000)
	Safety management system	Monmouth	(590,000)
	Safety management system	Ocean	(590,000)
	Safety management support system	Hudson	(591,000)
	Sign asset management system, Newark	Essex	(591,000)
CR563	Tilton Road, Northfield	Atlantic	(407,000)
	Traffic operations centers	Various	(6,100,000)
	Traffic sign inventory replacement and upgrade	Middlesex	(591,000)
	Traffic signal improvements to 19 intersections	Hudson	(1,900,000)
	Transportation Demand Management/Smart Moves Program	Various	(1,700,000)
	Transportation Enhancements	Various	(13,571,000)
	Transportation grants	Various	(1,000,000)
CR557	Tuckahoe Road, Phase III	Atlantic	(1,053,000)
CR557	Tuckahoe Road: Section 6; 500 feet north of Marsh Lake Branch to Route 40, resurfacing	Atlantic Gloucester	(2,000,000)
	Union County resurfacing and handicap ramps: Clark, Garwood, Linden, Springfield, Summit and Westfield	Union	(1,900,000)
	USS New Jersey port facility	Camden	(1,500,000)
	Utility reconnaissance and relocation	Various	(1,000,000)
CR608	Washington Avenue, Pleasantville	Atlantic	(250,000)
	Washington Street bridge over Jersey City Reservoir, replacement	Morris	(7,090,000)
	West End Avenue bridge over Green Brook, replacement	Somerset	(970,000)
	Whistle ban demonstration program	Union	(970,000)
	Youth employment and TRAC programs	Various	(1,250,000)
71	Vicinity of Shark River to vicinity of Lakeside Avenue, urban redesign project	Various	(550,000)
		Monmouth	(2,500,000)
2. DESIGN			
	Burlington County improved intersection signalization and operation, Phase IV	Burlington	(400,000)
	Camden City resurfacing	Camden	(115,000)
	Churchtown Road	Salem	(33,000)
	Gloucester County sign management system	Gloucester	(1,000,000)

CR617		Sussex Turnpike: Route 10 to West Hanover Avenue, reconstruction	Morris	(1,200,000)
CR 615S		Vineland Boulevard, Phase I	Cumberland	(200,000)
1 and 9		Haynes Avenue over Waverly Yards, Haynes Avenue over Amtrak bridge replacements; southbound ramps at Haynes Avenue, safety and operational improvements	Essex	(2,500,000)
1 and 9		Intersection at North Avenue, operational and safety improvements	Union	(1,200,000)
9		Intersection at Crest Haven Road, operational improvements	Cape May	(350,000)
CR609		Intersection improvements at Route 109	Cape May	(150,000)
9W		Vicinity of Montammy Drive to New York State Line, rehabilitation	Bergen	(400,000)
10		Commerce Boulevard: Vicinity of Main Street to west of Hillside Avenue, operational and safety improvements	Morris	(1,000,000)
23		Silver Grove Road to Holland Mountain Road, improvements	Sussex	(800,000)
28		Westfield Circle, safety and operational improvements	Union	(1,000,000)
31		Intersection improvements at County Route 518	Mercer Hunterdon	(700,000)
33 Bus.		Intersection at Halls Mill Road and Kozloski Road, improvement	Monmouth	(1,300,000)
35	4	Matawan Creek to south of Laurence Harbor Parkway, rehabilitation	Middlesex Monmouth	(1,000,000)
36		Vicinity of Flat Creek, drainage improvements	Monmouth	(720,000)
40	(2)	Malaga Lake dam over Scotland Run, replacement	Gloucester	(385,000)
44		Vicinity of Fowler Lane, drainage improvements	Gloucester	(400,000)
46		Interchange at Main Street, Lodi, operational improvements	Bergen	(1,300,000)
49		Cumberland Pond Dam, replacement	Cumberland	(375,000)
57	1B	Bridge over Merrill's Creek, replacement	Warren	(1,000,000)

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72	Intersection improvements at Mill Creek Road	Ocean	(200,000)
73	Copper Folly Road to Fellowship Road, median closings	Camden Burlington	(300,000)
166	Highland Parkway to Old Freehold Road, operational improvements	Ocean	(720,000)
202	Intersection improvements at Case Boulevard	Hunterdon	(270,000)
206	Cat Swamp Mountain, operational and safety improvements	Sussex	(900,000)
206 CR513	Intersection improvements at Main Street (Route 24) and County Route 513	Morris	(300,000)
3. PLANNING	Atlantic County aerial mapping	Atlantic	(235,000)
	Counties and cities, highway planning	Various	(350,000)
4. PROJECT DEVELOPMENT	Delilah Road	Atlantic	(100,000)
CR646	Delaware Valley Regional Planning Commission, project development	Various	(2,000,000)
	Haddonfield-Berlin Road, Milford Road, Route 30, Berlin Circle, drainage improvements	Camden	(100,000)
	North Jersey Transportation Planning Authority, project development	Various Union Essex Hudson	(2,000,000)
	Portway		(5,000,000)
	Delaware Valley Regional Planning Commission, geographic information systems	Various	(256,000)
CR625	Sea Isle Boulevard, Section II	Cape May	(150,000)
	South Jersey Visitor Center	Salem	(100,000)
CR608	Washington Avenue, Egg Harbor	Atlantic	(100,000)
9	Bennetts Crossing, proposed intersection improvements	Cape May	(100,000)
9	Northfield sidewalk: Tilton Road to Ridgewood Avenue, sidewalk replacement	Atlantic	(50,000)
9 CR563	Tilton Road at Route 9, operational improvements	Atlantic	(200,000)
30 (17)	West of Oak Avenue to east of Jefferson Avenue, rehabilitation	Camden	(700,000)

30		Operational improvements in Absecon area	Atlantic	(250,000)
30		Vicinity of Baird Boulevard, drainage improvements	Camden	(450,000)
30		Intersection at Clementon Road and Gibbsboro Road, identified safety problem	Camden	(120,000)
30	CR575	Route 30 from Genoa Road to 1600 feet east of intersection with Pomona Road; Pomona Road beginning 25 feet north of existing NJ Transit rail line to vicinity of Father Keis Drive, intersection improvements	Atlantic	(500,000)
38		Replace pedestrian bridge	Camden	(200,000)
40	(4)	Route 77 to Elmer Lake, resurfacing	Salem	(250,000)
40		Drainage improvements at this location	Atlantic	(100,000)
322				
40		Intersection at Buck Road, drainage improvements	Salem	(100,000)
42		West Lake Avenue to Marsha Avenue, drainage improvements	Gloucester	(200,000)
47		Intersection at Chapel Heights Avenue and East Holly Avenue, improvements; bridge over Mantua Creek, rehabilitation	Gloucester	(350,000)
50	2E 3B	Bridge over Tuckahoe River, replacement; intersection improvements at Route 49	Atlantic Cape May	(700,000)
130		Various locations in Penns Grove, sidewalk replacement	Salem	(100,000)
206		Ewing Street to Areton Road, drainage improvements	Mercer	(300,000)
206		Vicinity of Tuckerton Road, drainage improvements	Burlington	(130,000)
5. RIGHT-OF-WAY				
		Intersection improvements at Ark Road (County Route 635) and Marne Highway (County Route 537)	Burlington	(250,000)
9		Intersection improvements at County Route 524	Monmouth	(3,160,000)
9	79	Intersection improvements at Schanck Road and Route 79	Monmouth	(1,500,000)
34		Intersection improvements at County Route 537	Monmouth	(4,240,000)
35	5H	Hollowbrook culvert and channel, culvert replacement	Monmouth	(500,000)
49		Cumberland Pond dam, replacement	Cumberland	(30,000)

Special Purpose:

BRIDGE PROGRAM

1. CONSTRUCTION

		Bridge inspection, local bridges	Various	(\$4,200,000)
		Bridge inspection, State bridges	Various	(9,000,000)
		Bridge scour	Various	(2,000,000)
		Buckshutem Road at Laurel Lake, bridge rehabilitation	Cumberland	(1,000,000)
		Fanny Road bridge over NJ Transit Boonton Line, replacement	Morris	(6,717,000)
		Kelly-Saw Mill bridge over Alloway Creek, replacement	Salem	(1,500,000)
		Maple Avenue bridge over NJ Transit Atlantic City Line, replacement	Camden	(3,369,000)
		New Bridge Road over Alloway Creek, replacement	Salem	(3,500,000)
		Straight Street bridge over Passaic River, rehabilitation	Passaic	(2,675,000)
		Tomlin Station Road over Nehonsey Brook and White Sluice Race, replacement	Gloucester	(1,900,000)
1 and 9	(24)	Routes 1&9 over Amtrak, bridge replacement; modify		
3		Routes 1&9 and Route 3 merge	Hudson	(8,000,000)
9	1M	Rehabilitate Route 9 bridge over Raritan River	Middlesex	(24,707,000)
21, 22	2N 15K	Bridge over Route I-78 and Amtrak, replacement	Essex	(43,000,000)
1&9	2AN	Amtrak structure over		
27	6M	Evergreen Road, replacement	Middlesex	(8,000,000)
49	2A	Bridge over Salem River	Salem	(5,000,000)
49	3J 4C	Bridge over Alloway Creek, replacement	Salem	(4,700,000)
2. DESIGN				
		First and Second Streets over NJ Transit, replacement	Essex	(500,000)
		Hanover Street over Rancocas Creek, replacement	Burlington	(200,000)
		Hope Road bridge over Lackawanna Cutoff, replacement	Warren	(800,000)
		Smithville Road over Rancocas Creek, replacement or rehabilitation	Burlington	(100,000)
		West Mountain Road bridge over New York, Susquehanna, and Western Railroad, replacement	Sussex	(300,000)
1 and 9	(6)	Magnolia Avenue bridge over Route 1&9, replacement	Union	(700,000)

1 and 9T	(25)	Bridge over St. Paul's Avenue and Conrail, replacement	Hudson	(6,000,000)
52	(1)	Bridges over Beach Thorofare, Rainbow Channel, Elbow Thorofare, and Ship Channel, replacement	Cape May Atlantic	(5,000,000)
70		Bridge over Bisphams Mill Creek, replacement	Burlington	(375,000)
139		Hoboken Viaduct and Conrail Viaduct, rehabilitation	Hudson	(6,500,000)
3. PROJECT DEVELOPMENT				
		Bridge deck replacement, Delaware Valley Regional Planning Commission	Various	(1,000,000)
		Bridge management system	Various	(300,000)
		Chapel Avenue over NJ Transit Atlantic City Line, replacement	Camden	(400,000)
		Maple Avenue over Atlantic City Line, Pennsauken, replacement	Camden	(300,000)
		U.S.Avenue over NJ Transit Atlantic City Line, replacement	Camden	(300,000)
49		Bridge over Cohansey River, replacement	Cumberland	(700,000)
56		Bridge over Maurice River, replacement	Cumberland Salem	(250,000)
130		Route 130 northbound and southbound over Kinkora Branch, removal	Burlington	(200,000)
4. RIGHT-OF-WAY				
		Amwell Road bridge over Neshanic River, replacement	Somerset	(300,000)
		Chesterfield-Sykesville Road bridge over Black's Creek, replacement	Burlington	(130,000)
		Coles Mill Road over Scotland Run, rehabilitation or replacement	Gloucester	(50,000)
		East Atlantic Avenue over Peter's Creek, replacement	Camden	(50,000)
		First Street and Second Street over NJ Transit, replacement	Essex	(50,000)
		Race Street over South Branch of Rancocas Creek, replacement	Burlington	(300,000)
		Rockaway Road over NJ Transit Boonton Line and Morristown Line, replacement	Morris	(1,000,000)
		Southard Street over Route 1 and Conrail, replacement	Mercer	(300,000)

		Wilson Road over tributary from Bell's Lake to South Branch Timber Creek, replacement	Gloucester	(150,000)
52	(1)	Bridges over Beach Thorofare, Rainbow Channel, Elbow Thorofare, and Ship Channel, replacement	Cape May Atlantic	(2,000,000)
139		12th Street Viaduct and 14th Street Viaduct, rehabilitation	Hudson	(3,000,000)
Special Purpose:				
MINIMUM GUARANTEE				
1. CONSTRUCTION				
		Signs program	Various	(\$3,050,000)
		State Police enforcement and safety services	Various	(3,000,000)
		Incident and congestion management, operational support	Various	(2,600,000)
41	1A 2A	Singley Avenue to Cooper Street (County Route 706), operational improvements	Camden Gloucester	(12,680,000)
46	11M	Intersection improvements at New Road	Morris	(8,000,000)
2. DESIGN				
35		Emerging projects 6th Street to Curtis Point Drive, drainage and shoulder restoration	Various Ocean	(1,000,000) (2,630,000)
3. PLANNING				
		Traffic monitoring systems	Various	(6,500,000)
4. PROJECT DEVELOPMENT				
		Final scope development, North Jersey Transportation Planning Authority	Various	(15,000,000)
		Pavement management system	Various	(3,000,000)
		Project development, reliminary engineering	Various	(2,500,000)
5. RIGHT-OF-WAY				
47	4D 5E	Bridge over Dennis Creek, replacement; intersection improvements	Cape May	(250,000)
47	322	Route 47: High Street (Route 322) to Greentree Road (Site 2); Route 322: Main Street and West Avenue to Route 47 (Site 7), operational improvements	Gloucester	(1,600,000)
47	40	Route 47: New Street to Mar- shall Mill Road (Site 1); Route 40: Old Delsea Drive to Morris Avenue (Site 6), roadway improvement and bridge replacement	Gloucester	(3,200,000)

47 Vicinity of Sharp Street to
vicinity of Sherman Avenue,
operational improvements Cumberland (1,900,000)

Special Purpose

FERRY PROGRAM

1. CONSTRUCTION

Ferry program Various (\$5,000,000)
Weehawken ferry Hudson (13,000,000)

In order to provide the department with the flexibility to administer appropriations of federal funds, the commissioner may use moneys from the federal programs identified hereinabove as Interstate Program, Demonstration Program, Congestion Mitigation and Air Quality Program, National Highway System, Surface Transportation Program, Bridge Program, Minimum Guarantee, Ferry Program, Recreational Trails, National Boating Infrastructure Grant Program, and Public Lands Highways to finance the cost of the construction, design, right-of-way, planning, and project development phases of work of any project listed under any federal program pursuant to the following transfer provisions. The Commissioner of Transportation may transfer federal funds among projects having the same phase of work, subject to the approval of the Director of the Division of Budget and Accounting. The commissioner shall apply to the Director of the Division of Budget and Accounting for permission to transfer federal funds among projects having different phases of work. If the Director of the Division of Budget and Accounting shall consent thereto, the request to transfer federal funds among projects having different phases of work shall be transmitted to the Legislative Budget and Finance Officer for approval or disapproval and returned to the Director of the Division of Budget and Accounting. The Joint Budget Oversight Committee or its successor shall be empowered to review all transfers submitted to the Legislative Budget and Finance Officer and may direct the Legislative Budget and Finance Officer to approve or disapprove any transfer.

62 Public Transportation

29-6310 Congestion Mitigation and Air
Quality Program \$20,000,000
96-6310 Federal Transit Administration 425,202,000
Total Appropriation, Public Transportation .. \$445,202,000

CONGESTION MITIGATION AND AIR QUALITY PROGRAM

Bus acquisition program Various (\$13,700,000)
Clean Air programs Various (900,000)
Emission control/rebuilt
engines: retrofit bus fleet Various (2,230,000)
Private carrier equipment
program Various (3,170,000)

Special Purpose:

FEDERAL TRANSIT ADMINISTRATION:

New Jersey State Library

Bridge and tunnel rehabilitation	Various	(\$11,170,000)
Building capital leases	Various	(9,290,000)
Cumberland County bus program	Cumberland	(653,000)
Hoboken Terminal/Yard rehabilitation	Hudson	(1,367,000)
Hudson-Bergen Light Rail Transit System, Minimum Operating Segment I	Hudson Bergen	(151,000,000)
Job Access and Reverse Commute Program	Various	(2,000,000)
Newark-Elizabeth Rail Link, Minimum Operating Segment I	Essex Union	(29,190,000)
Preventive maintenance- bus	Various	(96,150,000)
Preventive maintenance - rail	Various	(93,050,000)
Rail fleet overhaul	Various	(1,530,000)
Rail rolling stock	Various	(2,475,000)
Section 5310 Program: purchase buses and small vans for services to elderly and disabled persons	Various	(1,890,000)
Section 5310 Program: purchase buses and small vans for services to elderly and disabled persons	Burlington	(103,000)
Section 5310 Program: purchase buses and small vans for services to elderly and disabled persons	Camden	(151,000)
Section 5310 Program: purchase buses and small vans for services to elderly and disabled persons	Gloucester	(160,000)
Section 5310 Program: purchase buses and small vans for services to elderly and disabled persons	Mercer	(103,000)
Section 5311 Program: rural public transportation program	Various	(2,182,000)
Section 5311 Program: rural public transportation program	Burlington	(230,000)
Section 5311 Program: rural public transportation program	Camden	(26,000)
Section 5311 Program: rural public transportation program	Gloucester	(87,000)

Section 5311 Program: rural public transportation program	Mercer	(180,000)
Signals and communications/ electric traction systems	Various	(4,500,000)
Track program	Various	(17,480,000)
Transit enhancements	Various	(235,000)

64 Regulation and General Management

05-6070 Access and Use Management		<u>\$20,010,000</u>
Total Appropriation, Regulation and General Management		<u>\$20,010,000</u>
Special Purpose:		
Airport Fund	(\$20,010,000)	
Total Appropriation, Department of Transportation		<u>\$1,354,790,000</u>

The unexpended balances of federal appropriations as of June 30, 2001 in this department are appropriated for expenditure on previously and currently authorized projects.

82 DEPARTMENT OF THE TREASURY
50 Economic Planning, Development and Security
52 Economic Regulation

54-2007 Utility Regulation		\$600,000
56-2014 Energy Resource Management		<u>2,025,000</u>
Total Appropriation, Economic Regulation		<u>\$2,625,000</u>
Personal Services:		
Salaries and Wages	(\$1,287,000)	
Employee Benefits	(323,000)	
Materials and Supplies	(26,000)	
Services Other Than Personal	(257,000)	
Maintenance and Fixed Charges	(90,000)	
Special Purpose:		
Division of Gas Expansion	(600,000)	
Diamond Shamrock Administration	(42,000)	

80 Special Government Services
82 Protection of Citizens' Rights

57-2048 Trial Services to Indigents and Special Programs		\$1,228,000
58-2022 Mental Health Screening Services		<u>223,000</u>
Total Appropriation, Protection of Citizens' Rights		<u>\$1,451,000</u>
Personal Services:		
Salaries and Wages	(\$290,000)	
Employee Benefits	(15,000)	
Materials and Supplies	(1,000)	
Special Purpose:		
State Legal Services Office	(7,000)	

State Aid and Grants (1,138,000)

Total Appropriation, Department of the Treasury \$4,076,000

98 THE JUDICIARY

10 Public Safety and Criminal Justice

15 Judicial Services

04-9725 Criminal Courts	\$100,000
05-9730 Family Courts	3,538,000
05-9813 Family Courts	1,138,000
05-9823 Family Courts	1,002,000
05-9833 Family Courts	560,000
05-9843 Family Courts	527,000
05-9853 Family Courts	1,176,000
05-9863 Family Courts	1,172,000
05-9873 Family Courts	721,000
05-9883 Family Courts	847,000
05-9893 Family Courts	607,000
05-9903 Family Courts	705,000
05-9913 Family Courts	882,000
05-9923 Family Courts	888,000
05-9933 Family Courts	665,000
05-9943 Family Courts	467,000
05-9953 Family Courts	1,373,000
07-9740 Probation Services	6,669,000
07-9814 Probation Services	2,029,000
07-9824 Probation Services	2,238,000
07-9834 Probation Services	2,059,000
07-9844 Probation Services	3,510,000
07-9854 Probation Services	5,095,000
07-9864 Probation Services	2,938,000
07-9874 Probation Services	2,077,000
07-9884 Probation Services	1,885,000
07-9894 Probation Services	2,109,000
07-9904 Probation Services	1,233,000
07-9914 Probation Services	2,166,000
07-9924 Probation Services	2,098,000
07-9934 Probation Services	1,745,000
07-9944 Probation Services	1,509,000
07-9954 Probation Services	2,931,000
Total Appropriation, Judicial Services	<u>\$58,659,000</u>
Personal Services:	
Salaries and Wages	(\$37,942,000)
Employee Benefits	(9,793,000)
Materials and Supplies	(1,229,000)
Services Other Than Personal	(2,687,000)
Maintenance and Other Fixed Charges	(152,000)

Special Purpose:

Drug Court -- OJP -- Direct	(100,000)
NJ State Court Improvement Grant	(164,000)
State Access and Visitation Program	(84,000)
State Aid and Grants	(6,076,000)
Additions, Improvements and Equipment . .	(432,000)
Total Appropriation, Judiciary	<u>\$58,659,000</u>
Total Appropriation, Federal Funds	<u>\$8,333,566,000</u>

Notwithstanding any State law to the contrary, no State agency shall accept or expend federal funds except as appropriated by the Legislature or otherwise provided in this act.

In addition to the federal funds appropriated in this act, there are appropriated the following federal funds, subject to allotment by the Director of the Division of Budget and Accounting: emergency disaster aid funds; pass-through grants to political subdivisions of the State over which the State is not permitted to exercise discretion in the use or distribution of the funds and for which no State matching funds are required; the first 25 percent of unanticipated grant awards, and up to 25 percent of increases in previously anticipated grant awards for which no State matching funds are required except, for the purpose of this section, federal funds received by one executive agency that are ultimately expended by another executive agency shall not be considered pass-through grants; federal financial aid funds for students attending post-secondary educational institutions in excess of the amount specifically appropriated, provided however, that the Director of the Division of Budget and Accounting shall notify the Legislative Budget and Finance Officer of such grants; and all other grants of \$500,000 or less which have been awarded competitively.

For the purposes of federal funds appropriations, "political subdivisions of the State" means counties, municipalities, school districts, or agencies thereof, regional, county or municipal authorities, or districts other than interstate authorities or districts; "discretion" refers to any action in which an agency may determine either the amount of funds to be allocated or the recipient of the allocation; and "grants" refers to one-time, or time limited awards, which are received pursuant to submission of a grant application in competition with other grant applications.

The unexpended balances of federal funds as of June 30, 2001 are continued for the same purposes. The Director of the Division of Budget and Accounting shall inform the Legislative Budget and Finance Officer by November 1, 2001 of any unexpended balances which are continued.

The appropriate executive agencies shall prepare and submit to the Senate Budget and Appropriations Committee and the Assembly Appropriations Committee, or their successors, by March 1, 2002, reports on proposed expenditures during fiscal year 2002 for the following federal programs: the alcohol, drug abuse and mental health block grant; the education block grant; the community services

block grant; the jobs training partnership block grant; the low income energy assistance block grant; the maternal and child health block grant; the preventive health and health services block grant; the small cities block grant; the social services block grant; and the child care block grant. These reports shall account for all federal, State and local funds which are anticipated to be expended on block grant programs, shall provide an accounting of block grant expenditures during the prior fiscal year, and shall provide a detailed list of contracts awarded to provide services under the block grants.

Out of the appropriations herein, the Director of the Division of Budget and Accounting is empowered to approve payments to liquidate any unrecorded liabilities for materials delivered or services rendered in prior fiscal years, upon the written recommendations of any department head or the department head's designated representative. The Director of the Division of Budget and Accounting shall reject any recommendations for payment which the director deems improper.

The sum herein appropriated to the Department of Transportation for the Hudson-Bergen Light Rail Transit System is hereby appropriated, to the extent necessary, to pay the principal of and interest on the grant anticipation notes issued by the New Jersey Transit Corporation.

To the extent that federal funds are received in fiscal year 2002 pursuant to the full funding grant agreement for the Hudson-Bergen Light Rail Transit System subsequent to the payment by the New Jersey Transportation Trust Fund Authority of its obligations under a Standby Deficiency Agreement, such federal funds are hereby appropriated to the New Jersey Transportation Trust Fund Authority to be allotted to projects as shall be determined by the Commissioner of Transportation.

In order to permit flexibility in the handling of appropriations and ensure the timely payment of claims to providers of medical services, amounts may be transferred to and from the various items of appropriation within the General Medical Services program classification, and within the federal matching funding, in the Division of Medical Assistance and Health Services in the Department of Human Services, and within the Medical Services for the Aged program classification, and within the federal matching funding, in the Division of Senior Services in the Department of Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

Grand Total Appropriation, All Funds \$31,254,269,000

2. There are appropriated, subject to allotment by the Director of the Division of Budget and Accounting and with the approval of the Legislative Budget and Finance Officer, private contributions, revolving funds and dedicated funds received, receivable or estimated to be received for the use of the State or its agencies in excess of those anticipated, unless otherwise provided herein, and the unexpended balances as of June 30, 2001 of such funds, subject to the approval of the Director of the Division of Budget and Accounting.

3. There are appropriated, subject to allotment by the Director of the Division of Budget and Accounting, the following: sums required to refund amounts credited to the State Treasury which do not represent State revenue; sums received representing insurance to cover losses by fire and other casualties and the unexpended balance as of June 30, 2001 of such sums; sums received by any State department or agency from the sale of equipment, when such sums are received in lieu of trade-in value in the replacement of such equipment; and sums received in the State Treasury representing refunds of payments made from appropriations provided in this act.

4. There are appropriated, subject to allotment by the Director of the Division of Budget and Accounting, sums required to satisfy receivables previously established from which non-reimbursable costs and ineligible expenditures have been incurred.

5. There are appropriated, subject to allotment by the Director of the Division of Budget and Accounting, from federal or other non-State sources amounts not to exceed the cost of services necessary to document and support retroactive claims.

6. There are appropriated such sums as may be required to pay interest liabilities to the federal government as required by the Treasury/State agreement pursuant to the provisions of the Cash Management Improvement Act of 1990, Pub.L. 101-453 (31 U.S.C. s.6501 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

7. There are appropriated, subject to the approval of the Director of the Division of Budget and Accounting, from interest earnings of the various bond funds, such sums as may be necessary for the State to comply with the federal "Tax Reform Act of 1986," Pub.L. 99-514 (26 U.S.C. s.1 et seq.), which requires issuers of tax-exempt debt obligations to rebate any arbitrage earnings to the federal government.

8. There are appropriated from the General Fund, subject to the approval of the Director of the Division of Budget and Accounting, such sums as are necessary to pay interest, at the average rate of earnings during the fiscal year from the State's general investments, to those bond funds that have borrowed money from the General Fund or other bond funds and that have insufficient resources to accrue and pay the interest expense on such borrowing.

9. (Intentionally left blank, text deleted by Line Item Veto)

10. In addition to the amounts appropriated hereinabove, such additional sums as may be necessary are appropriated to fund the costs of the collection of debts, taxes and other fees and charges owed to the State, including but not limited to the services of auditors and attorneys and enhanced compliance programs, subject to the approval of the Director of the Division of Budget and Accounting.

11. There is appropriated \$11,600,000 from the Legal Services Trust Fund established pursuant to section 6 of P.L.1996, c.52 (C.22A:2-51), for transfer to the General Fund as State revenue to fund the following programs: \$8,000,000 for Legal Services of New Jersey grant, \$3,000,000 for ten additional judgeships in the Judiciary, and \$600,000 for Clinical Legal Programs for the Poor at the Rutgers-Camden Law School, the Rutgers-Newark Law School and Seton Hall Law School.

12. The unexpended balances as of June 30, 2001 in the accounts of the several departments and agencies heretofore appropriated or established in the category of Additions, Improvements and Equipment are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

13. The unexpended balances as of June 30, 2001 in the Capital Construction accounts for all departments and agencies are appropriated.

14. Unless otherwise provided, balances remaining as of June 30, 2001 in accounts of appropriations enacted subsequent to April 1, 2001 are appropriated.

15. The unexpended balances as of June 30, 2001 in accounts that are funded by Interfund Transfers are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

16. The unexpended balances as of June 30, 2001 in accounts of items of appropriations that are funded by items of appropriations in P.L.2000, c.53 that were not recommended in the fiscal year 2001 Governor's Budget Recommendation Document, and that required the submission of the Division of Budget and Accounting Special Purpose Funding form, are appropriated.

17. The unexpended balances as of June 30, 2001 in all accounts established to provide relief to victims of Hurricane Floyd, including accounts established for administration of the relief program, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

18. Notwithstanding any other provisions in this act, no unexpended balances as of June 30, 2001 are appropriated without the approval of the Director of the Division of Budget and Accounting, except that the Legislative Branch of State government shall be exempt from this provision. The Director of the Division of Budget and Accounting shall notify the Legislative Budget and Finance Officer of those instances in which unexpended balances are not appropriated pursuant to this section.

19. The administrative costs of the Special Education Medicaid Initiative and the Early Periodic Screening, Diagnosis and Treatment (EPSDT) program, including the participation of a consultant, are appropriated and shall be paid from the revenue received, subject to the approval of the Director of the Division of Budget and Accounting.

20. The following transfer of appropriations rules are in effect for fiscal year 2002:

a. To permit flexibility in the handling of appropriations, any department or agency that receives an appropriation by law, may, subject to the provisions of this section, or unless otherwise provided in this act, apply to the Director of the Division of Budget and Accounting for permission to transfer funds from one item of appropriation to a different item of appropriation. For the purposes of this section, "item of appropriation" means the spending authority identified by an organization code, appropriation source, and program code, unique to the item. If the director consents to the transfer, the amount transferred shall be credited by the director to the designated item of appropriation and notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer. However, the director, after consenting thereto, shall submit the following transfer requests to the Legislative Budget and Finance Officer for legislative approval or disapproval unless otherwise provided in this act:

(1) Requests for the transfer of State and other nonfederal funds, in amounts greater than \$300,000, to or from any item of appropriation;

(2) Requests for the transfer of State and other nonfederal funds, in amounts greater than \$50,000, to or from any Special Purpose account, as defined by major object 5, or Grant account, as defined by major object 6, within an item of appropriation, from or to a different item of appropriation;

(3) Requests for the transfer of State and other nonfederal funds, in amounts greater than \$50,000, to or from any Special Purpose or Grant account in which the identifying organization code, appropriation source, and program code, remain the same, provided that the transfer would effect a change in the legislative intent of the appropriations;

(4) Requests for the transfer of State funds, in amounts greater than \$50,000, between items of appropriation in different departments or between items of appropriation in different appropriation classifications herein entitled as Direct State Services, Grants-In-Aid, State Aid, Capital Construction and Debt Service;

(5) Requests for the transfer of federal funds, in amounts greater than \$300,000, from one item of appropriation to another item of appropriation, if the amount of the transfer to an item in combination with the amount of the appropriation to that item would result in an amount in excess of the appropriation authority for that item, as defined by the program class;

(6) Requests for such other transfers as are appropriate in order to ensure compliance with the legislative intent of this act.

b. The Joint Budget Oversight Committee or its successor may review all transfer requests submitted for legislative approval and may direct the Legislative Budget and Finance Officer to approve or disapprove any such transfer request. Transfers submitted for legislative approval pursuant to paragraph (4) of subsection a. of this section shall be made only if approved by the Legislative Budget and Finance Officer at the direction of the committee.

c. The Legislative Budget and Finance Officer shall approve or disapprove requests for the transfer of funds submitted for legislative approval within 10 working days of the physical receipt thereof and shall return them to the director.

If any provision of this act or any supplement thereto requires the Legislative Budget and Finance Officer to approve or disapprove requests for the transfer of funds, the request shall be deemed to be approved by the Legislative Budget and Finance Officer if, within 20 working days of the physical receipt of the request, he has not disapproved the request and so notified the requesting officer. However, this time period shall not pertain to any transfer request under review by the Joint Budget Oversight Committee or its successor, provided notice of such review has been given to the director.

d. No amount appropriated for any capital improvement shall be used for any temporary purpose except extraordinary snow removal or extraordinary transportation maintenance subject to the approval of the Director of the Division of Budget and Accounting. However, an amount from any appropriation for an item of capital improvement may be transferred to any other item of capital improvement subject to the approval of the director, and, if in an amount greater than \$300,000, subject to the approval of the Legislative Budget and Finance Officer.

e. The provisions of subsections a. through d. of this section shall not apply to appropriations made to the Legislative branch of State government. To permit flexibility in the handling of these appropriations, amounts may be transferred to and from the various items of appropriation by the appropriate officer or designee with notification given to the director on the effective date thereof.

f. Notwithstanding any provisions of this section to the contrary, transfers to and from the Special Purpose appropriation to the Governor for emergency or necessity under the Other Inter-Departmental Accounts program classification and transfers from the appropriations to the various accounts in the category of Salary Increases and Other Benefits, both in the Inter-Departmental Accounts, shall not be subject to legislative approval or disapproval.

21. The Director of the Division of Budget and Accounting shall make such correction of the title, text or account number of an appropriation necessary to make such appropriation available in accordance with legislative intent. Such correction shall be by written ruling, reciting in appropriate detail the facts thereof, and reasons therefor, attested by the signature of the Director of the Division of Budget and Accounting and filed in the Division of Budget and Accounting of the Department of the Treasury as an official record thereof, and any action thereunder, including disbursement and the audit thereof, shall be legally binding and of full force and virtue. An official copy of each such written ruling shall be transmitted to the Legislative Budget and Finance Officer, upon the effective date of the ruling.

22. The Legislative Budget and Finance Officer with the cooperation and assistance of the Director of the Division of Budget and Accounting is authorized to adjust this appropriations bill to reflect any reorganizations which have been implemented since the presentation of the Governor's Budget Recommendation Document dated January 23, 2001.

23. None of the funds appropriated to the Executive Branch of State government for Information Processing, Development, Telecommunications, and Related Services and Equipment shall be available to pay for any of these services

or equipment without the review of the Office of Information Technology and compliance with Statewide policies and standards and an approved department Information Technology Strategic Plan; authorization and approval by the Office of Information Technology is required for expenditure of amounts in excess of \$25,000, as shall be specified by Circular Letter.

24. If the sum provided in this act for a State aid payment pursuant to formula is insufficient to meet the full requirements of the formula, all recipients of State aid shall have their allocation proportionately reduced, subject to the approval of the Director of the Division of Budget and Accounting.

25. When the duties or responsibilities of any department or branch, except for the Legislature and any of its agencies, are transferred to any other department or branch, it shall be the duty of the Director of the Division of Budget and Accounting and the director is hereby empowered to transfer funds appropriated for the maintenance and operation of any such department or branch to such department or branch as shall be charged with the responsibility of administering the functions so transferred. The Director of the Division of Budget and Accounting shall have the authority to create such new accounts as may be necessary to carry out the intent of the transfer. Information copies of such transfers shall be transmitted to the Legislative Budget and Finance Officer upon the effective date thereof. If such transfers may be required among appropriations made to the Legislature and its agencies, the Legislative Budget and Finance Officer, subject to the approval of the President of the Senate and the Speaker of the General Assembly, is hereby empowered and it shall be that officer's duty to effect such transactions hereinabove described and to notify the Director of the Division of Budget and Accounting upon the effective date thereof.

26. The Director of the Division of Budget and Accounting is empowered and it shall be the director's duty in the disbursement of funds for payment of expenses classified as salary increases and other benefits, employee benefits, debt service, rent, telephone, motor pool, insurance, travel, postage, lease payments on equipment purchases, additions, improvements and equipment, and compensation awards to credit or transfer to the Department of the Treasury, to an Inter-Departmental account, or to the General Fund, as applicable, from any other department, branch or non-State fund source out of funds appropriated thereto, such sums as may be required to cover the costs of such payment attributable to such other department, branch or non-State fund source as the director shall determine. Receipts in any non-State funds are appropriated for the purpose of such transfer.

27. The Governor is empowered to direct the State Treasurer to transfer from any State department to any other State department such sums as may be necessary for the cost of any emergency occasioned by aggression, civil disturbance, sabotage, disaster, or for flood loss expenses for State owned structures to comply with Federal Insurance Administration requirements.

28. Upon request of any department receiving non-State funds, the Director of the Division of Budget and Accounting is empowered to transfer such funds from that department to other departments as may be charged with the responsibility for the expenditure thereof.

29. The Director of the Division of Budget and Accounting is empowered to transfer or credit appropriations to any State agency for services provided, or to be provided, by that agency to any other agency or department; provided further, however, that funds have been appropriated or allocated to such agency or department for the purpose of purchasing these services.

30. Notwithstanding any law to the contrary, should appropriations in the Property Tax Relief Fund exceed available revenues, the Director of the Division of Budget and Accounting is authorized to transfer General Fund unreserved, undesignated fund balances into the Property Tax Relief Fund, providing unreserved, undesignated fund balances are available from the General Fund, as determined by the Director of the Division of Budget and Accounting.

31. Notwithstanding any law to the contrary, should appropriations in the Casino Revenue Fund exceed available revenues, the Director of the Division of Budget and Accounting is authorized to transfer General Fund unreserved, undesignated fund balances into the Casino Revenue Fund, providing unreserved, undesignated fund balances are available from the General Fund, as determined by the Director of the Division of Budget and Accounting.

32. All funds representing recoveries under the Set Off of Individual Liabilities (SOIL) program are lapsed, subject to the approval of the Director of the Division of Budget and Accounting.

33. No funds shall be expended by any State Department in the Executive Branch in connection with a contract for the production of films, videotapes, video conferences, video-assisted training or multi-media projects that include video images unless the New Jersey Public Broadcasting Authority (PBA) has the opportunity to match any successful bid as part of any formal or informal contract award process. This is not a requirement to award a contract to PBA since the decision to award a contract may also be based on non-cost considerations.

34. Notwithstanding the provisions of P.L.1954, c.48 (C.52:34-6 et seq.), sums appropriated for services for the various State departments and agencies may be expended for the purchase of contract services from the New Jersey Marine Sciences Consortium as if it were a State government agency pursuant to subsection (a) of section 5 of P.L.1954, c.48 (C.52:34-10).

35. Out of the appropriations herein, the Director of the Division of Budget and Accounting is empowered to approve payments to liquidate any unrecorded liabilities for materials delivered or services rendered in prior fiscal years, upon the written recommendation of any department head, or the department head's

designated representative. The Director of the Division of Budget and Accounting shall reject any recommendations for payment which the director deems improper.

36. Whenever any county, municipality, school district or a political subdivision thereof withholds funds from a State agency, or causes a State agency to make payment on behalf of a county, municipality, school district or a political subdivision thereof, then the Director of the Division of Budget and Accounting may withhold State aid payments and transfer the same as payment for such funds, as the Director of the Division of Budget and Accounting shall determine.

37. The Director of the Division of Budget and Accounting is empowered to establish revolving and dedicated funds as required. Notice of the establishment of such funds shall be transmitted to the Legislative Budget and Finance Officer, upon the effective date thereof.

38. The Director of the Division of Budget and Accounting may, upon application therefor, allot from appropriations made to any official, department, commission or board, a sum to establish a petty cash fund for the payment of expenses under rules and regulations established by the director. Allotments thus made by the Director of the Division of Budget and Accounting shall be paid to such person as shall be designated as the custodian thereof by the official, department, commission or board making a request therefor, and the money thus allotted shall be disbursed by such custodian who shall require a receipt therefor from all persons obtaining money from the fund. The director shall make regulations governing disbursement from petty cash funds.

39. From appropriations to the various departments of State government, the Director of the Division of Budget and Accounting is empowered to transfer sums sufficient to pay any obligation due and owing in any other department or agency.

40. Notwithstanding the provision of any other law, the State Treasurer may transfer from any fund in the State Treasurer's custody, deposited with the State Treasurer pursuant to law, sufficient sums to enable payments from any appropriation made herein for any obligations due and owing. Any such transfer shall be restored out of the taxes or other revenue received in the Treasury in support of this act. Except for transfers from the several funds established pursuant to statutes that provide for interest earnings to accrue to those funds, all such transfers shall be without interest. If the statute provides for interest earnings, it shall be calculated at the average rate of earnings during the fiscal year from the State's general investments.

41. Any qualifying State aid appropriation, or part thereof, made from the General Fund may be transferred and recorded as an appropriation from the Property Tax Relief Fund, as deemed necessary by the State Treasurer, in order that the Director of the Division of Budget and Accounting may warrant the necessary payments; provided however, that the available unreserved, undesignated fund

balance in the Property Tax Relief Fund, as determined by the State Treasurer, is sufficient to support the expenditure.

42. The Director of the Division of Budget and Accounting may settle any claim not exceeding \$2,000 due and owing to the State.

43. Notwithstanding any other provisions of this act, the State Treasurer, upon warrant of the Director of the Division of Budget and Accounting, shall pay any claim not exceeding \$4,000 out of any appropriations made to the several departments, provided such claim is recommended for payment by the head of such department. The Legislative Budget and Finance Officer shall be notified of the amount and description of any such claim at the time such payment is made. Any claimant who has presented a claim not exceeding \$4,000, which has been denied or not recommended by the head of such department, shall be precluded from presenting said claim to the Legislature for consideration.

44. Unless otherwise provided, federal grant and project receipts representing reimbursement for agency and central support services, indirect and administrative costs, as determined by the Director of the Division of Budget and Accounting, shall be transmitted to the Department of the Treasury for credit to the General Fund; provided however, that a portion of the indirect and administrative cost recoveries received which are in excess of the amount anticipated may be reclassified into a dedicated account and returned to State departments and agencies, as determined by the Director of the Division of Budget and Accounting, who shall notify the Legislative Budget and Finance Officer of the amount of such funds returned, the departments or agencies receiving such funds and the purpose for which such funds will be used, within 10 working days of any such transaction. Such receipts shall be forwarded to the Director of the Division of Budget and Accounting upon completion of the project or at the end of the fiscal year, whichever occurs earlier.

45. Notwithstanding any other law to the contrary, each local school district that participates in the Special Education Medicaid Initiative (SEMI) shall receive a percentage of the federal revenue realized for current year claims. The percentage share shall be 15% of the first \$36,000,000 of federal reimbursements realized for claims submitted to the State by June 30. After federal reimbursements are realized in excess of \$36,000,000, local school districts shall receive 50% of their pro rata share of federal revenues realized in excess of \$36,000,000.

46. Notwithstanding any other law to the contrary, each local school district that participates in the Early Periodic Screening, Diagnosis and Treatment (EPSDT) initiative shall receive a percentage of the federal revenue realized for current year claims. The percentage share shall be 15% of the first \$29,000,000 of federal reimbursements for claims submitted to the State by June 30. After federal reimbursements are realized in excess of \$29,000,000, local school districts shall receive 50% of their pro rata share of federal revenues realized in excess of \$29,000,000.

47. Notwithstanding the provisions of P.L.1943, c.188 (C.52:14-17.1 et seq.), the rate of reimbursement for mileage allowed for employees traveling by personal automobile on official business shall be \$.31 per mile.

48. State agencies shall prepare and submit a copy of their agency or departmental budget requests for Fiscal Year 2003 by October 1, 2001 to the Director of the Division of Budget and Accounting and a copy of their spending plans involving all State, federal and other non-State funds to the Director of the Division of Budget and Accounting and the Legislative Budget and Finance Officer by November 1, 2001, and updated spending plans on February 1, and May 1, 2002. The spending plans shall account for any changes in departmental spending which differ from this appropriation act and all supplements to this act. The spending plans shall be submitted on forms specified by the Director of the Division of Budget and Accounting.

49. The Director of the Division of Budget and Accounting shall provide the Legislative Budget and Finance Officer with copies of all BB-4s, Application for Non-State funds, and accompanying project proposals or grant applications, which require a State match and that may commit or require State support after the grant's expiration.

50. In order to provide effective cash flow management for revenues and expenditures of the General Fund and the Property Tax Relief Fund in the implementation of the fiscal year 2002 annual appropriations act, there are appropriated from the General Fund such sums as may be required to pay the principal of and interest on tax and revenue anticipation notes including notes in the form of commercial paper (hereinafter collectively referred to as short-term notes), together with any costs or obligations relating to the issuance thereof or contracts related thereto, according to the terms set forth herein. Provided further that, to the extent that short-term notes are issued for cash flow management purposes in connection with the Property Tax Relief Fund, there are appropriated from the Property Tax Relief Fund such sums as may be required to pay the principal of those short-term notes.

51. The State Treasurer is authorized to issue short-term notes, which notes shall not constitute a general obligation of the State or a debt or a liability within the meaning of the State Constitution, and the State Treasurer is authorized to pay any costs or obligations relating to the issuance of such short-term notes or contracts relating thereto. Such short-term notes shall be issued in such amounts and at such times as the State Treasurer shall deem necessary for the above stated purposes and for the payment of related costs, and on such terms and conditions, sold in such manner and at such prices, bearing interest at such fixed or variable rate or rates, renewable at such time or times, and entitled to such security, and using such paying agents as shall be determined by the State Treasurer. The State Treasurer is authorized to enter into such contracts and to take such other actions, all as determined by the State Treasurer to be appropriate to carry out the above cash flow

management purposes. The State Treasurer shall give consideration to New Jersey-based vendors in entering into such contracts. Whenever the State Treasurer issues such short-term notes, the State Treasurer shall report on each such issuance to the Chairman of the Senate Budget and Appropriations Committee and the Chairman of the Assembly Appropriations Committee.

52. Notwithstanding the provisions of the P.L.1990, c.44 (C.52:9H-14 et seq.), or any other laws to the contrary, the balance of the Surplus Revenue Fund shall not exceed \$720,000,000. Any amount in excess of \$720,000,000 shall be deposited to the Debt Avoidance and Retirement Fund, which is created in the General Fund as a restricted reserve fund for the purposes of (1) economically defeasing or retiring long term State obligations in order to realize debt service savings for the State, and (2) avoiding the issuance of new long term obligations by paying on current basis for capital projects required to be financed in whole or in part by the State, including but not limited to public school facilities construction and transportation system projects, as the State Treasurer determines to be in the best interest of the State, subject to the approval of the Joint Budget Oversight Committee. If the Surplus Revenue Fund balance falls below \$720,000,000, no monies shall be deposited to the Debt Avoidance and Retirement Fund until the balance of the Surplus Revenue Fund equals or exceeds \$720,000,000. Any amount in excess of \$720,000,000 in the Surplus Revenue Fund as reported in the Comprehensive Annual Financial Report of the State of New Jersey for the year ended June 30, 2001 shall be deposited to the Debt Avoidance and Retirement Fund. The unexpended balance as of June 30, 2001 in the Debt Retirement Fund established pursuant to section 55 of P.L.2000, c.53 is appropriated and that amount shall first be used for General Fund appropriations made in section 1 of this act that may have been eligible to be financed in whole in or in part by the State, including but not limited to public school facilities construction and transportation system projects, as the Director of the Division of Budget and Accounting shall determine.

53. The Tobacco Settlement Fund, created and established in the Department of the Treasury as a separate non-lapsing fund pursuant to section 53 of P.L.1999, c.138, is reestablished and continued. The unexpended balances in the Tobacco Settlement Fund as of June 30, 2001 are appropriated. The Tobacco Settlement Fund shall be the repository for all payments made by the tobacco manufacturers pursuant to the settlement agreement entered into by the tobacco manufacturers and the State on November 23, 1998 that resolved the State's pending claims against the tobacco industry and all other moneys, including interest earnings on balances in the fund, credited or transferred thereto from any other fund or source pursuant to law. Balances in the Tobacco Settlement Fund shall be deposited in such depositories as the State Treasurer may select. Amounts transferred from the Tobacco Settlement Fund to the General Fund as anticipated revenue in excess of \$365,204,000 shall be excluded when calculating deposits to the Surplus Revenue Fund pursuant to P.L.1990, c.44 (C.52:9H-14 et seq.).

54. The following amounts that are appropriated from the General Fund in section 1 of this act in various departments are charged to the Tobacco Settlement Fund, except as provided for elsewhere in this act:

<u>Department</u>	<u>Line Item</u>	<u>Amount</u>	
	Direct State Services		
Health and Senior Services	Community Based Tobacco Control Programs	\$7,000,000	
	Youth Anti-Tobacco Awareness Media Campaign	\$6,300,000	
	Smoking Cessation Programs for Addicted Adults and Youth	\$8,700,000	
	School Based Programs for the Prevention of Tobacco Use	\$5,000,000	
	Newborn Screening	\$3,100,000	
	Research, Surveillance, Evaluation and Assistance for Anti-Smoking Programs	\$3,000,000	
	Office on Minority and Multicultural Health	\$1,500,000	
	Grants-in-Aid		
	Health and Senior Services	ElderCare Initiatives	\$19,877,000
		Supplemental Charity Care	\$18,116,000
Senior Gold Pharmaceutical Assistance Program		\$50,000,000	
Health Care Subsidy Fund Payments		\$25,000,000	
Nursing Homes Spousal Income		\$12,210,000	
AIDS Grants		\$13,648,000	
Physician Reimbursement for ER Services		\$5,000,000	
Human Services State	NJ Family Care	\$116,300,000	
	Cancer Institute of New Jersey	\$5,000,000	
	State-Aid		
Treasury	School Facilities Construction and Renovation	<u>\$65,453,000</u>	
	Total Appropriation, Tobacco Settlement Funding	<u>\$365,204,000</u>	

55. If receipts to the Tobacco Settlement Trust Fund are less than anticipated, such sums as are necessary up to the limit of the appropriations above shall be appropriated from the General Fund, subject to the approval of the Director of the Division of Budget and Accounting. If receipts are more than anticipated, such sums shall be appropriated at a later date.

56. Notwithstanding any other provision of law, funds derived from the sale or conveyance of any lands and buildings or proceeds from the sale of all fill material held by a department are appropriated for demolition, acquisition of land, rehabilitation or improvement of existing facilities and construction of new facilities subject to the approval of the Director of the Division of Budget and Accounting.

57. Any change by the Office of Information Technology to their rate structure that would affect the rates charged to the various State agencies for Office of Information Technology services shall first be approved by the Director of the Division of Budget and Accounting.

58. In addition to the amount appropriated for Consolidated Municipal Property Tax Relief Aid, such additional amounts as may be required, not to exceed \$3,565,000, are appropriated, and shall be allocated consistent with the applicable requirements contained in the State Aid - Property Tax Relief section of this act, subject to the approval of the Director of the Division of Budget and Accounting for those municipalities which have experienced a loss in business personal property tax revenues as a result of reductions in the assessed value of personal property of local exchange telephone companies.

59. Of the available balance in the Enterprise Zone Assistance Fund as of July 1, 2001 an amount not to exceed \$9,579,017 shall revert to the General Fund to recover previous overpayments to municipal enterprise zone accounts as follows: Bridgeton, \$630,185; Camden, \$637,659; Millville, \$409,858; Newark, \$3,976,276; Plainfield, \$928,227; Trenton, \$1,383,945; Vineland, \$1,612,867. If balances attributable to a specific enterprise zone is insufficient to fund projects approved prior to July 1, 2001, sales tax revenues attributable to that specific zone shall first be applied to cover those projects. All subsequent sales tax revenues attributable to that specific zone shall then be applied to the outstanding State overpayment balance for that zone until it is satisfied.

60. Notwithstanding the provisions of P.L.1983, c.303 (C.52:27H-80), or any other law to the contrary, interest earned in fiscal 2002 on balances in the Enterprise Zone Assistance Fund, shall be credited to the General Fund.

61. There is appropriated \$33,000,000 from the State Disability Benefits Fund for transfer to the General Fund as State revenue.

62. Notwithstanding any other law to the contrary, additional funds may be transferred from the State Disability Benefits Fund to the General Fund during the fiscal year ending June 30, 2002, which shall be in addition to the transfer of \$33,000,000 in revenue from that fund made pursuant to the provisions of this act, which additional transfer amount shall be based upon the actual receipt of revenue in the State Disability Benefits Fund as shall be determined by the State Treasurer in consultation with the Commissioner of Labor, subject to the approval of the Director of the Division of Budget and Accounting.

63. There is appropriated \$10,000,000 from "the stock workers' compensation security fund" for transfer to the General Fund as State revenue.

64. There is appropriated \$2,000,000 from the Casino Simulcasting Fund for transfer to the Casino Revenue Fund.

65. Notwithstanding the provisions of any other law to the contrary, there is appropriated for transfer to the General Fund as State revenue, an amount not to exceed \$4,000,000 from the Housing Assistance Fund bond reserve account established under P.L.1968, c.127, to the extent that it includes monies other than bond proceeds initially deposited into the Housing Assistance Fund bond reserve account.

66. In all cases in which language authorizes the appropriation of additional receipts not to exceed a specific amount, and the specific amount is insufficient to cover the amount due for fringe benefits and indirect costs, there are appropriated from receipts such additional amounts as are required to fully cover the amount due for fringe benefits and indirect costs, subject to the approval of the Director of the Division of Budget and Accounting.

67. There are appropriated from the Surplus Revenue Fund such additional sums as are necessary to pay Flood Relief - Hurricane Floyd claims, from any of the amounts lapsed to the Surplus Revenue Fund from the amounts appropriated pursuant to section 6 of the "Emergency Disaster Relief Act of 1999," P.L.1999, c.262, subject to the approval of the Director of the Division of Budget and Accounting.

68. Notwithstanding the provisions of any other law to the contrary, there is appropriated as revenue to the General Fund an amount not to exceed \$4,200,000 from the undesignated balances in the Enterprise Zone Assistance Fund attributable to the State costs for administering the Urban Enterprise Zone program.

69. There are appropriated, out of receipts derived from any structured financing transaction, such sums as may be necessary to satisfy any obligation incurred in connection with any structured financing agreement, subject to the approval of the Director of the Division of Budget and Accounting. In addition, there are appropriated such sums as may be necessary to pay costs incurred in connection with any proposed structured financing transaction, subject to the approval of the Director of the Division of Budget and Accounting.

70. Notwithstanding any other law or regulation to the contrary, there is appropriated from the State of New Jersey Cash Management Fund reserve fund such amounts as are necessary for the State Treasurer to return funds held on behalf of participating governmental units other than the State Government to those units that receive monies from appropriations made in this act. Funds attributable to

participants in the reserve fund that do not receive State appropriations in this act shall continue to be held in the reserve fund.

71. There is appropriated from the General Fund to the Department of the Treasury such amount as is necessary to purchase a surety bond to cover the proportionate share of losses of the "Other-than-State" participants of the State of New Jersey Cash Management Fund in the event of certain losses which could be incurred by the fund.

72. Notwithstanding any other law to the contrary, there is appropriated for transfer to the General Fund as State revenue \$2,800,000 from the New Jersey Housing Mortgage Finance Agency attributable to unexpended escrow balances established pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.).

73. Of the amount appropriated herein for the School Construction and Renovation Fund, no funds shall be expended for pay-as-you-go capital projects until it is determined by the Commissioner of Education that those funds shall not be necessary to fund the State's constitutional obligation for Additional Abbott v. Burke State Aid. Before the commissioner recommends that additional sums be provided for Additional Abbott v. Burke State Aid, he shall first review the annual audit filed pursuant to N.J.S.18A:23-1 of each Abbott district receiving Additional Abbott v. Burke State Aid and determine whether, based on that audit, an adjustment to his initial calculation of necessary aid for that district is appropriate. That annual audit for Abbott districts receiving Additional Abbott v. Burke State Aid shall include, but not be limited to, a review of whether the district is appropriately assisting the State in maximizing federal participation pursuant to section 7 of P.L.1968, c.413 (C.30:4D-7) and upon recommendation of the commissioner, the Director of the Division of Budget and Accounting is authorized to withhold the payment of Additional Abbott v. Burke State Aid to any district that is unwilling to provide that assistance. The commissioner shall adjust any initial calculation of necessary aid by considering all available resources and any appropriate allocations including, but not limited to, a reallocation of the district's undesignated general fund balances in excess of two percent. The Director of the Division of Budget and Accounting, upon request of the commissioner, is further authorized to withhold payment of Additional Abbott v. Burke State Aid to any district which fails to file the required audit by November 15, 2001, until such time as the audit is filed and the commissioner has had an opportunity to review the audit and make appropriate adjustments if necessary. If the commissioner determines that it is necessary to transfer funds from the School Construction and Renovation Fund to the Additional Abbott v. Burke State Aid account such funds shall be transferred subject to the approval of the Director of the Division of Budget and Accounting and the Joint Budget Oversight Committee.

74. This act shall take effect July 1, 2001.

Approved June 29, 2001.

CHAPTER 131

AN ACT concerning the conversion of a health service corporation to a domestic stock insurer, providing for the establishment of a charitable foundation and amending P.L.1992, c.161 and P.L.1992, c.162.

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

C.17:48E-49 Definitions relative to conversion of health service corporation to domestic stock insurer.

1. As used in this act:

"Affiliate" or "affiliated" has the meaning set forth in subsection a. of section 1 of P.L.1970, c.22 (C.17:27A-1).

"Alternative foundation plan" means the plan submitted to the Attorney General and the commissioner pursuant to section 18 of this act.

"Application" means the application for approval of a plan of conversion filed with the commissioner pursuant to section 3 of this act.

"Attorney General" means the Attorney General of the State of New Jersey.

"Commissioner" means the Commissioner of Banking and Insurance.

"Control" has the meaning set forth in subsection c. of section 1 of P.L.1970, c.22 (C.17:27A-1).

"Conversion" means the process by which a health service corporation converts to a domestic stock insurer in accordance with the provisions of sections 2 through 14 and section 19 of this act.

"Converted insurer" means the domestic stock insurer into which a health service corporation converts in accordance with the provisions of sections 2 through 14 and section 19 of this act.

"Domestic stock insurer" means a for-profit stock insurer authorized pursuant to Title 17B of the New Jersey Statutes to transact health insurance as defined in N.J.S.17B:17-4.

"Effective time" means the date and time at which the conversion of a health service corporation is effective, as provided in section 11 of this act.

"Foundation" means the foundation or foundations established under section 18 or 19 of this act.

"Foundation plan" means the plan submitted to the Attorney General pursuant to section 19 of this act.

"Health service corporation" means a health service corporation established pursuant to P.L.1985, c.236 (C.17:48E-1 et seq.).

"Material change in form" means any action or series of actions that effect a fundamental corporate change which involves a transfer of ownership or control of assets of the health service corporation or a change

of the mission or purpose of the health service corporation, including, without limitation, the purchase, lease, exchange, conversion, restructuring, merger, division, consolidation or transfer of control, bulk reinsurance or other disposition or transfer of a substantial amount of business, line of business, assets or operations of the health service corporation, including the transfer, directly or indirectly, of a substantial amount of the health service corporation's business, line of business, assets or operations to one or more nonconforming affiliates. A material change in form by the transfer, directly or indirectly, of a substantial amount of the health service corporation's business, line of business, assets or operations to one or more nonconforming affiliates shall not be deemed to occur so long as, during the most recent four prior consecutive calendar quarters: (1) the aggregate revenues of all nonconforming affiliates do not exceed 50 percent of the aggregate revenues for the health service corporation and all affiliates; (2) the aggregate revenues of all nonconforming affiliates derived from providing individual or group health coverage to residents of New Jersey equal or exceed 50 percent of the aggregate revenues from all nonconforming affiliates; and (3) the aggregate assets of all nonconforming affiliates do not exceed 50 percent of the aggregate assets of the health service corporation and all affiliates.

"Nonconforming affiliate" means any affiliate of a health service corporation that: (1) operates on a for-profit basis, or (2) operates on a nonprofit basis and does not have a purpose the same as or substantially similar to that of the health service corporation.

"Parent corporation" means a stock corporation incorporated under the laws of this State that is or has been organized for the purpose of acquiring, directly or indirectly, control of the converted insurer pursuant to the plan of conversion.

"Petition" means the petition for approval of a foundation plan submitted to the Attorney General pursuant to subsection a. of section 19 of this act.

"Plan of conversion" means the written plan of conversion adopted by the health service corporation in compliance with section 2 of this act.

"Policy" means an individual or group policy or contract of insurance, including, without limitation, any certificate, rider, endorsement, plan or product offering issued by or binding upon the health service corporation.

"Subscriber" means a person covered by or entitled to benefits under any policy, including, but not limited to, the persons described in subsection k. of section 1 of P.L.1985, c.236 (C.17:48E-1).

C.17:48E-50 Procedure for conversion.

2. a. A health service corporation may convert to a domestic stock insurer by complying with the provisions of sections 2 through 14 and section 19 of this act.

b. To convert to a domestic stock insurer, the board of directors of a health service corporation shall adopt a resolution to become a domestic stock insurer at a meeting of the board by a two-thirds affirmative vote of the total number of directors of the health service corporation. A copy of the minutes of the meeting at which that resolution is adopted shall be filed with the commissioner and with the Attorney General at least 120 days before the proposed effective time of the conversion. The resolution shall include a written plan of conversion to a domestic stock insurer. The plan shall include:

(1) The purposes of the conversion and the manner in which the proposed conversion will occur.

(2) The proposed certificate of incorporation of the converted insurer and any parent corporation.

(3) The proposed bylaws of the converted insurer and any parent corporation. The bylaws of the converted insurer shall provide for the appointment of officers, and may provide that the officers of the health service corporation shall serve to the end of the term to which they were appointed under the bylaws of the health service corporation.

(4) A description of any proposed changes in the converted insurer's mode of operations after conversion.

(5) A statement describing the manner in which the plan of conversion provides for the protection of all existing contractual rights of subscribers under the policies in effect at the effective time, including the payment of claims for reimbursement for those services.

(6) A statement that the health service corporation's subscribers shall have no right to receive any assets, surplus, capital or other distribution, or to receive any stock or other ownership interest in the converted insurer or parent corporation in connection with the conversion.

(7) A statement that the legal existence of the health service corporation does not terminate and that the converted insurer is subject to all of the liabilities, obligations and relations of whatever kind of the health service corporation and succeeds to all property, assets, rights, interests and relations of the health service corporation.

(8) An explanation of how policies to be offered by the converted insurer will comply with section 8 of this act.

(9) The manner and form in which the fair market value of the health service corporation will be transferred, without consideration, to the foundation.

C.17:48E-51 Filing of application.

3. a. The health service corporation shall file with the commissioner an application pursuant to subsection b. of this section for approval of, and permission to convert pursuant to, a plan of conversion. Concurrent with the filing of the application with the commissioner, the health service corporation shall submit a petition to the Attorney General pursuant to section 19 of this act and submit a copy of the petition to the commissioner. The health service corporation shall file a copy of the application with the Attorney General at the time the health service corporation files the application with the commissioner.

b. The application shall include the following:

(1) The plan of conversion and exhibits thereto.

(2) A business plan of the converted insurer and any parent corporation, including five-year financial projections and the number of shares of capital stock that the converted insurer and any parent corporation is authorized to issue, together with estimates of the capital which might be raised by the sales of the capital stock or securities convertible into capital stock.

(3) A certification by the secretary of the health service corporation that the plan of conversion has been duly adopted by action of not less than two-thirds of the total number of directors of the board of the health service corporation. Subscribers of the health service corporation shall not have the right to vote on or approve the plan of conversion, any amendments to the health service corporation's certificate of incorporation or bylaws, or the certificate of incorporation or bylaws of the converted insurer or parent corporation, notwithstanding any provision to the contrary in the certificate of incorporation or bylaws of the health service corporation.

(4) The proposed forms of the notice of hearing required by subsection e. of this section and any other notices required by the plan of conversion or by the commissioner.

(5) Any information provided to the board of directors of the health service corporation in connection with its review and approval of the plan of conversion, except materials that are protected by attorney-client privilege.

(6) A comparative premium rate analysis of all the policies of the health service corporation, comparing actual premium rates for the three-year period preceding the filing of the plan of conversion and projected premium rates for the three-year period following the proposed conversion. The rate analysis shall address the projected impact, if any, of the proposed conversion upon the cost to subscribers as well as the projected impact, if any, of the proposed conversion upon the health service corporation's underwriting profit, investment income, tax liability and loss and claim

reserves, including the effect, if any, of adverse market or risk selection on reserves.

(7) Any conditions, other than approval of the plan of conversion by the commissioner, to be fulfilled on or before the effective time.

(8) Any proposed agreement between or among the foundation and the converted insurer or its parent corporation, if applicable, including, but not limited to, any agreement relating to the voting or registration for sale of any capital stock issued to the foundation by the converted insurer or any parent corporation.

(9) Any other additional information that the health service corporation believes is necessary.

(10) Any other additional information that the commissioner in his sole discretion deems appropriate.

c. If required pursuant to section 6 of this act, the plan of conversion shall include an appraisal of the fair market value, or range of values, of the aggregate equity of the converted insurer to be outstanding upon completion of the plan of conversion and, if a range of values, the methodology for fixing a final value coincident with the completion of the transactions provided for in the plan of conversion.

(1) The appraisal shall enable determinations of value of:

(a) the amount of cash or other assets that the foundation will be entitled to receive, without consideration, under the provisions of the plan of conversion; and

(b) the price of any shares to be issued pursuant to the optional provisions of a plan of conversion permitted by subsection e. of section 6 of this act;

(2) The appraisal required by this subsection c. shall be prepared by persons independent of the health service corporation, experienced and expert in the area of corporate appraisals and acceptable to the commissioner. The appraisal shall be in a form and content acceptable to the commissioner and contain a complete and detailed description of the elements that make up the appraisal, justification for the methodology employed and sufficient support for the conclusions reached in the appraisal. The commissioner may also require the appraisal to include an analysis of fair market value based on actuarial considerations, as well as other methods for determining fair market value.

(3) To the extent that the appraisal is based on a capitalization of the pro forma income of the converted insurer, the appraisal shall indicate the basis for determination of the income to be derived from any proceeds of the sale of stock and demonstrate the appropriateness of the earnings-multiple used, including assumptions made regarding future earnings growth.

(4) To the extent that the appraisal is based on the comparison of the capital stock of the converted insurer with outstanding capital stock of existing stock entities offering comparable insurance products, the existing stock entities shall be reasonably comparable to the converted insurer in terms of factors such as size, market area, competitive conditions, profit history and expected future earnings.

(5) In those instances in which the commissioner determines that the appraisal is materially deficient or substantially incomplete, the commissioner may declare the entire application materially deficient or substantially incomplete and decline to further process or may reject the application.

(6) The health service corporation shall submit to the commissioner information demonstrating to the satisfaction of the commissioner the independence and expertise of any person preparing the appraisal or related materials under this subsection.

(7) The appraiser shall not serve as an underwriter or selling agent under the plan of conversion. With the prior written approval of the commissioner, an affiliate of the appraiser may act as an underwriter or selling agent if procedures are followed and representations and warranties are made to ensure that the appraiser is separate from the underwriter or selling agent affiliate and the underwriter or selling agent affiliate does not make recommendations or in any way have an impact on the appraisal.

(8) An appraiser may not receive any other fee except the fee for services rendered in connection with the appraisal.

d. The commissioner in his sole discretion: (1) shall determine, within 60 days of submission of the application, whether the application is complete and, if not, shall specify what additional information is required; and (2) shall further determine when an application is complete. The commissioner may request additional information from the health service corporation which the commissioner determines is necessary to review the application and plan of conversion. The commissioner may also conduct an examination under section 37 of P.L.1985, c.236 (C.17:48E-37) to obtain any information the commissioner determines necessary in connection with the application or transaction or series of transactions, that the commissioner determines constitute, or may constitute, a material change in form. The failure of the health service corporation to provide the information or cooperate in the examination, in addition to other applicable penalties, constitutes grounds for denial of the application.

e. Upon determining that the application is complete and the forms of notice are adequate, the commissioner shall designate a date for a public hearing on the plan of conversion. The public hearing may be held on one or more days, the first commencing within 90 days after the date on which the commissioner determines the application is complete, unless the health

service corporation requests, and the commissioner agrees to, a longer period for the purpose of preparing and distributing the notices required by this subsection. The public hearing may, if the commissioner and Attorney General so agree, be conducted jointly as part of the public hearing required under subsection e. of section 19 of this act. The hearing shall be in the nature of a legislative hearing and shall not constitute or be considered a contested case under the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). The health service corporation shall provide the public with at least 45 days' notice of the hearing, the notice to be in the form, and provided in the manner, that the commissioner approves. The health service corporation shall cause notice of the time and place of the public hearing to be published at least two times at intervals of not less than one week, the first publication to be not more than 45 days and the last publication not less than 15 days prior to the public hearing in at least two newspapers of general circulation in New Jersey. The notice of the hearing shall state the purpose thereof and the time and the place where the hearing will occur. The purpose of the hearing shall be to receive comments and information for the purpose of aiding the commissioner in making a decision as to whether to approve the plan of conversion. Persons wishing to make comments and submit information may submit written statements to the commissioner prior to the public hearing and may appear and be heard at the hearing.

f. The hearing shall be conducted by the commissioner or, at the commissioner's discretion, his designee, who shall report to and advise the commissioner on the matter, in which case the determination or order issued by the commissioner shall have the same force and effect as if the commissioner had conducted the hearing personally. The commissioner's order or determination on the application pursuant to section 4 of this act shall be issued within 45 days after the closing of the record of the hearing by the commissioner or his designee, as applicable. The commissioner shall issue a written decision detailing the reasons for the approval or disapproval of the plan of conversion. The commissioner may, for good cause, extend the time within which he shall issue an order or determination on the application.

g. The commissioner may engage the services of advisors and consultants, which may include, but are not limited to, lawyers, actuaries, accountants, investment bankers, compensation and employee benefit plan consultants or any combination thereof, to advise him on any matters related to the conversion. All reasonable costs related to the development and examination of, and deliberations concerning, a plan of conversion and other related matters, including, but not limited to, those reasonable costs attributable to the use by the commissioner of advisors and consultants,

shall be paid by the health service corporation that makes the filing or initiates the discussions about a plan of conversion, both for services prior to the effective time and for services after the effective time.

C.17:48E-52 Approval of plan, certificate of authority.

4. a. The commissioner shall approve the plan of conversion and issue a certificate of authority to the converted insurer to transact business in this State as a domestic stock insurer only if the commissioner finds all of the following:

(1) The plan of conversion meets the requirements of sections 2 and 3 of this act.

(2) Upon conversion, the converted insurer will meet the applicable standards and conditions under this section, including applicable minimum capital and surplus requirements.

(3) The plan of conversion adequately protects the existing contractual rights of subscribers.

(4) The plan of conversion will promote the best interests of the health service corporation.

(5) The health service corporation has complied with all requirements of sections 2 and 3 of this act.

(6) The plan of conversion is fair and equitable.

(7) The plan provides for the enhancement of the operations of the converted insurer.

(8) The plan provides for the transfer at or before the effective time of the entire fair market value of the health service corporation to the foundation in accordance with section 6 of this act.

(9) The plan is consistent with the foundation plan.

(10) The plan does not adversely affect the distribution of the health service corporation's value to the foundation.

(11) The plan is not contrary to law.

(12) The plan promotes the public interest.

(13) The Attorney General has concurred:

(a) with any findings of the commissioner pursuant to paragraph (8) of this subsection and section 6 of this act; and

(b) with the actions of the commissioner under subsection c. of section 3 of this act.

b. The commissioner's order approving or disapproving a plan of conversion under this section shall be a final agency decision subject to appeal in accordance with, and within the time periods specified by, the Rules Governing the Courts of the State of New Jersey.

C.17:48E-53 Issuance of subsequent order.

5. The order of the commissioner issued pursuant to section 4 of this act shall not take effect unless the commissioner issues a subsequent order finding that:

- a. the Superior Court has entered an order pursuant to subsection f. of section 19 of this act approving the establishment of the foundation; and
- b. the Superior Court has not imposed any terms or conditions that are materially inconsistent with the order of the commissioner issued pursuant to section 4 of this act.

C.17:48E-54 Transfer of fair market value.

6. a. At or before the effective time, the entire fair market value of the health service corporation, exclusive of any shares of the converted insurer or any parent corporation issued pursuant to subsection e. of this section, shall be transferred to the foundation, without consideration, in a manner and form acceptable to the commissioner. In determining fair market value, consideration shall be given to value as a going concern, market value, investment or earnings value, net asset value and a control premium, if any.

b. If the foundation receives, at the effective time, 100 percent of the shares of the outstanding capital stock of the converted insurer or any parent corporation freely transferable and without restriction, the foundation is presumed to have acquired the entire fair market value of the health service corporation and no appraisal shall be required under subsection c. of section 3 of this act, unless the commissioner finds that the proposed capital structure of the converted insurer does not represent the fair market value of the health service corporation.

c. (1) If the foundation receives, at the effective time, 100 percent of shares of the outstanding capital stock of the converted insurer or any parent corporation and the shares are subject to restrictions the commissioner determines are necessary and reasonable to maintain the value of the assets of the converted insurer, the foundation is presumed to have acquired the entire fair market value of the health service corporation and, subject to paragraph (2) of this subsection, no appraisal shall be required under subsection c. of section 3 of this act, unless the commissioner finds that the proposed capital structure of the converted insurer does not represent the fair market value of the health service corporation.

(2) In determining whether the restrictions are necessary and reasonable, the commissioner may require an appraisal of the diminution in value of the shares as a result of the restrictions, which appraisal shall take into consideration the increase in value of the shares on account of any registration rights granted to the foundation in connection with the shares of capital stock of the converted insurer or parent corporation.

d. If the foundation receives consideration in a form other than as described in subsections b. and c. of this section, the plan of conversion shall include an appraisal of the fair market value of the health service corporation that satisfies the requirements of subsection c. of section 3 of this act.

e. This section does not prohibit the inclusion in the plan of conversion of provisions under which the converted insurer would make a simultaneous offering of shares of its authorized but unissued capital stock for cash to either (1) the public, or (2) its directors, officers and employees as a group, or both, in each case under terms and conditions and pursuant to valuation procedures the commissioner approves and that do not materially dilute the value of the shares distributed to the foundation. In no event may in excess of five percent of the aggregate shares of capital stock to be issued by the converted insurer pursuant to the plan of conversion be offered for purchase by the directors, officers and employees, in the aggregate, of the health service corporation and the shares shall be offered only on terms generally available to the public.

C.17:48E-55 Continuation of health service corporation.

7. a. The legal existence of the health service corporation shall not terminate, and the converted insurer shall be a continuation of the health service corporation. The conversion shall only be a change in identity and form of organization. All property, assets, rights, liabilities, obligations, interests and relations of whatever kind of the health service corporation, including, but not limited to, any rights, duties and obligations pursuant to a collective bargaining agreement, shall continue and remain in the converted insurer. All actions and legal proceedings to which the health service corporation was a party prior to conversion shall be unaffected by the conversion. The subscribers of the health service corporation shall have no right to receive any assets, surplus, capital or other distribution, or to receive any stock or other ownership interest in the converted insurer or parent corporation in connection with the conversion.

b. So long as the foundation owns at least 10 percent of the shares of stock of the converted insurer or the parent corporation issued to the foundation at the effective time, the converted insurer or its parent corporation shall not issue any shares of capital stock or other securities convertible into shares of capital stock of the converted insurer or the parent corporation without the approval of the commissioner, who may approve the sale of additional shares of stock of the converted insurer or its parent corporation if the converted insurer demonstrates to the commissioner's sole satisfaction that the sale would not materially dilute the value of the shares distributed to the foundation and that all shares and other securities sold

pursuant to this subsection b. or subsection e. of section 6 of this act are priced in a manner consistent with the fair market value of the aggregate equity of the converted insurer or any parent corporation at the time of the sale. The sale of capital stock of the converted insurer or its parent corporation in a firm commitment underwritten public offering shall be presumed to satisfy the standards set forth in this subsection, as long as the capital stock is of the same class and series as the stock owned by the foundation.

C.17:48E-56 Conversion of policies.

8. a. The policies of the health service corporation shall be converted to policies of the converted insurer without any further action on the part of the converted insurer.

b. Policies of the health service corporation that were issued and remain in force prior to the effective time shall be deemed to comply with laws and regulations applicable to a domestic stock insurer.

c. Policies of the converted insurer issued on or after the effective time shall comply with all laws and regulations that apply to a domestic stock insurer; provided, however, that policies issued on and after the effective time shall, for a period not to exceed six months from the effective time, be deemed to comply with all laws and regulations applicable to a domestic stock insurer if the policies comply with the laws and regulations applicable to a health service corporation.

C.17:48E-57 Receipt of compensation contingent upon approval of plan prohibited.

9. No director, officer, agent or employee of the health service corporation shall receive any fee, commission or other valuable consideration that is contingent upon the plan of conversion becoming approved or effective or is based upon a director, officer, agent or employee aiding, promoting or assisting in the approval or effectuation of the plan of conversion. Subject to the approval of the commissioner, the health service corporation may provide in its plan of conversion for employee benefit and compensation arrangements that are to become effective simultaneously with the plan of conversion. Except for stock issued to employee benefit plans generally available to all employees, no member of the board of directors or officer of the converted insurer or parent corporation may receive any compensation involving the use of stock of the converted insurer or parent corporation until after the first anniversary of the effective time.

C.17:48E-58 Documents considered public records; exceptions.

10. All applications, reports, plans and other documents to be filed or submitted under section 3 and section 19 shall be public records, except for

the following documents, which shall be confidential and not public records:

- a. documents deemed confidential by statute or regulation; and
- b. the business plan, the financial projections and any other information the commissioner and Attorney General jointly determine could result in harm to the health service corporation, harm to the converted insurer or parent corporation, or harm to the public interest, if disclosed.

The commissioner and Attorney General shall provide the public with prompt and reasonable access to public records relating to the proposed conversion of the health service corporation. The commissioner and Attorney General shall make the public records received pursuant to this act available for inspection at no cost to the public. These public records shall be made available to the public at least 30 days prior to any public hearing to be held pursuant to this act.

C.17:48E-59 Conversion effective; conditions.

11. The conversion shall be effective at midnight on the date provided for in the certificate of incorporation of the converted insurer or such other time as the commissioner may agree. On or prior to the effective time of the conversion, the health service corporation shall file with the commissioner a certificate stating that:

- a. all the conditions set forth in the order of the commissioner issued pursuant to section 4 of this act have been satisfied;
- b. the commissioner has issued the order required under section 5 of this act and all the conditions set forth in that order have been satisfied;
- c. the board of directors of the health service corporation has not abandoned or amended the plan of conversion pursuant to section 12 of this act; and
- d. the foundation has been established in the manner approved by the Superior Court pursuant to section 19 of this act and at least a majority of the directors of the foundation have been appointed.

C.17:48E-60 Abandonment, amendment of plan of conversion.

12. The health service corporation may, by action of not less than two-thirds of its board of directors, abandon or amend the plan of conversion at any time before the effective time. No amendment made after the public hearing required by subsection e. of section 3 of this act shall change the plan in any manner which the commissioner determines is material unless a further public hearing is held on the plan as amended.

C.17:48E-61 Directors, officers continue to serve.

13. The directors and officers of the health service corporation, unless otherwise specified in the plan of conversion, shall serve as the directors and

officers of the converted insurer until new directors and officers are duly elected pursuant to the articles of incorporation and bylaws of the converted insurer.

C.17:48E-62 Participation of Attorney General.

14. The Attorney General has the right to participate in any proceeding before the commissioner under this act and has the right to receive any documents or other information received by the commissioner in connection with the proceeding. The Attorney General is subject to all confidentiality provisions that apply to the commissioner.

C.17:48E-63 Orders, rules, regulations.

15. The commissioner may issue orders as necessary to effect the conversion and promulgate rules and regulations to implement the provisions of this act pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

C.17:48E-64 Construction of act.

16. a. Nothing in this act shall be construed to limit the existing authority of the Attorney General, except that the procedures set forth in this act shall be exclusive.

b. A health service corporation shall reimburse the Attorney General and the commissioner for the costs of any advisors and consultants, which may include, but are not limited to, lawyers, actuaries, accountants and investment bankers or any combination thereof, to advise either of them in connection with any matter before any court or any administrative agency relating to any matter under this act.

C.17:48E-65 Requirements prior to action constituting material change in form.

17. A health service corporation shall satisfy the requirements of sections 18 and 19 of this act prior to engaging in any actions that constitutes or may constitute a material change in form. Any material change in form shall be subject to the prior review of the Attorney General and commissioner pursuant to the provisions of sections 18 and 19 of this act. The Attorney General shall review these material changes in form in furtherance of his common law responsibilities as protector, supervisor and enforcer of charitable trusts and charitable corporations.

C.17:48E-66 Notification of action constituting material change in form, procedure.

18. a. Except for a conversion pursuant to sections 2 through 14 and section 19 of this act, a health service corporation shall notify the Attorney General and the commissioner of the health service corporation's intent to engage in any action that constitutes or may constitute a material change in form at least 120 days prior to engaging in that action, or such shorter time

expressly specified by statute or regulation, within which the commissioner is required to issue an approval or disapproval of the action. Upon the Attorney General's or commissioner's determination that the action is a material change in form, notice shall be given to the health service corporation and the Attorney General or commissioner, as applicable.

b. Within 90 days after the Attorney General or commissioner issues a notice of the determination that the action is a material change in form, the health service corporation shall submit to the commissioner and the Attorney General a petition for review of the material change in form if the health service corporation desires to proceed with the proposed action. The petition shall include an alternative foundation plan that contains the provisions set forth in section 19 of this act applicable under the circumstances, together with any additional provisions the Attorney General determines are reasonably required to coordinate the alternative foundation plan with any proceeding instituted or to be instituted by the commissioner in connection with the material change in form. The petition and alternative foundation plan shall be subject to Attorney General review under section 19 of this act and court approval pursuant to subsection f. of section 19 of this act. If the health service corporation does not desire to proceed with the proposed action, the health service corporation shall notify the commissioner and Attorney General and shall withdraw all filings and submissions made with the commissioner and Attorney General and not engage in the proposed action. If the health service corporation fails to comply with this subsection, the commissioner or Attorney General may seek appropriate relief in Superior Court.

c. An action that has been determined to constitute a material change in form shall not be consummated unless the Superior Court has issued its approval in accordance with subsection f. of section 19 of this act and the commissioner has issued an order or orders approving the material change in form and any related transactions, which, if applicable, may include a determination of the fair market value arising in connection with the material change in form with the concurrence of the Attorney General.

d. The commissioner may hold proceedings as the commissioner determines are necessary to permit him to enter an order or orders approving the material change in form and any related transactions. If either the commissioner or Attorney General determine that a valuation of the health service corporation is necessary, the appraisal shall be conducted in accordance with subsection c. of section 3 of this act.

e. Depending on the nature of the material change in form, the commissioner and Attorney General may permit or require the health service corporation, after complying with this section and consummating the material change in form, to continue to operate as a health service

corporation, partially convert to for-profit form, or completely convert to for-profit form.

f. This section shall not apply to a conversion subject to sections 2 through 14 and section 19 of this act.

C.17:48E-67 Petition for review of foundation plan.

19. a. (1) A health service corporation shall submit to the Attorney General a petition for review of a foundation plan at the same time that it submits a plan of conversion to the commissioner. The petition shall include the foundation plan and any other information that the Attorney General requests.

(2) Within 60 days of the health service corporation's submission of the petition to the Attorney General, the Attorney General shall advise the health service corporation in writing whether the petition is complete, and, if not, shall specify what additional information is required.

(3) The Attorney General shall, upon receipt of the information requested, notify the health service corporation in writing of the date of completion of the petition.

b. The Attorney General shall review the petition and may either support the proposed foundation plan, with or without any specific modifications, or, if he finds that it is not in the public interest, oppose the foundation plan in the Superior Court proceeding commenced pursuant to subsection f. of this section.

c. When reviewing the petition, in addition to considering whether the foundation plan meets the requirements of subsection d. of this section, the Attorney General shall consider whether:

(1) the health service corporation exercised due diligence in deciding to effectuate the conversion, selecting any other party to the conversion or related transactions, and negotiating the terms and conditions of the conversion;

(2) the procedures used by the health service corporation in approving the conversion, including whether expert assistance was used, were appropriate;

(3) a conflict of interest was disclosed, including, but not limited to, conflicts of interest related to board members of, employees of, and experts retained by, the health service corporation or any other parties to the conversion;

(4) any management contract under the conversion or any related transaction is for reasonable fair value;

(5) any proceeds of the conversion will be used solely for purposes of expanding access to affordable, quality health care for underserved

individuals and promoting fundamental improvements in the health status of New Jerseyans;

(6) the health service corporation established appropriate criteria in deciding to pursue a conversion and considered the proposed conversion as the only alternative or as the best alternative in relation to carrying out its mission and purposes; and

(7) officers, directors, board members or senior management of the health service corporation will receive contracts in any existing, new or affiliated health service corporation, foundation, the converted insurer, any parent corporation or any affiliate of any of the foregoing.

d. The foundation plan shall meet the following requirements:

(1) The foundation plan shall provide for the establishment of one or more foundations that will receive the fair market value of the health service corporation following its conversion to a domestic stock insurer and that meets the following requirements:

(a) The foundation shall be a trust or nonprofit corporation formed under the laws of this State, but shall not include the health service corporation or any person controlled by the health service corporation.

(b) The foundation shall be a charitable entity that qualifies for federal income tax exemption under paragraph (3) of subsection (c) of section 501 of the federal Internal Revenue Code of 1986, 26 U.S.C. s. 501.

(c) The foundation shall have the sole purposes of expanding access to affordable, quality health care for underserved individuals and promoting fundamental improvements in the health status of all New Jerseyans.

(d) The foundation, its directors, officers and trustees and the assets of the foundation, including any stock of the converted insurer or a parent corporation, shall be independent of any influence or control by the converted insurer, its parent corporation, any of their subsidiaries or affiliates, any of their respective directors, officers, trustees or employees, except with the prior approval of the Attorney General and the commissioner.

(e) The foundation shall not have more than one of its directors serve as a director of the converted insurer or its parent corporation.

(f) The foundation shall not have as a director, officer or senior management any person who has been a director, officer, agent, trustee or employee of the health service corporation, the converted insurer, its parent corporation or any affiliate of any of them during the three-year period preceding the date of appointment as a director, officer or senior manager of the foundation.

(g) The foundation shall have a board of directors that when appointed will comply with section 20 of this act.

(2) The foundation shall provide the Attorney General with an annual report which shall include an audited financial statement and a detailed description of its grant-making and other charitable activities related to its use of the charitable assets received pursuant to the conversion. The annual report shall be made available to the public at both the Attorney General's office and the office of the foundation. Nothing contained in this act shall affect the obligations of an entity possessing endowment funds under the "Uniform Management of Institutional Funds Act," P.L.1975, c.26 (C.15:18-15 et seq.).

(3) The governing body of the foundation shall establish or demonstrate that it has in place, as the case may be, a mechanism to avoid conflicts of interest, including those associated with grant-making activities that may benefit the converted insurer, its affiliates, any person who owns or controls any ownership interest in either the converted insurer or any of its affiliates, and any director or officer of the converted insurer or its affiliates.

e. The Attorney General shall, during the course of the review of the foundation plan pursuant to this section, hold at least one public hearing in which any person may file written comments and exhibits or appear and make a statement. The public hearing may, if the Attorney General and the commissioner so agree, be conducted jointly as part of the public hearing on the conversion required pursuant to subsection e. of section 3 of this act. The Attorney General may subpoena additional information or witnesses, including, but not limited to, information about any transaction that is collateral to the proposed conversion and any related documents, require and administer oaths, require sworn statements, take depositions and use related discovery procedures for purposes of the hearing and at any time prior to completing the review of the proposed conversion. The hearing shall be in the nature of a legislative hearing and shall not constitute or be considered a contested case under the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). The public hearing shall be held no later than 90 days after the date that the petition is declared complete by the Attorney General. Public notice of the hearing shall be provided by the health service corporation not more than 45 days and not less than 15 days prior to the public hearing in at least two newspapers of general circulation in New Jersey.

f. Upon completion by the Attorney General of the review of the petition, the health service corporation shall apply to the Superior Court for approval of the establishment of the foundation. In that action, which shall proceed in a summary manner, the Attorney General shall advise the court as to whether he supports or opposes the foundation plan, with or without any specific modifications, and the basis for that position. In considering whether the foundation plan is in the public interest, the court shall consider

whether the requirements of paragraph (1) of subsection d. of this section have been satisfied and may consider the criteria established in subsection c. of this section, as applicable. If the health service corporation fails to comply with this subsection, the Attorney General may seek appropriate relief in Superior Court.

C.17:48E-68 Health Service Corporation Conversion Temporary Advisory Commission.

20. a. There is established in, but not of, the Department of the Treasury a Health Service Corporation Conversion Temporary Advisory Commission. The commission shall consist of 15 members. Seven members shall be appointed by the Governor, including two public members, one physician licensed to practice medicine in New Jersey, one licensed health care provider other than a physician, one representative of the dental community, one representative of a community based organization that provides or assists in providing health care or health care services to New Jersey residents and one representative of the AFL-CIO. Three members shall be appointed by the President of the Senate, including one public member, one representative of the hospital community and one physician licensed to practice medicine in New Jersey. One public member shall be appointed by the Minority Leader of the Senate. Three members shall be appointed by the Speaker of the General Assembly, including one public member, one representative of the hospital community and one representative of a community based organization that provides or assists in providing health care or health care services to New Jersey residents. One public member shall be appointed by the Minority Leader of the General Assembly. The members shall be appointed for a term of three years. A vacancy in the membership of the commission shall be filled for an unexpired term in the same manner provided for the original appointment. Members shall serve without fee or compensation. The foundation shall commence its activities upon appointment of at least a majority of its initial board of directors.

The commission shall, in anticipation of a conversion as authorized under this act, examine issues related to access to affordable, quality health care for underserved individuals and promoting fundamental improvements in the health status of New Jerseyans, and may review experiences in other states related to the establishment of foundations in other states resulting from the conversion of health care service corporations. The commission shall advise the Attorney General and Commissioner of Banking and Insurance as to its findings on these issues. The Department of the Treasury shall provide the commission with such assistance as the commission may require in order to perform its duties under this act. The commission may

engage the services of advisors and consultants in order to assist in the performance of its duties under this act.

b. Members of the advisory commission appointed pursuant to subsection a. of this section shall serve as the initial board of directors of a foundation established pursuant to this act until such time as the terms of their appointments expire. The advisory commission established pursuant to subsection a. of this section shall expire upon establishment of a foundation in accordance with this act. A vacancy in the membership of the board shall be filled for an unexpired term in the same manner provided for the original appointment. In the event more than one foundation is established pursuant to this act, the board of directors of any such additional foundations shall be appointed in compliance with the requirements of subsection a. of this section.

21. Section 9 of P.L.1992, c.161 (C.17B:27A-10) is amended to read as follows:

C.17B:27A-10 New Jersey Individual Health Coverage Program; board of directors.

9. a. There is created the New Jersey Individual Health Coverage Program. All carriers subject to the provisions of this act shall be members of the program.

b. Within 30 days of the effective date of this act, the commissioner shall give notice to all members of the time and place for the initial organizational meeting, which shall take place within 60 days of the effective date. The board shall consist of nine representatives. The commissioner or his designee shall serve as an ex officio member on the board. Four members of the board shall be appointed by the Governor, with the advice and consent of the Senate: one of whom shall be a representative of an employer, appointed upon the recommendation of a business trade association, who is a person with experience in the management or administration of an employee health benefit plan; one of whom shall be a representative of organized labor, appointed upon the recommendation of the A.F.L.-C.I.O., who is a person with experience in the management or administration of an employee health benefit plan; and two of whom shall be consumers of a health benefits plan who are reflective of the population in the State. Four board members who represent carriers shall be elected by the members, subject to the approval of the commissioner, as follows: to the extent there is one licensed in this State that is willing to have a representative serve on the board, a representative from each of the following entities shall be elected:

(1) a health service corporation or a domestic stock insurer which converted from a health service corporation pursuant to the provisions of

P.L.2001, c.131 (C.17:48E-49 et al.) and is primarily engaged in the business of issuing health benefit plans in this State;

(2) a health maintenance organization;

(3) an insurer authorized to write health insurance in this State subject to Subtitle 3 of Title 17B of the New Jersey Statutes; and

(4) a foreign health insurance company authorized to do business in this State.

In approving the selection of the carrier representatives of the board, the commissioner shall assure that all members of the program are fairly represented.

Initially, two of the Governor's appointees and two of the carrier representatives shall serve for a term of three years; one of the Governor's appointees and one of the carrier representatives shall serve for a term of two years; and one of the Governor's appointees and one of the carrier representatives shall serve for a term of one year. Thereafter, all board members shall serve for a term of three years. Vacancies shall be filled in the same manner as the original appointments.

c. If the initial carrier representatives to the board are not elected at the organizational meeting, the commissioner shall appoint those members to the initial board within 15 days of the organizational meeting.

d. Within 90 days after the appointment of the initial board, the board shall submit to the commissioner a plan of operation and thereafter, any amendments to the plan necessary or suitable to assure the fair, reasonable, and equitable administration of the program. The commissioner may disapprove the plan of operation, if the commissioner determines that it is not suitable to assure the fair, reasonable, and equitable administration of the program, and that it does not provide for the sharing of program losses on an equitable and proportionate basis in accordance with the provisions of section 11 of this act. The plan of operation or amendments thereto shall become effective unless disapproved in writing by the commissioner within 45 days of receipt by the commissioner.

e. If the board fails to submit a suitable plan of operation within 90 days after its appointment, the commissioner shall adopt a temporary plan of operation pursuant to section 9 of P.L.1993, c.164 (C.17B:27A-16.2). The commissioner shall amend or rescind a temporary plan adopted under this subsection, at the time a plan of operation is submitted by the board.

f. The plan of operation shall establish procedures for:

(1) the handling and accounting of assets and moneys of the program, and an annual fiscal reporting to the commissioner;

(2) collecting assessments from members to provide for sharing program losses in accordance with the provisions of section 11 of this act and administrative expenses incurred or estimated to be incurred during the period for which the assessment is made;

(3) approving the coverage, benefit levels, and contract forms for individual health benefits plans in accordance with the provisions of section 3 of this act;

(4) the imposition of an interest penalty for late payment of an assessment pursuant to section 11 of this act; and

(5) any additional matters at the discretion of the board.

g. The board shall appoint an insurance producer licensed to sell health insurance pursuant to P.L.1987, c.293 (C.17:22A-1 et seq.) to advise the board on issues related to sales of individual health benefits plans issued pursuant to this act.

22. Section 13 of P.L.1992, c.162 (C.17B:27A-29) is amended to read as follows:

C.17B:27A-29 Meetings, organization of board; terms.

13. a. Within 60 days of the effective date of this act, the commissioner shall give notice to all members of the time and place for the initial organizational meeting, which shall take place within 90 days of the effective date. The members shall elect the initial board, subject to the approval of the commissioner. The board shall consist of 10 elected public members and two ex officio members who include the Commissioner of Health and Senior Services and the commissioner or their designees. Initially, three of the public members of the board shall be elected for a three-year term, three shall be elected for a two-year term, and three shall be elected for a one-year term. Thereafter, all elected board members shall serve for a term of three years. The following categories shall be represented among the elected public members:

(1) Three carriers whose principal health insurance business is in the small employer market;

(2) One carrier whose principal health insurance business is in the large employer market;

(3) A health service corporation or a domestic stock insurer which converted from a health service corporation pursuant to the provisions of P.L.2001, c.131 (C.17:48E-49 et al.) and is primarily engaged in the business of issuing health benefit plans in this State;

(4) Two health maintenance organizations; and

(5) (Deleted by amendment, P.L.1995, c.298).

(6) (Deleted by amendment, P.L.1995, c.298).

(7) Three persons representing small employers, at least one of whom represents minority small employers.

No carrier shall have more than one representative on the board.

The board shall hold an election for the two members added pursuant to P.L.1995, c.298 within 90 days of the date of enactment of that act.

Initially, one of the two new members shall serve for a term of one year and one of the two new members shall serve for a term of two years. Thereafter, the new members shall serve for a term of three years. The terms of the risk-assuming carrier and reinsuring carrier shall terminate upon the election of the two new members added pursuant to P.L.1995, c.298, notwithstanding the provisions of this section to the contrary.

In addition to the 10 elected public members, the board shall include six public members appointed by the Governor with the advice and consent of the Senate who shall include:

Two insurance producers licensed to sell health insurance pursuant to P.L.1987, c.293 (C.17:22A-1 et seq.);

One representative of organized labor;

One physician licensed to practice medicine and surgery in this State; and

Two persons who represent the general public and are not employees of a health benefits plan provider.

The public members shall be appointed for a term of three years, except that of the members first appointed, two shall be appointed for a term of one year, two for a term of two years and two for a term of three years.

A vacancy in the membership of the board shall be filled for an unexpired term in the manner provided for the original election or appointment, as appropriate.

b. If the initial board is not elected at the organizational meeting, the commissioner shall appoint the public members within 15 days of the organizational meeting, in accordance with the provisions of paragraphs (1) through (7) of subsection a. of this section.

c. (Deleted by amendment, P.L.1995, c.298).

d. All meetings of the board shall be subject to the requirements of the "Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.).

e. At least two copies of the minutes of every meeting of the board shall be delivered forthwith to the commissioner.

23. This act shall take effect immediately.

Approved June 29, 2001.

CHAPTER 132

AN ACT concerning the membership of the Board of Public Utilities, amending R.S.48:2-1 and P.L.1948, c.90 and supplementing chapter 2 of Title 48 of the Revised Statutes.

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

1. R.S.48:2-1 is amended to read as follows:

Board of Public Utilities continued; membership; terms.

48:2-1. a. The Board of Public Utilities, named pursuant to Reorganization Plan No. 001-1994, effective on July 4, 1994, and allocated in, but not of, the Department of the Treasury pursuant to that plan, is continued and is designated as the Board of Public Utilities or the "board."

b. The board shall consist of five citizens of this State who shall devote their entire time to the duties of the board and shall not engage in any occupation, profession or other gainful employment.

c. Members of the board shall be appointed by the Governor, with the advice and consent of the Senate, for terms of six years. The terms of office of the members of the board shall continue until their successors are appointed and qualified. No person shall act as a member of the board until that person's appointment has been confirmed by the Senate. Not more than three of the members of the board shall be members of the same political party. All vacancies, except through the expiration of term, shall be filled for the unexpired term only.

2. Section 2 of P.L.1948, c.90 (C.48:2-1.1) is amended to read as follows:

C.48:2-1.1 Designation of president of board.

2. The Governor shall designate one of the members of the Board of Public Utilities as president of the board. Any member of the board so designated shall serve as the president at the pleasure of the Governor making that designation and until a successor has been designated. The president of the board shall be its presiding officer and the chief administrative officer of the Board of Public Utilities. The other members of the board shall be eligible to appointment to fill a vacancy in the office of president of the board.

3. Notwithstanding the provisions of R.S.48:2-40 to the contrary, two members of the board shall constitute a majority of the board until such time as a fourth member of the board is appointed by the Governor and confirmed by the Senate, at which time three members of the board shall constitute a majority of the board. Upon the appointment and confirmation of a fifth member of the board, the provisions of R.S.48:2-40 shall be applicable.

4. This act shall take effect immediately.

Approved June 29, 2001.

CHAPTER 133

AN ACT concerning retirement benefits and the funding of benefits under the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System of New Jersey, and amending and supplementing N.J.S.18A:66-1 et seq. and P.L.1954, c.84.

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

1. N.J.S.18A:66-16 is amended to read as follows:

Creation of funds.

18A:66-16. There shall be in the retirement system the contingent reserve fund, annuity savings fund, retirement reserve fund, pension fund, special reserve fund, interest fund, benefit enhancement fund and the members' death benefit fund.

2. N.J.S.18A:66-18 is amended to read as follows:

Contingent reserve fund.

18A:66-18. The contingent reserve fund shall be the fund in which shall be credited contributions made by the State and other employers.

a. Upon the basis of the tables recommended by the actuary which the board of trustees adopts and regular interest, the actuary of the board shall compute annually, beginning as of March 31, 1992, the amount of contribution which shall be the normal cost as computed under the projected unit credit method attributable to service rendered under the retirement system for the year beginning on July 1 immediately succeeding the date of the computation. This shall be known as the "normal contribution."

b. Upon the basis of the tables recommended by the actuary which the board of trustees adopts and regular interest, the actuary of the board shall annually determine if there is an amount of the accrued liability of the retirement system, computed under the projected unit credit method, including the liability for pension adjustment benefits for active employees funded pursuant to section 2 of P.L.1987, c.385 (C.18A:66-18.1), which is not already covered by the assets of the retirement system, valued in accordance with the asset valuation method established in this section. This

shall be known as the "unfunded accrued liability." If there was no unfunded accrued liability for the valuation period immediately preceding the current valuation period, the actuary, using the total amount of this unfunded accrued liability, shall compute the initial amount of contribution which, if the contribution is increased at a specific rate and paid annually for a specific period of time, will amortize this liability. The State Treasurer shall determine, upon the advice of the Director of the Division of Pensions and Benefits, the board of trustees and the actuary, the rate of increase for the contribution and the time period for full funding of this liability, which shall not exceed 30 years. This shall be known as the "accrued liability contribution." Thereafter, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years shall serve to increase or decrease, respectively, the amortization period for the unfunded accrued liability, unless an increase in the amortization period will cause it to exceed 30 years. If an increase in the amortization period as a result of actuarial losses for a valuation year would exceed 30 years, the accrued liability contribution shall be computed for the valuation year in the same manner provided for the computation of the initial accrued liability contribution under this section. The State may pay all or any portion of its unfunded accrued liability under the retirement system from any source of funds legally available for the purpose, including, without limitation, the proceeds of bonds authorized by law for this purpose.

The value of the assets to be used in the computation of the contributions provided for under this section for valuation periods shall be the value of the assets for the preceding valuation period increased by the regular interest rate, plus the net cash flow for the valuation period (the difference between the benefits and expenses paid by the system and the contributions to the system) increased by one half of the regular interest rate, plus 20% of the difference between this expected value and the full market value of the assets as of the end of the valuation period. This shall be known as the "valuation assets." Notwithstanding the first sentence of this paragraph, the valuation assets for the valuation period ending March 31, 1996 shall be the full market value of the assets as of that date and shall include the proceeds from the bonds issued pursuant to the Pension Bond Financing Act of 1997, P.L.1997, c.114 (C.34:1B-7.45 et seq.), paid to the system by the New Jersey Economic Development Authority to fund the unfunded accrued liability of the system. Notwithstanding the first sentence of this paragraph, the valuation assets for the valuation period ending June 30, 1999 shall be the full market value of the assets as of that date.

"Excess valuation assets" for a valuation period means:

- (1) the valuation assets; less

(2) the actuarial accrued liability for basic benefits and pension adjustment benefits, excluding the unfunded accrued liability for early retirement incentive benefits pursuant to P.L.1991, c.231 and P.L.1993, c.163 for employers other than the State; less

(3) the contributory group insurance premium fund created by N.J.S.18A:66-77; less

(4) the post-retirement medical premium fund created pursuant to section 2 of P.L.1987, c.385 (C.18A:66-18.1), as amended by section 3 of P.L.1994, c.62; less

(5) the present value of the projected total normal cost for pension adjustment benefits in excess of the projected total phased-in normal cost for pension adjustment benefits as originally authorized by section 2 of P.L.1987, c.385 (C.18A:66-18.1) over the full phase-in period, determined in the manner prescribed for the determination and amortization of the unfunded accrued liability of the system, if the sum of the foregoing items is greater than zero.

If there are excess valuation assets for the valuation period ending March 31, 1996, the normal contributions for the valuation periods ending March 31, 1996 and March 31, 1997 which have not yet been paid to the retirement system shall be reduced to the extent possible by the excess valuation assets, provided that the General Fund balances that would have been paid to the retirement system except for this provision shall first be allocated as State aid to public schools to the extent that additional sums are required to comply with the May 14, 1997 decision of the New Jersey Supreme Court in Abbott v. Burke, and provided further that the normal contribution for the valuation period ending March 31, 1996 shall not be less than \$54,000,000. If there are excess valuation assets for a valuation period ending after March 31, 1996, the State Treasurer may reduce the normal contribution payable for the next valuation period as follows:

(1) for valuation periods ending March 31, 1997 through March 31, 2001, to the extent possible by up to 100% of the excess valuation assets;

(2) for the valuation period ending March 31, 2002, to the extent possible by up to 84% of the excess valuation assets;

(3) for the valuation period ending March 31, 2003, to the extent possible by up to 68% of the excess valuation assets; and

(4) for valuation periods ending on or after March 31, 2004, to the extent possible by up to 50% of the excess valuation assets.

For calendar years 1998 and 1999, the rate of contribution of members of the retirement system under N.J.S.18A:66-29 shall be reduced by 1/2 of 1% from excess valuation assets. For calendar years 2000 and 2001, the rate of contribution of members of the retirement system shall be reduced equally with normal contributions to the extent possible, but not more than

1/2 of 1%, from excess valuation assets. Thereafter, the rate of contribution of members of the retirement system under that section for a calendar year shall be reduced equally with normal contributions to the extent possible, but not by more than 2%, from excess valuation assets if the State Treasurer determines that excess valuation assets shall be used to reduce normal contributions by the State for the fiscal year beginning immediately prior to the calendar year, and excess valuation assets above the amount necessary to fund the reduction for that calendar year in the member contribution rate plus an equal reduction in the normal contribution shall be available for the further reduction of normal contributions, subject to the limitations prescribed by this subsection.

If there are excess valuation assets after reductions in normal contributions and member contributions as authorized in the preceding paragraphs for a valuation period beginning with the valuation period ending June 30, 1999, an amount of excess valuation assets not to exceed the amount of the member contributions for the fiscal year in which the normal contributions are payable shall be credited to the benefit enhancement fund. The amount of excess valuation assets credited to the benefit enhancement fund shall not exceed the present value of the expected additional normal contributions attributable to the provisions of P.L.2001, c.133 payable on behalf of the active members over the expected working lives of the active members in accordance with the tables of actuarial assumptions for the valuation period. No additional excess valuation assets shall be credited to the benefit enhancement fund after the maximum amount is attained. Interest shall be credited to the benefit enhancement fund as provided under N.J.S.18A:66-25.

The normal contribution for the increased benefits for active members under P.L.2001, c.133 shall be paid from the benefit enhancement fund. If assets in the benefit enhancement fund are insufficient to pay the normal contribution for the increased benefits for a valuation period, the State shall pay the amount of normal contribution for the increased benefits not covered by assets from the benefit enhancement fund.

c. (Deleted by amendment, P.L.1992, c.125.)

d. The retirement system shall certify annually the aggregate amount payable to the contingent reserve fund in the ensuing year, which amount shall be equal to the sum of the amounts described in this section, and which shall be paid into the contingent reserve fund in the manner provided by section 18A:66-33.

e. Except as provided in sections 18A:66-26 and 18A:66-53, the death benefits payable under the provisions of this article upon the death of an active or retired member shall be paid from the contingent reserve fund.

f. The disbursements for benefits not covered by reserves in the system on account of veterans shall be met by direct contribution of the State.

3. N.J.S.18A:66-25 is amended to read as follows:

Interest allowed on funds.

18A:66-25. The board of trustees at the end of each fiscal year shall allow interest on the balance of the contingent reserve fund, the annuity savings fund, the retirement reserve fund, pension fund, benefit enhancement fund and the members' death benefit fund as of the beginning of said fiscal year at the regular interest rate applicable thereto to cover the interest creditable to the respective funds for the year. The amount so allowed shall be due and payable to said funds and shall be credited annually thereto by the board.

4. N.J.S.18A:66-36 is amended to read as follows:

Vesting of TPAF members.

18A:66-36. Should a member of the Teachers' Pension and Annuity Fund, after having completed 10 years of service, be separated voluntarily or involuntarily from the service, before reaching service retirement age, and not by removal for conduct unbecoming a teacher or other just cause under the provisions of sections 18A:28-4 to 18A:28-5 and 18A:28-9 to 18A:28-13 inclusive, such person may elect to receive, in lieu of the payment provided in section 18A:66-34:

a. The payments provided for in section 18A:66-37, if he so qualified under said section; or

b. A deferred retirement allowance beginning at age 60, which shall be made up of an annuity derived from the member's accumulated deductions at the time of his severance from the service, and a pension in the amount which, when added to the member's annuity, will provide a total retirement allowance of 1/64 of his final compensation for each year of service credited as Class A service and 1/55 of his final compensation for each year of service credited as class B service, calculated in accordance with section 18A:66-44, with optional privileges provided for in section 18A:66-47 if he exercises such optional privilege at least 30 days before his attainment of the normal retirement age; provided, that such election is communicated by such member to the retirement system in writing stating at what time subsequent to the execution and filing thereof he desires to be retired; and provided, further, that such member may later elect: (1) to receive the payments provided for in section 18A:66-37, if he had qualified under that section at the time of leaving service, except that in order to avail

himself of the optional privileges pursuant to section 18A:66-47, he must exercise such optional privilege at least 30 days before the effective date of his retirement; or (2) to withdraw his accumulated deductions with interest as provided in section 18A:66-34. If such member shall die before attaining service retirement age, then his accumulated deductions, plus regular interest after January 1, 1956, shall be paid in accordance with section 18A:66-38, and, in addition if such member shall die after attaining service retirement age and has not withdrawn his accumulated deductions, an amount equal to 3/16 of the compensation upon which contributions by the member to the annuity savings fund were based in the last year of creditable service shall be paid to such member's beneficiary.

Any member who, having elected to receive a deferred retirement allowance, again becomes an employee covered by the retirement system while under the age of 60, shall thereupon be reenrolled. If he had discontinued his service for more than two consecutive years, subsequent contributions shall be at a rate applicable to the age resulting from the subtraction of his years of creditable service at the time of his last discontinuance of contributing membership from his age at the time of his return to service. He shall be credited with all service as a member standing to his credit at the time of his election to receive a deferred retirement allowance.

5. N.J.S.18A:66-37 is amended to read as follows:

Early retirement.

18A:66-37. Should a member resign after having established 25 years of creditable service before reaching age 60, he may elect "early retirement," provided, that such election is communicated by such member to the retirement system by filing a written application, duly attested, stating at what time subsequent to the execution and filing thereof he desires to be retired. He shall receive, in lieu of the payment provided in N.J.S.18A:66-34, an annuity which is the actuarial equivalent of his accumulated deductions and a pension in the amount which, when added to the member's annuity, will provide a total retirement allowance of 1/64 of his final compensation for each year of service credited as class A service and 1/55 of his final compensation for each year of service credited as class B service, calculated in accordance with N.J.S.18A:66-44, reduced by 1/4 of 1% for each month that the member lacks of being age 55; provided, however, that upon the receipt of proper proofs of the death of such a member there shall be paid to his beneficiary an amount equal to 3/16 of the compensation upon which contributions by the member to the annuity savings fund were based in the last year of creditable service or in the year of the member's highest contractual salary, whichever is higher.

The board of trustees shall retire him at the time specified or at such other time within one month after the date so specified as the board finds advisable.

6. N.J.S.18A:66-44 is amended to read as follows:

Service retirement allowances.

18A:66-44. A member, upon retirement for service, shall receive a retirement allowance consisting of:

(a) an annuity which shall be the actuarial equivalent of his accumulated deductions, together with interest after January 1, 1956, less any excess contributions as provided in N.J.S.18A:66-20; and

(b) a pension in the amount which, when added to the member's annuity, will provide a total retirement allowance of 1/64 of his final compensation for each year of service credited as class A service and 1/55 of his final compensation for each year of service credited as class B service.

Upon the receipt of proper proofs of the death of a member who has retired on a service retirement allowance, there shall be paid to the member's beneficiary, an amount equal to 3/16 of the compensation upon which contributions by the member to the annuity savings fund were based in the last year of creditable service or in the year of the member's highest contractual salary, whichever is higher.

7. N.J.S.18A:66-71 is amended to read as follows:

Retirement allowance for veterans.

18A:66-71. a. Any public employee veteran member in office, position or employment of this State or of a county, municipality, or school district, board of education or other employer who (1) has or shall have attained the age of 60 years and has or shall have been for 20 years continuously or in the aggregate in office, position or employment of this State or of a county, municipality or school district, board of education or other employer, or (2) has or shall have attained the age of 55 years and has or shall have been for 25 years continuously or in the aggregate in that office, position or employment, shall have the privilege of retiring for service and of receiving, instead of the retirement allowance provided under N.J.S.18A:66-44, a retirement allowance of one-half of the compensation for which contributions are made during the 12-month period of membership providing the largest possible benefit to the member or the member's beneficiary.

b. (Deleted by amendment, P.L.1984, c.69.)

c. Any public employee veteran member who has been for 20 years in the aggregate in office, position or employment of this State or of a county,

municipality or school district, board of education or other employer as of January 1, 1955, shall have the privilege of retiring for ordinary disability and of receiving, instead of the retirement allowance provided under N.J.S.18A:66-41, a retirement allowance of one-half of the compensation received during the last year of employment upon which contributions to the annuity savings fund or contingent reserve fund are made. Such retirement shall be subject to the provisions governing ordinary disability retirement in N.J.S.18A:66-39 and N.J.S.18A:66-40.

d. Any public employee veteran member who shall be in office, position or employment of this State or of a county, municipality, school district, board of education or other employer and who shall have attained 55 years of age and who has at least 35 years of aggregate service credit in such office, position or employment, shall have the privilege of retiring for service and receiving a retirement allowance of 1/55 of the compensation he received during the last year of employment upon which contributions to the annuity savings fund or contingent reserve fund are made for each year of creditable service.

e. The death benefit provided in N.J.S.18A:66-44 shall apply in the case of any member retiring under the provisions of subsections a. and d. of this section and in the case of any member who has previously retired under the provisions of subsection b. of this section before said subsection was amended by this act. The death benefit provided in N.J.S.18A:66-41 shall apply in the case of any member retiring under the provisions of subsection c. of this section.

f. A member who purchases service credit pursuant to any provision of the "Teachers' Pension and Annuity Fund Law" (N.J.S.18A:66-1 et seq.) is entitled to apply the credit for the purpose of satisfying any of the service requirements of that act.

8. Section 22 of P.L.1954, c.84 (C.43:15A-22) is amended to read as follows:

C.43:15A-22 Funds.

22. Under this act there shall be the contingent reserve fund, annuity savings fund, retirement reserve fund, benefit enhancement fund and the special reserve fund.

9. Section 24 of P.L.1954, c.84 (C.43:15A-24) is amended to read as follows:

C.43:15A-24 Contingent reserve fund.

24. The contingent reserve fund shall be the fund in which shall be credited contributions made by the State and other employers.

a. Upon the basis of the tables recommended by the actuary which the board adopts and regular interest, the actuary shall compute annually, beginning as of March 31, 1992, the amount of contribution which shall be the normal cost as computed under the projected unit credit method attributable to service rendered under the retirement system for the year beginning on July 1 immediately succeeding the date of the computation. This shall be known as the "normal contribution."

b. With respect to employers other than the State, upon the basis of the tables recommended by the actuary which the board adopts and regular interest, the actuary shall compute the amount of the accrued liability of the retirement system as of March 31, 1992 under the projected unit credit method, excluding the liability for pension adjustment benefits for active employees funded pursuant to section 2 of P.L.1990, c.6 (C.43:15A-24.1), which is not already covered by the assets of the retirement system, valued in accordance with the asset valuation method established in this section. Using the total amount of this unfunded accrued liability, the actuary shall compute the initial amount of contribution which, if the contribution is increased at a specific rate and paid annually for a specific period of time, will amortize this liability. The State Treasurer shall determine, upon the advice of the Director of the Division of Pensions and Benefits, the board of trustees and the actuary, the rate of increase for the contribution and the time period for full funding of this liability, which shall not exceed 40 years on initial application of this section as amended by this act, P.L.1994, c.62. This shall be known as the "accrued liability contribution." Any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for the 10 valuation years following valuation year 1992 shall serve to increase or decrease, respectively, the unfunded accrued liability contribution. Thereafter, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years shall serve to increase or decrease, respectively, the amortization period for the unfunded accrued liability, unless an increase in the amortization period will cause it to exceed 30 years. If an increase in the amortization period as a result of actuarial losses for a valuation year would exceed 30 years, the accrued liability contribution shall be computed for the valuation year in the same manner provided for the computation of the initial accrued liability contribution under this section.

With respect to the State, upon the basis of the tables recommended by the actuary which the commission adopts and regular interest, the actuary shall annually determine if there is an amount of the accrued liability of the retirement system, computed under the projected unit credit method, which is not already covered by the assets of the retirement system, valued in accordance with the asset valuation method established in this section. This

shall be known as the "unfunded accrued liability." If there was no unfunded accrued liability for the valuation period immediately preceding the current valuation period, the actuary, using the total amount of this unfunded accrued liability, shall compute the initial amount of contribution which, if the contribution is increased at a specific rate and paid annually for a specific period of time, will amortize this liability. The State Treasurer shall determine, upon the advice of the Director of the Division of Pensions and Benefits, the commission and the actuary, the rate of increase for the contribution and the time period for full funding of this liability, which shall not exceed 30 years. This shall be known as the "accrued liability contribution." Thereafter, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years shall serve to increase or decrease, respectively, the amortization period for the unfunded accrued liability, unless an increase in the amortization period will cause it to exceed 30 years. If an increase in the amortization period as a result of actuarial losses for a valuation year would exceed 30 years, the accrued liability contribution shall be computed for the valuation year in the same manner provided for the computation of the initial accrued liability contribution under this section. The State may pay all or any portion of its unfunded accrued liability under the retirement system from any source of funds legally available for the purpose, including, without limitation, the proceeds of bonds authorized by law for this purpose.

The value of the assets to be used in the computation of the contributions provided for under this section for valuation periods shall be the value of the assets for the preceding valuation period increased by the regular interest rate, plus the net cash flow for the valuation period (the difference between the benefits and expenses paid by the system and the contributions to the system) increased by one half of the regular interest rate, plus 20% of the difference between this expected value and the full market value of the assets as of the end of the valuation period. This shall be known as the "valuation assets." Notwithstanding the first sentence of this paragraph, the valuation assets for the valuation period ending March 31, 1996 shall be the full market value of the assets as of that date and, with respect to the valuation assets allocated to the State, shall include the proceeds from the bonds issued pursuant to the "Pension Bond Financing Act of 1997," P.L.1997, c.114 (C.34:1B-7.45 et seq.), paid to the system by the New Jersey Economic Development Authority to fund the unfunded accrued liability of the system. Notwithstanding the first sentence of this paragraph, the valuation assets for the valuation period ending June 30, 1999 shall be the full market value of the assets as of that date.

"Excess valuation assets" for a valuation period means, with respect to the valuation assets allocated to the State:

- (1) the valuation assets allocated to the State; less
- (2) the actuarial accrued liability of the State for basic benefits and pension adjustment benefits under the retirement system; less
- (3) the contributory group insurance premium fund, created by section 4 of P.L.1955, c.214 (C.43:15A-91), as amended by section 4 of P.L.1960, c.79; less
- (4) the post retirement medical premium fund, created pursuant to section 2 of P.L.1990, c.6 (C.43:15A-24.1), as amended by section 8 of P.L.1994, c.62; less
- (5) the present value of the projected total normal cost for pension adjustment benefits in excess of the projected total phased-in normal cost for pension adjustment benefits for the State authorized by section 2 of P.L.1990, c.6 (C.43:15A-24.1) over the full phase-in period, determined in the manner prescribed for the determination and amortization of the unfunded accrued liability of the system, if the sum of the foregoing items is greater than zero.

"Excess valuation assets" for a valuation period means, with respect to the valuation assets allocated to other employers:

- (1) the valuation assets allocated to the other employers; less
- (2) the actuarial accrued liability of the other employers for basic benefits and pension adjustment benefits under the retirement system, excluding the unfunded accrued liability for early retirement incentive benefits pursuant to P.L.1991, c.229, P.L.1991, c.230, P.L.1993, c.138, and P.L.1993, c.181, for employers other than the State; less
- (3) the contributory group insurance premium fund, created by section 4 of P.L.1955, c.214 (C.43:15A-91), as amended by section 4 of P.L.1960, c.79; less
- (4) the present value of the projected total normal cost for pension adjustment benefits in excess of the projected total phased-in normal cost for pension adjustment benefits for the other employers authorized by section 2 of P.L.1990, c.6 (C.43:15A-24.1) over the full phase-in period, determined in the manner prescribed for the determination and amortization of the unfunded accrued liability of the system, if the sum of the foregoing items is greater than zero.

If there are excess valuation assets allocated to the State or to the other employers for the valuation period ending March 31, 1996, the normal contributions payable by the State or by the other employers for the valuation periods ending March 31, 1996 and March 31, 1997 which have not yet been paid to the retirement system shall be reduced to the extent possible by the excess valuation assets allocated to the State or to the other employers, respectively, provided that with respect to the excess valuation assets allocated to the State, the General Fund balances that would have

been paid to the retirement system except for this provision shall first be allocated as State aid to public schools to the extent that additional sums are required to comply with the May 14, 1997 decision of the New Jersey Supreme Court in Abbott v. Burke. If there are excess valuation assets allocated to the State or to the other employers for a valuation period ending after March 31, 1996, the State Treasurer may reduce the normal contribution payable by the State or by the other employers for the next valuation period as follows:

(1) for valuation periods ending March 31, 1997 through March 31, 2001, to the extent possible by up to 100% of the excess valuation assets allocated to the State or to the other employers, respectively;

(2) for the valuation period ending March 31, 2002, to the extent possible by up to 84% of the excess valuation assets allocated to the State or to the other employers, respectively;

(3) for the valuation period ending March 31, 2003, to the extent possible by up to 68% of the excess valuation assets allocated to the State or to the other employers, respectively; and

(4) for valuation periods ending on or after March 31, 2004, to the extent possible by up to 50% of the excess valuation assets allocated to the State or to the other employers, respectively.

For calendar years 1998 and 1999, the rate of contribution of members of the retirement system under section 25 of P.L.1954, c.84 (C.43:15A-25) shall be reduced by 1/2 of 1% from excess valuation assets and for calendar years 2000 and 2001, the rate of contribution shall be reduced by 2% from excess valuation assets. Thereafter, the rate of contribution of members of the retirement system under that section for a calendar year shall be reduced equally with normal contributions to the extent possible, but not by more than 2%, from excess valuation assets if the State Treasurer determines that excess valuation assets shall be used to reduce normal contributions by the State and local employers for the fiscal year beginning immediately prior to the calendar year, or for the calendar year for local employers whose fiscal year is the calendar year, and excess valuation assets above the amount necessary to fund the reduction for that calendar year in the member contribution rate plus an equal reduction in the normal contribution shall be available for the further reduction of normal contributions, subject to the limitations prescribed by this subsection.

If there are excess valuation assets after reductions in normal contributions and member contributions as authorized in the preceding paragraphs for a valuation period beginning with the valuation period ending June 30, 1999, an amount of excess valuation assets not to exceed the amount of the member contributions for the fiscal year in which the normal contributions are payable shall be credited to the benefit enhancement fund. The amount

of excess valuation assets credited to the benefit enhancement fund shall not exceed the present value of the expected additional normal contributions attributable to the provisions of P.L.2001, c.133 payable on behalf of the active members over the expected working lives of the active members in accordance with the tables of actuarial assumptions for the valuation period. No additional excess valuation assets shall be credited to the benefit enhancement fund after the maximum amount is attained. Interest shall be credited to the benefit enhancement fund as provided under section 33 of P.L.1954, c.84 (C.43:15A-33).

The normal contribution for the increased benefits for active employees under P.L.2001, c.133 shall be paid from the benefit enhancement fund. If assets in the benefit enhancement fund are insufficient to pay the normal contribution for the increased benefits for a valuation period, the State shall pay the amount of normal contribution for the increased benefits not covered by assets from the benefit enhancement fund.

c. The retirement system shall certify annually the aggregate amount payable to the contingent reserve fund in the ensuing year, which amount shall be equal to the sum of the amounts described in this section. The State shall pay into the contingent reserve fund during the ensuing year the amount so determined. The death benefits, payable as a result of contribution by the State under the provisions of this chapter upon the death of an active or retired member, shall be paid from the contingent reserve fund.

d. The disbursements for benefits not covered by reserves in the system on account of veterans shall be met by direct contributions of the State and other employers.

10. Section 33 of P.L.1954, c.84 (C.43:15A-33) is amended to read as follows:

C.43:15A-33 Interest on fund balances.

33. The board of trustees at the end of each fiscal year shall allow interest on the balance of the annuity savings fund, contingent reserve fund, the retirement reserve fund, benefit enhancement fund and the members' death benefit fund as of the beginning of said fiscal year at the regular interest rate applicable thereto to cover the interest creditable to the respective funds for the year. The amount so allowed shall be due and payable to said funds and shall be credited annually thereto by the board.

11. Section 38 of P.L.1954, c.84 (C.43:15A-38) is amended to read as follows:

C.43:15A-38 Vesting of PERS members.

38. Should a member of the Public Employees' Retirement System, after having completed 10 years of service, be separated voluntarily or involuntarily from the service, before reaching service retirement age, and not by removal for cause on charges of misconduct or delinquency, such person may elect to receive:

(a) The payments provided for in section 41b. of this act, if he so qualifies under said section, or;

(b) A deferred retirement allowance, beginning at the retirement age, which shall be made up of an annuity derived from the accumulated deductions standing to the credit of the individual member's account in the annuity savings fund at the time of his severance from the service together with regular interest, and a pension which when added to the annuity will produce a total retirement allowance of 1/64 of his final compensation for each year of service credited as Class A service and 1/55 of his final compensation for each year of service credited as Class B service, calculated in accordance with section 48 of this act, with optional privileges provided for in section 50 of this act if he exercises such optional privilege at least 30 days before his attainment of the normal retirement age; provided, that such election is communicated by such member to the retirement system in writing stating at what time subsequent to the execution and filing thereof he desires to be retired; and provided further, that such member, as referred to in this subsection may later elect: (1) to receive the payments provided for in section 41b. of this act, if he had qualified under that section at the time of leaving service, except that in order to avail himself of the optional privileges pursuant to section 50, he must exercise such optional privilege at least 30 days before the effective date of his retirement; or (2) to withdraw his accumulated deductions with interest as provided in section 41a. If such member shall die before attaining service retirement age then his accumulated deductions, plus regular interest, shall be paid in accordance with section 41c.; or if such member shall die after attaining service retirement age and has not withdrawn his accumulated deductions, an amount equal to 3/16 of the compensation received by the member in the last year of creditable service shall be paid to such person, if living, as he shall have nominated by written designation duly executed and filed with the retirement system; otherwise to the executor or administrator of the member's estate.

12. Section 41 of P.L.1954, c.84 (C.43:15A-41) is amended to read as follows:

C.43:15A-41 Withdrawal from service; early retirement; death benefits.

41. a. A member who withdraws from service or ceases to be an employee for any cause other than death or retirement shall, upon the filing of an application therefor, receive all of his accumulated deductions standing to the credit of his individual account in the annuity savings fund, plus regular interest, less any outstanding loan, except that for any period after June 30, 1944, the interest payable shall be such proportion of the interest determined at the regular rate of 2% per annum bears to the regular rate of interest, and except that no interest shall be payable in the case of a member who has less than three years of membership credit for which he has made contributions. He shall cease to be a member two years from the date he discontinued service as an eligible employee, or, if prior thereto, upon payment to him of his accumulated deductions. If any such person or member shall die before withdrawing or before endorsing the check constituting the return of his accumulated deductions, such deductions shall be paid to the member's beneficiary. No member shall be entitled to withdraw the amounts contributed by his employer covering his military leave unless he shall have returned to the payroll and contributed to the retirement system for a period of 90 days.

b. Should a member resign after having established 25 years of creditable service before reaching age 60, he may elect "early retirement," provided, that such election is communicated by such member to the retirement system by filing a written application, duly attested, stating at what time subsequent to the execution and filing thereof he desires to be retired. He shall receive, in lieu of the payment provided in subsection a. of this section, an annuity which is the actuarial equivalent of his accumulated deductions together with regular interest, and a pension in the amount which, when added to the member's annuity, will provide a total retirement allowance of 1/64 of his final compensation for each year of service credited as Class A service and 1/55 of his final compensation for each year of service credited as Class B service, calculated in accordance with section 48 (C. 43:15A-48) of this act, reduced by 1/4 of 1% for each month that the member lacks of being age 55; provided, however, that upon the receipt of proper proofs of the death of such a member there shall be paid to his beneficiary an amount equal to three-sixteenths of the compensation upon which contributions by the member to the annuity savings fund were based in the last year of creditable service.

The board of trustees shall retire him at the time specified or at such other time within one month after the date so specified as the board finds advisable.

c. Upon the receipt of proper proofs of the death of a member in service on account of which no accidental death benefit is payable under section 49 there shall be paid to such member's beneficiary:

(1) The member's accumulated deductions at the time of death together with regular interest; and

(2) An amount equal to one and one-half times the compensation upon which contributions by the member to the annuity savings fund were based in the last year of creditable service.

13. Section 48 of P.L.1954, c.84 (C.43:15A-48) is amended to read as follows:

C.43:15A-48 Retirement allowance for service.

48. A member, upon retirement for service, shall receive a retirement allowance consisting of:

a. An annuity which shall be the actuarial equivalent of his accumulated deductions together with regular interest; and

b. A pension in the amount which, when added to the member's annuity, will provide a total retirement allowance of 1/64 of his final compensation for each year of service credited as Class A service and 1/55 of his final compensation for each year of service credited as Class B service.

c. Upon the receipt of proper proofs of the death of a member who has retired on a service retirement allowance, there shall be paid to the member's beneficiary, an amount equal to 3/16 of the compensation upon which contributions by the member to the annuity savings fund were based in the last year of creditable service.

14. Section 61 of P.L.1954, c.84 (C.43:15A-61) is amended to read as follows:

C.43:15A-61 Public employee veterans' pensions.

61. a. (Deleted by amendment, P.L.1995, c.332.)

b. Any public employee veteran member in office, position or employment of this State or of a county, municipality, public agency, school district or board of education and who shall have attained 62 years of age and who has 20 years of aggregate service credit in such office, position or employment, shall have the privilege of retiring for service and receiving, instead of the retirement allowance provided under section 48 of this act, a retirement allowance of one-half of the compensation for which contributions are made during the 12-month period of membership providing the largest possible benefit to the member or the member's beneficiary.

c. Any public employee veteran member who has been for 20 years in the aggregate in office, position or employment of this State or of a county, municipality, public agency, school district or board of education as of January 2, 1955, shall have the privilege of retiring for ordinary disability and of receiving, instead of the retirement allowance provided under section 45 of this act, a retirement allowance of one-half of the compensation received during the last year of employment upon which contributions to the annuity savings fund or contingent reserve fund are made. Such retirement shall be subject to the provisions governing ordinary disability retirement in sections 42 and 44 of this act.

d. Any public employee veteran member who shall be in office, position or employment of this State or of a county, municipality, public agency, school district or board of education and who shall have attained 55 years of age and who has at least 35 years of aggregate service credit in such office, position or employment, shall have the privilege of retiring for service and receiving a retirement allowance of 1/55 of the compensation he received during the last year of employment upon which contributions to the annuity savings fund or contingent reserve fund are made for each year of creditable service.

e. The death benefit provided in section 48 shall apply in the case of any member retiring under the provisions of subsections a., b. and d. of this section. The death benefit provided in section 45 shall apply in the case of any member retiring under the provisions of subsection c. of this section.

C.18A:66-5.1 Increase in TPAF retirement allowance.

15. The retirement allowance of each retiree under N.J.S.18A:66-36, N.J.S.18A:66-37, N.J.S.18A:66-44, and N.J.S.18A:66-71d., or the retiree's beneficiary pursuant to N.J.S.18A:66-47, on the effective date of this act, P.L.2001, c.133, shall be increased by a percentage equivalent to the percentage increase in the fraction of final compensation for each year of credited service for the total retirement allowance under these sections made by this act, P.L.2001, c.133. The provisions of section 7 of P.L.1969, c.169 (C.43:3B-8) shall not be applicable to the increases in retirement allowances provided by this section.

C.43:15A-16.1 Increase in PERS retirement allowance.

16. The retirement allowance of each retiree under section 38, subsection b. of section 41, section 48, and subsection d. of section 61 of P.L.1954, c.84 (C.43:15A-38, C.43:15A-41b., C.43:15A-48, and C.43:15A-61d.), or the retiree's beneficiary pursuant to section 50 of P.L.1954, c.84 (C.43:15A-50), on the effective date of this act, P.L.2001, c.133, shall be increased by a percentage equivalent to the percentage increase in the fraction of final compensation for each year of credited service for the total

retirement allowance under these sections made by this act, P.L.2001, c.133. The provisions of section 7 of P.L.1969, c.169 (C.43:3B-8) shall not be applicable to the increases in retirement allowances provided by this section.

17. This act shall take effect on the first day of the fourth month after the date of enactment.

Approved June 29, 2001.

CHAPTER 134

AN ACT concerning business registration for providers of goods and services to the State and casinos, supplementing Title 54 of the Revised Statutes and amending P.L.1977, c.110.

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

C.52:32-44 Definitions relative to registration of certain businesses.

1. a. For the purposes of this section:

"Contractor" means a person under contract to provide goods or services or to construct a construction project, or seeking to enter a contract to provide goods or services or to construct a construction project, with a contracting State agency;

"Contracting State agency" means the principal departments in the Executive Branch of the State Government, and any division, board, bureau, office, commission or other instrumentality within or created by such department, the Legislature of the State and the Judicial Branch of the State and any office, board, bureau or commission within or created by the Legislative Branch or the Judicial Branch, or any independent State authority, commission, instrumentality or agency;

"Subcontractor" means any person who enters into a contract with a contractor to supply goods and services to a contractor under a contract with a State agency.

b. A contractor shall provide proof of valid business registration with the Division of Revenue in the Department of the Treasury to any contracting State agency; no contract shall be entered into by any contracting State agency unless the contractor first provides proof of valid business registration.

c. A subcontractor under any contract with a contracting State agency shall provide proof of valid business registration with the Division of

Revenue to any contractor; verification information shall be forwarded by the contractor to the contracting State agency. No subcontract shall be entered into by any contractor under any contract with a contracting State agency unless the subcontractor first provides proof of valid business registration.

d. A contract entered into by a contracting State agency with a provider of goods or services or a contractor or subcontractor of a construction project shall contain a notice of the provisions in this section.

2. Section 92 of P.L.1977, c.110 (C.5:12-92) is amended to read as follows:

C.5:12-92 Licensing and registration of casino service industries.

92. Licensing and Registration of Casino Service Industries.

a. (1) All casino service industries offering goods or services which directly relate to casino or gaming activity, including gaming equipment and simulcast wagering equipment manufacturers, suppliers, repairers and independent testing laboratories, schools teaching gaming and either playing or dealing techniques, and casino security services, shall be licensed in accordance with the provisions of this act prior to conducting any business whatsoever with a casino applicant or licensee, its employees or agents, and in the case of a school, prior to enrollment of any students or offering of any courses to the public whether for compensation or not; provided, however, that upon a showing of good cause by a casino applicant or licensee for each business transaction, the commission may permit an applicant for a casino service industry license to conduct business transactions with such casino applicant or licensee prior to the licensure of that service industry applicant under this subsection.

(2) In addition to the requirements of paragraph (1) of this subsection, any casino service industry intending to manufacture, sell, distribute, test or repair slot machines within New Jersey, other than antique slot machines as defined in N.J.S.2C:37-7, shall be licensed in accordance with the provisions of this act prior to engaging in any such activities; provided, however, that upon a showing of good cause by a casino applicant or licensee for each business transaction, the commission may permit an applicant for a casino service industry license to conduct business transactions with the casino applicant or licensee prior to the licensure of that service industry applicant under this subsection; and provided further, however, that upon a showing of good cause by an applicant required to be licensed as a casino service industry pursuant to this paragraph, the commission may permit the service industry applicant to initiate the manufacture of slot machines or engage in the sale, distribution, testing or repair of slot machines with any person other

than a casino applicant or licensee, its employees or agents, prior to the licensure of that service industry applicant under this subsection.

b. Each casino service industry in subsection a. of this section, as well as its owners; management and supervisory personnel; and principal employees if such principal employees have responsibility for services to a casino licensee, must qualify under the standards, except residency, established for qualification of a casino key employee under this act.

c. All casino service industries not included in subsection a. of this section shall be licensed in accordance with rules of the commission prior to commencement or continuation of any business with a casino applicant or licensee or its employees or agents. Such casino service industries, whether or not directly related to gaming operations, shall include junket enterprises; suppliers of alcoholic beverages, food and nonalcoholic beverages; in-State and out-of-State sending tracks as defined in section 2 of the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-192); garbage handlers; vending machine providers; linen suppliers; maintenance companies; shopkeepers located within the approved hotels; limousine services; and construction companies contracting with casino applicants or licensees or their employees or agents. The commission may exempt any person or field of commerce from the licensing requirements of this subsection if the person or field of commerce demonstrates (1) that it is regulated by a public agency or that it will provide goods or services in insubstantial or insignificant amounts or quantities, and (2) that licensing is not deemed necessary in order to protect the public interest or to accomplish the policies established by this act.

Upon granting an exemption or at any time thereafter, the commission may limit or place such restrictions thereupon as it may deem necessary in the public interest, and shall require the exempted person to cooperate with the commission and the division and, upon request, to provide information in the same manner as required of a casino service industry licensed pursuant to this subsection; provided, however, that no exemption be granted unless the casino service industry complies with the requirements of sections 134 and 135 of this act.

d. Licensure pursuant to subsection c. of this section of any casino service industry may be denied to any applicant disqualified in accordance with the criteria contained in section 86 of this act.

e. No casino service industry license shall be issued pursuant to subsection a. or subsection c. of this section to any person unless that person shall provide proof of valid business registration with the Division of Revenue in the Department of the Treasury.

f. A casino service industry licensed pursuant to subsection a. or subsection c. of this section shall require proof, from a subcontractor to a

casino service industry contract with a casino applicant or casino licensee, of valid business registration with the Division of Revenue; verification information shall be forwarded by the casino service industry to the Division of Taxation in the Department of the Treasury. No subcontract to a casino service industry contract with a casino applicant or casino licensee shall be entered into by any casino service contractor unless the subcontractor first provides proof of valid business registration.

C.54:52-20 Violations, penalties for failure to register.

3. A person that fails to provide proof of valid business registration with the Division of Revenue in the Department of the Treasury as required pursuant to section 1 or section 2 of P.L.2001, c.134 (C.52:32-44 et al.), or that provides false information of business registration under the requirements of those sections, shall, in addition to any penalties that may apply pursuant to chapter 52 of Title 54 of the Revised Statutes, be subject to a penalty of \$25 for each day of violation, not to exceed \$50,000 for each violation of this section.

4. This act shall take effect immediately; provided however, that sections 1, 2 and 3 shall remain inoperative until the first day of the third month following enactment.

Approved June 29, 2001.

CHAPTER 135

A SUPPLEMENT to "An Act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 2001 and regulating the disbursement thereof," approved June 30, 2000 (P.L.2000, c.53).

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

1. In addition to the amounts appropriated under P.L.2000, c.53, there is appropriated out of the General Fund, or such other sources of funds specifically indicated or as may be applicable, the following sums for the purposes specified:

22 DEPARTMENT OF COMMUNITY AFFAIRS
40 Community Development and Environmental Management
41 Community Development Management
GRANTS-IN-AID

04-8030 Local Government Services	<u>\$500,000</u>
Total Grants-In-Aid Appropriation,	
Community Development Management	<u>\$500,000</u>
<i>Grants-In-Aid:</i>	
04 Collingswood Flood-Prone Properties	
Buyout	(\$500,000)

50 Economic Planning, Development and Security
55 Social Services Programs
GRANTS-IN-AID

05-8050 Community Resources.	<u>\$400,000</u>
Total Grants-In-Aid Appropriation,	
Social Services Programs	<u>\$400,000</u>
<i>Grants-In-Aid:</i>	
05 St. Francis Center, LBICC, Inc. -	
Swimming Pool Complex	(\$400,000)

42 DEPARTMENT OF ENVIRONMENTAL PROTECTION
40 Community Development and Environmental Management
44 Site Remediation
GRANTS-IN-AID

The provisions of any other law, or of any rule or regulation adopted pursuant thereto to the contrary notwithstanding, a. there is appropriated from the Sanitary Landfill Contingency Fund, the sum of \$15,000,000 for the purpose of making a grant to the following county governing body to pay for the proper closure and post-closure of an improperly closed sanitary landfill facility, as follows:

Ocean County Board of Chosen Freeholders,	
Southern Ocean Landfill, Inc. closure project	<u>\$15,000,000</u>
TOTAL	<u>\$15,000,000</u>

b. The Department of Environmental Protection shall make a grant to the county governing body designated in subsection a. of this section for the costs of the proper closure of the unlined portion of the Southern Ocean Landfill, Inc. located in Ocean Township, Ocean County, including amounts needed to meet the post-closure period obligations at the sanitary landfill facility and to offset the amounts heretofore expended on leachate management at the sanitary landfill facility, in the amount indicated and in a timely manner.

40 Community Development and Environmental Management
45 Environmental Regulation
DIRECT STATE SERVICES

There is appropriated from the "Water Supply Bond Act of 1981, c.261, as amended by P.L.1983, c.355, as amended by P.L.1997, c.223, an amount not to exceed \$950,000 for drought monitoring and telemetry system, subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated from the "Water Supply Bond Act of 1981, c.261, as amended by P.L.1983, c.355, as amended by P.L.1997, c.223, an amount not to exceed \$1,000,000 to conduct a study of New Jersey's water supply interconnection system, subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated from the "Water Supply Bond Act of 1981, c.261, as amended by P.L.1983, c.355, as amended by P.L.1997, c.223, an amount not to exceed \$1,000,000 to conduct a study assessing ground-water contamination from Methyl Tertiary Butyl Ether (MTBE), subject to the approval of the Director of the Division of Budget and Accounting.

40 Community Development and Environmental Management
45 Environmental Regulation
CAPITAL CONSTRUCTION

There is appropriated from the "Water Supply Bond Act of 1981, c.261, as amended by P.L.1983, c.355, as amended by P.L.1997, c.223, an amount not to exceed \$250,000 for capital expenses related to well drilling for the purposes of monitoring groundwater quality, subject to the approval of the Director of the Division of Budget and Accounting.

46 DEPARTMENT OF HEALTH AND SENIOR SERVICES
20 Physical and Mental Health
21 Health Services
GRANTS-IN-AID

02-4220 Family Health Services	<u>\$6,000,000</u>
Total Grants-In-Aid Appropriation, Health Services	<u>\$6,000,000</u>
<i>Grants-In-Aid:</i>	
02 Children's Hospital of New Jersey at Newark Beth Israel	(\$3,000,000)
02 Cooper Health System	(2,000,000)
02 Garden State Cancer Center	(1,000,000)

74 DEPARTMENT OF STATE
30 Educational, Cultural and Intellectual Development
36 Higher Educational Services
2415 Agricultural Experiment Station
GRANTS-IN-AID

82-2415 Institutional Support	<u>\$500,000</u>
Total Grants-In-Aid Appropriation, Agricultural Experiment Station	<u>\$500,000</u>
<i>Grants-In-Aid:</i>	
82 New Jersey Millennium Agricultural Viability Initiative	(\$500,000)

78 DEPARTMENT OF TRANSPORTATION

60 Transportation Programs

61 State and Local Highway Facilities

DIRECT STATE SERVICES

06-6100 Maintenance and Operations	<u>\$18,500,000</u>
Total Direct State Services Appropriation, State and Local Highway Facilities	<u>\$18,500,000</u>
<i>Direct State Services:</i>	
Personal Services:	
Salaries and Wages	(\$18,500,000)

82 DEPARTMENT OF THE TREASURY

30 Educational, Cultural and Intellectual Development

36 Higher Educational Services

GRANTS-IN-AID

47-2155 Support to Independent Institutions	<u>\$1,000,000</u>
Total Grants-in-Aid Appropriation, Higher Educational Services	<u>\$1,000,000</u>
<i>Grants-in-Aid:</i>	
47 Aid to Independent Colleges and Universities	(\$1,000,000)

94 INTER-DEPARTMENTAL ACCOUNTS

70 Government Direction, Management and Control

74 General Government Services

9430 Salary Increases and Other Benefits

DIRECT STATE SERVICES

05-9430 Salary Increases and Other Benefits	<u>\$30,180,000</u>
Total Direct State Services Appropriation, Salary Increases and Other Benefits	<u>\$30,180,000</u>
<i>Direct State Services:</i>	
Special Purpose:	
05 Salary Increases and Other Benefits ...	(\$30,180,000)

Total General Fund Appropriation \$57,080,000

34 DEPARTMENT OF EDUCATION

30 Educational, Cultural and Intellectual Development

31 Direct Educational Services and Assistance

STATE AID

01-5120 General Formula Aid	\$27,398,500
(From Property Tax Relief Fund	\$27,398,500)
03-5120 Miscellaneous Grants-In-Aid	<u>6,000,000</u>
(From Property Tax Relief Fund	\$6,000,000)
Total State Aid Appropriation, Direct Educational Services and Assistance	<u>\$33,398,500</u>
(Total From Property Tax Relief Fund	\$33,398,500)
<i>State Aid:</i>	
01 <u>Abbott v. Burke</u> Parity Remedy Aid (PTRF) .	(\$10,228,000)
01 Additional <u>Abbott v. Burke</u> State Aid (PTRF) .	(17,170,500)
03 Teacher Quality Mentoring (PTRF)	(6,000,000)
34 Educational Support Services	
39-5095 Teachers' Pension and Annuity Assistance	<u>\$3,600,000</u>
(From Property Tax Relief Fund	\$3,600,000)
Total State Aid Appropriation, Educational Support Services	<u>\$3,600,000</u>
(Total From Property Tax Relief Fund	\$3,600,000)
<i>State Aid:</i>	
39 Additional Health Benefits (PTRF).	(\$3,600,000)
Total Property Tax Relief Fund Appropriation.	<u>\$36,998,500</u>
Total Appropriation, All State Funds	<u>\$94,078,500</u>

2. This act shall take effect immediately.

Approved June 29, 2001.

CHAPTER 136

AN ACT concerning payment obligations of certain partnerships and limited liability companies and their partners and members under the corporation business tax, amending and supplementing P.L.1945, c.162.

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

1. Section 4 of P.L.1945, c.162 (C.54:10A-4) is amended to read as follows:

C.54:10A-4 Definitions.

4. For the purposes of this act, unless the context requires a different meaning:

(a) "Commissioner" shall mean the Director of the Division of Taxation of the State Department of the Treasury.

(b) "Allocation factor" shall mean the proportionate part of a taxpayer's net worth or entire net income used to determine a measure of its tax under this act.

(c) "Corporation" shall mean any corporation, joint-stock company or association and any business conducted by a trustee or trustees wherein interest or ownership is evidenced by a certificate of interest or ownership or similar written instrument.

(d) "Net worth" shall mean the aggregate of the values disclosed by the books of the corporation for (1) issued and outstanding capital stock, (2) paid-in or capital surplus, (3) earned surplus and undivided profits, and (4) surplus reserves which can reasonably be expected to accrue to holders or owners of equitable shares, not including reasonable valuation reserves, such as reserves for depreciation or obsolescence or depletion. Notwithstanding the foregoing, net worth shall not include any deduction for the amount of the excess depreciation described in paragraph (2)(F) of subsection (k) of this section. The foregoing aggregate of values shall be reduced by 50% of the amount disclosed by the books of the corporation for investment in the capital stock of one or more subsidiaries, which investment is defined as ownership (1) of at least 80% of the total combined voting power of all classes of stock of the subsidiary entitled to vote and (2) of at least 80% of the total number of shares of all other classes of stock except nonvoting stock which is limited and preferred as to dividends. In the case of investment in an entity organized under the laws of a foreign country, the foregoing requisite degree of ownership shall effect a like reduction of such investment from the net worth of the taxpayer, if the foreign entity is considered a corporation for any purpose under the United States federal income tax laws, such as (but not by way of sole examples) for the purpose of supplying deemed paid foreign tax credits or for the purpose of status as a controlled foreign corporation. In calculating the net worth of a taxpayer entitled to reduction for investment in subsidiaries, the amount of liabilities of the taxpayer shall be reduced by such proportion of the liabilities as corresponds to the ratio which the excluded portion of the subsidiary values bears to the total assets of the taxpayer.

In the case of banking corporations which have international banking facilities as defined in subsection (n), the foregoing aggregate of values shall also be reduced by retained earnings of the international banking facility. Retained earnings means the earnings accumulated over the life of such facility and shall not include the distributive share of dividends paid and federal income taxes paid or payable during the tax year.

If in the opinion of the commissioner, the corporation's books do not disclose fair valuations the commissioner may make a reasonable determination of the net worth which, in his opinion, would reflect the fair value of the assets, exclusive of subsidiary investments as defined aforesaid, carried on the books of the corporation, in accordance with sound accounting principles, and such determination shall be used as net worth for the purpose of this act.

(e) (Deleted by amendment, P.L.1998, c.114.)

(f) "Investment company" shall mean any corporation whose business during the period covered by its report consisted, to the extent of at least 90% thereof of holding, investing and reinvesting in stocks, bonds, notes, mortgages, debentures, patents, patent rights and other securities for its own account, but this shall not include any corporation which: (1) is a merchant or a dealer of stocks, bonds and other securities, regularly engaged in buying the same and selling the same to customers; or (2) had less than 90% of its average gross assets in New Jersey, at cost, invested in stocks, bonds, debentures, mortgages, notes, patents, patent rights or other securities or consisting of cash on deposit during the period covered by its report; or (3) is a banking corporation or a financial business corporation as defined in the Corporation Business Tax Act.

(g) "Regulated investment company" shall mean any corporation which for a period covered by its report, is registered and regulated under the Investment Company Act of 1940 (54 Stat. 789), as amended.

(h) "Taxpayer" shall mean any corporation, limited liability company, foreign limited liability company, limited partnership or foreign limited partnership required, or consenting, to report or to pay taxes, interest or penalties under this act. "Taxpayer" shall not include a limited liability company, foreign limited liability company, limited partnership or foreign limited partnership that is listed on a United States national stock exchange.

(i) "Fiscal year" shall mean an accounting period ending on any day other than the last day of December on the basis of which the taxpayer is required to report for federal income tax purposes.

(j) Except as herein provided, "privilege period" shall mean the calendar or fiscal accounting period for which a tax is payable under this act.

(k) "Entire net income" shall mean total net income from all sources, whether within or without the United States, and shall include the gain derived from the employment of capital or labor, or from both combined, as well as profit gained through a sale or conversion of capital assets. For the purpose of this act, the amount of a taxpayer's entire net income shall be deemed prima facie to be equal in amount to the taxable income, before net operating loss deduction and special deductions, which the taxpayer is required to report, or, if the taxpayer is classified as a partnership for federal

tax purposes, would otherwise be required to report, to the United States Treasury Department for the purpose of computing its federal income tax; provided, however, that in the determination of such entire net income,

(1) Entire net income shall exclude for the periods set forth in paragraph (2)(F)(i) of this subsection, any amount, except with respect to qualified mass commuting vehicles as described in section 168(f)(8)(D)(v) of the Internal Revenue Code as in effect immediately prior to January 1, 1984, which is included in a taxpayer's federal taxable income solely as a result of an election made pursuant to the provisions of paragraph (8) of that section.

(2) Entire net income shall be determined without the exclusion, deduction or credit of:

(A) The amount of any specific exemption or credit allowed in any law of the United States imposing any tax on or measured by the income of corporations;

(B) Any part of any income from dividends or interest on any kind of stock, securities or indebtedness, except as provided in paragraph (5) of subsection (k) of this section;

(C) Taxes paid or accrued to the United States, a possession or territory of the United States, a state, a political subdivision thereof, or the District of Columbia on or measured by profits or income, or business presence or business activity, or the tax imposed by this act, or any tax paid or accrued with respect to subsidiary dividends excluded from entire net income as provided in paragraph (5) of subsection (k) of this section;

(D) (Deleted by amendment, P.L.1985, c.143.)

(E) (Deleted by amendment, P.L.1995, c.418.)

(F) (i) The amount by which depreciation reported to the United States Treasury Department for property placed in service on and after January 1, 1981, but prior to taxpayer fiscal or calendar accounting years beginning on and after the effective date of P.L.1993, c.172, for purposes of computing federal taxable income in accordance with section 168 of the Internal Revenue Code in effect after December 31, 1980, exceeds the amount of depreciation determined in accordance with the Internal Revenue Code provisions in effect prior to January 1, 1981, but only with respect to a taxpayer's accounting period ending after December 31, 1981; provided, however, that where a taxpayer's accounting period begins in 1981 and ends in 1982, no modification shall be required with respect to this paragraph (F) for the report filed for such period with respect to property placed in service during that part of the accounting period which occurs in 1981. The provisions of this subparagraph shall not apply to assets placed in service prior to January 1, 1998 of a gas, gas and electric, and electric public utility that was subject to the provisions of P.L.1940, c.5 (C.54:30A-49 et seq.) prior to 1998.

(ii) For the periods set forth in subparagraph (F)(i) of this subsection, any amount, except with respect to qualified mass commuting vehicles as described in section 168(f)(8)(D)(v) of the Internal Revenue Code as in effect immediately prior to January 1, 1984, which the taxpayer claimed as a deduction in computing federal income tax pursuant to a qualified lease agreement under paragraph (8) of that section.

The director shall promulgate rules and regulations necessary to carry out the provisions of this section, which rules shall provide, among others, the manner in which the remaining life of property shall be reported.

(G) (i) The amount of any civil, civil administrative, or criminal penalty or fine, including a penalty or fine under an administrative consent order, assessed and collected for a violation of a State or federal environmental law, an administrative consent order, or an environmental ordinance or resolution of a local governmental entity, and any interest earned on the penalty or fine, and any economic benefits having accrued to the violator as a result of a violation, which benefits are assessed and recovered in a civil, civil administrative, or criminal action, or pursuant to an administrative consent order. The provisions of this paragraph shall not apply to a penalty or fine assessed or collected for a violation of a State or federal environmental law, or local environmental ordinance or resolution, if the penalty or fine was for a violation that resulted from fire, riot, sabotage, flood, storm event, natural cause, or other act of God beyond the reasonable control of the violator, or caused by an act or omission of a person who was outside the reasonable control of the violator.

(ii) The amount of treble damages paid to the Department of Environmental Protection pursuant to subsection a. of section 7 of P.L.1976, c.141 (C.58:10-23.11f), for costs incurred by the department in removing, or arranging for the removal of, an unauthorized discharge upon failure of the discharger to comply with a directive from the department to remove, or arrange for the removal of, the discharge.

(H) The amount of any sales and use tax paid by a utility vendor pursuant to section 71 of P.L.1997, c.162.

(3) The commissioner may, whenever necessary to properly reflect the entire net income of any taxpayer, determine the year or period in which any item of income or deduction shall be included, without being limited to the method of accounting employed by the taxpayer.

(4) There shall be allowed as a deduction from entire net income of a banking corporation, to the extent not deductible in determining federal taxable income, the eligible net income of an international banking facility determined as follows:

(A) The eligible net income of an international banking facility shall be the amount remaining after subtracting from the eligible gross income the applicable expenses;

(B) Eligible gross income shall be the gross income derived by an international banking facility, which shall include, but not be limited to, gross income derived from:

(i) Making, arranging for, placing or carrying loans to foreign persons, provided, however, that in the case of a foreign person which is an individual, or which is a foreign branch of a domestic corporation (other than a bank), or which is a foreign corporation or foreign partnership which is controlled by one or more domestic corporations (other than banks), domestic partnerships or resident individuals, all the proceeds of the loan are for use outside of the United States;

(ii) Making or placing deposits with foreign persons which are banks or foreign branches of banks (including foreign subsidiaries) or foreign branches of the taxpayers or with other international banking facilities;

(iii) Entering into foreign exchange trading or hedging transactions related to any of the transactions described in this paragraph; or

(iv) Such other activities as an international banking facility may, from time to time, be authorized to engage in;

(C) Applicable expenses shall be any expense or other deductions attributable, directly or indirectly, to the eligible gross income described in subparagraph (B) of this paragraph.

(5) Entire net income shall exclude 100% of dividends which were included in computing such taxable income for federal income tax purposes, paid to the taxpayer by one or more subsidiaries owned by the taxpayer to the extent of the 80% or more ownership of investment described in subsection (d) of this section. With respect to other dividends, entire net income shall not include 50% of the total included in computing such taxable income for federal income tax purposes.

(6) (A) Net operating loss deduction. There shall be allowed as a deduction for the taxable year the net operating loss carryover to that year.

(B) Net operating loss carryover. A net operating loss for any taxable year ending after June 30, 1984 shall be a net operating loss carryover to each of the seven years following the year of the loss. The entire amount of the net operating loss for any taxable year (the "loss year") shall be carried to the earliest of the taxable years to which the loss may be carried. The portion of the loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of the loss over the sum of the entire net income, computed without the exclusions permitted in paragraphs (4) and (5) of this subsection or the net operating loss deduction provided

by subparagraph (A) of this paragraph, for each of the prior taxable years to which the loss may be carried.

(C) Net operating loss. For purposes of this paragraph the term "net operating loss" means the excess of the deductions over the gross income used in computing entire net income without the net operating loss deduction provided for in subparagraph (A) of this paragraph and the exclusions in paragraphs (4) and (5) of this subsection.

(D) Change in ownership. Where there is a change in 50% or more of the ownership of a corporation because of redemption or sale of stock and the corporation changes the trade or business giving rise to the loss, no net operating loss sustained before the changes may be carried over to be deducted from income earned after such changes. In addition where the facts support the premise that the corporation was acquired under any circumstances for the primary purpose of the use of its net operating loss carryover, the director may disallow the carryover.

(7) The entire net income of gas, electric and gas and electric public utilities that were subject to the provisions of P.L.1940, c.5 (C.54:30A-49 et seq.) prior to 1998, shall be adjusted by substituting the New Jersey depreciation allowance for federal tax depreciation with respect to assets placed in service prior to January 1, 1998. For gas, electric, and gas and electric public utilities that were subject to the provisions of P.L.1940, c.5 (C.54:30A-49 et seq.) prior to 1998, the New Jersey depreciation allowance shall be computed as follows: All depreciable assets placed in service prior to January 1, 1998 shall be considered a single asset account. The New Jersey tax basis of this depreciable asset account shall be an amount equal to the carryover adjusted basis for federal income tax purposes on December 31, 1997 of all depreciable assets in service on December 31, 1997, increased by the excess, of the "net carrying value," defined to be adjusted book basis of all assets and liabilities, excluding deferred income taxes, recorded on the public utility's books of account on December 31, 1997, over the carryover adjusted basis for federal income tax purposes on December 31, 1997 of all assets and liabilities owned by the gas, electric, or gas and electric public utility as of December 31, 1997. "Books of account" for gas, gas and electric, and electric public utilities means the uniform system of accounts as promulgated by the Federal Energy Regulatory Commission and adopted by the Board of Public Utilities. The following adjustments to entire net income shall be made pursuant to this section:

(A) Depreciation for property placed in service prior to January 1, 1998 shall be adjusted as follows:

(i) Depreciation for federal income tax purposes shall be disallowed in full.

(ii) A deduction shall be allowed for the New Jersey depreciation allowance. The New Jersey depreciation allowance shall be computed for the single asset account described above based on the New Jersey tax basis as adjusted above as if all assets in the single asset account were first placed in service on January 1, 1998. Depreciation shall be computed using the straight line method over a thirty-year life. A full year's depreciation shall be allowed in the initial tax year. No half-year convention shall apply. The depreciable basis of the single account shall be reduced by the adjusted federal tax basis of assets sold, retired, or otherwise disposed of during any year on which gain or loss is recognized for federal income tax purposes as described in subparagraph (B) of this paragraph.

(B) Gains and losses on sales, retirements and other dispositions of assets placed in service prior to January 1, 1998 shall be recognized and reported on the same basis as for federal income tax purposes.

(C) The Director of the Division of Taxation shall promulgate regulations describing the methodology for allocating the single asset account in the event that a portion of the utility's operations are separated, spun-off, transferred to a separate company or otherwise disaggregated.

(8) In the case of taxpayers that are gas, electric, gas and electric, or telecommunication public utilities as defined pursuant to subsection (q) of this section, the director shall have authority to promulgate rules and issue guidance correcting distortions and adjusting timing differences resulting from the adoption of P.L.1997, c.162 (C.54:10A-5.25 et al.).

(9) Notwithstanding paragraph (1) of this subsection, entire net income shall not include the income derived by a corporation organized in a foreign country from the international operation of a ship or ships, or from the international operation of aircraft, if such income is exempt from federal taxation pursuant to section 883 of the federal Internal Revenue Code of 1986, 26 U.S.C.s.883.

(10) Entire net income shall exclude all income of an alien corporation the activities of which are limited in this State to investing or trading in stocks and securities for its own account, investing or trading in commodities for its own account, or any combination of those activities, within the meaning of section 864 of the federal Internal Revenue Code of 1986, 26 U.S.C.s.864, as in effect on December 31, 1998. Notwithstanding the previous sentence, if an alien corporation undertakes one or more infrequent, extraordinary or non-recurring activities, including but not limited to the sale of tangible property, only the income from such infrequent, extraordinary or non-recurring activity shall be subject to the tax imposed pursuant to P.L.1945, c.162 (C.54:10A-1 et seq.), and that amount of income subject to tax shall be determined without regard to the allocation to that specific transaction of any general business expense of the taxpayer

and shall be specifically assigned to this State for taxation by this State without regard to section 6 of P.L.1945, c.162 (C.54:10A-6). For the purposes of this paragraph, "alien corporation" means a corporation organized under the laws of a jurisdiction other than the United States or its political subdivisions.

(l) "Real estate investment trust" shall mean any corporation, trust or association qualifying and electing to be taxed as a real estate investment trust under federal law.

(m) "Financial business corporation" shall mean any corporate enterprise which is (1) in substantial competition with the business of national banks and which (2) employs moneyed capital with the object of making profit by its use as money, through discounting and negotiating promissory notes, drafts, bills of exchange and other evidences of debt; buying and selling exchange; making of or dealing in secured or unsecured loans and discounts; dealing in securities and shares of corporate stock by purchasing and selling such securities and stock without recourse, solely upon the order and for the account of customers; or investing and reinvesting in marketable obligations evidencing indebtedness of any person, copartnership, association or corporation in the form of bonds, notes or debentures commonly known as investment securities; or dealing in or underwriting obligations of the United States, any state or any political subdivision thereof, or of a corporate instrumentality of any of them. This shall include, without limitation of the foregoing, business commonly known as industrial banks, dealers in commercial paper and acceptances, sales finance, personal finance, small loan and mortgage financing businesses, as well as any other enterprise employing moneyed capital coming into competition with the business of national banks; provided that the holding of bonds, notes, or other evidences of indebtedness by individual persons not employed or engaged in the banking or investment business and representing merely personal investments not made in competition with the business of national banks, shall not be deemed financial business. Nor shall "financial business" include national banks, production credit associations organized under the Farm Credit Act of 1933 or the Farm Credit Act of 1971, Pub.L. 92-181 (12 U.S.C.s.2091 et seq.), stock and mutual insurance companies duly authorized to transact business in this State, security brokers or dealers or investment companies or bankers not employing moneyed capital coming into competition with the business of national banks, real estate investment trusts, or any of the following entities organized under the laws of this State: credit unions, savings banks, savings and loan and building and loan associations, pawnbrokers, and State banks and trust companies.

(n) "International banking facility" shall mean a set of asset and liability accounts segregated on the books and records of a depository institution, United States branch or agency of a foreign bank, or an Edge or Agreement Corporation that includes only international banking facility time deposits and international banking facility extensions of credit as such terms are defined in section 204.8(a)(2) and section 204.8(a)(3) of Regulation D of the board of governors of the Federal Reserve System, 12 CFR Part 204, effective December 3, 1981. In the event that the United States enacts a law, or the board of governors of the Federal Reserve System adopts a regulation which amends the present definition of international banking facility or of such facilities' time deposits or extensions of credit, the Commissioner of Banking and Insurance shall forthwith adopt regulations defining such terms in the same manner as such terms are set forth in the laws of the United States or the regulations of the board of governors of the Federal Reserve System. The regulations of the Commissioner of Banking and Insurance shall thereafter provide the applicable definitions.

(o) "S corporation" means a corporation included in the definition of an "S corporation" pursuant to section 1361 of the federal Internal Revenue Code of 1986, 26 U.S.C.s.1361.

(p) "New Jersey S corporation" means a corporation that is an S corporation; which has made a valid election pursuant to section 3 of P.L.1993, c.173 (C.54:10A-5.22); and which has been an S corporation continuously since the effective date of the valid election made pursuant to section 3 of P.L.1993, c.173 (C.54:10A-5.22).

(q) "Public Utility" means "public utility" as defined in R.S.48:2-13.

(r) "Qualified investment partnership" means a limited liability company, foreign limited liability company, limited partnership or foreign limited partnership treated as a partnership under this act that has more than 10 members or partners with no member or partner owning more than a 50% interest in the entity and that derives at least 90% of its gross income from dividends, interest, payments with respect to securities loans, and gains from the sale or other disposition of stocks or securities or foreign currencies or commodities or other similar income (including but not limited to gains from swaps, options, futures or forward contracts) derived with respect to its business of investing or trading in those stocks, securities, currencies or commodities, but "investment partnership" shall not include a "dealer in securities" within the meaning of section 1236 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.1236.

2. Section 5 of P.L.1945, c.162 (C.54:10A-5) is amended to read as follows:

C.54:10A-5 Franchise tax.

5. The franchise tax to be annually assessed to and paid by each taxpayer shall be the sum of the amount computed under subsection (a) hereof, or in the alternative to the amount computed under subsection (a) hereof, the amount computed under subsection (f) hereof, and the amount computed under subsection (c) hereof:

(a) That portion of its entire net worth as may be allocable to this State as provided in section 6, multiplied by the following rates: 2 mills per dollar on the first \$100,000,000.00 of allocated net worth; 4/10 of a mill per dollar on the second \$100,000,000.00; 3/10 of a mill per dollar on the third \$100,000,000.00; and 2/10 of a mill per dollar on all amounts of allocated net worth in excess of \$300,000,000.00; provided, however, that with respect to reports covering accounting or privilege periods set forth below, the rate shall be that percentage of the rate set forth in this subsection for the appropriate year:

Accounting or Privilege Periods Beginning on or after:	The Percentage of the Rate to be Imposed Shall be:
April 1, 1983	75%
July 1, 1984	50%
July 1, 1985	25%
July 1, 1986	0

(b) (Deleted by amendment, P.L.1968, c.250, s.2.)

(c) (1) For a taxpayer that is not a New Jersey S corporation, 3 1/4% of its entire net income or such portion thereof as may be allocable to this State as provided in section 6 of P.L.1945, c.162 (C.54:10A-6); provided, however, that with respect to reports covering accounting or privilege periods or parts thereof ending after December 31, 1967, the rate shall be 4 1/4%; and that with respect to reports covering accounting or privilege periods or parts thereof ending after December 31, 1971, the rate shall be 5 1/2%; and that with respect to reports covering accounting or privilege periods or parts thereof ending after December 31, 1974, the rate shall be 7 1/2%; and that with respect to reports covering privilege periods or parts thereof ending after December 31, 1979, the rate shall be 9%; provided however, that for a taxpayer that has entire net income of \$100,000 or less for a privilege period and is not a limited liability company, foreign limited liability company, limited partnership or foreign limited partnership the rate for that privilege period shall be 7 1/2%.

(2) For a taxpayer that is a New Jersey S corporation:

(i) for privilege periods ending on or before June 30, 1998 the rate determined by subtracting the maximum tax bracket rate provided under

N.J.S.54A:2-1 for the privilege period from the tax rate that would otherwise be applicable to the taxpayer's entire net income for the privilege period if the taxpayer were not an S corporation provided under paragraph (1) of this subsection for the privilege period; and

(ii) For a taxpayer that has entire net income in excess of \$100,000 for the privilege period, for privilege periods ending on or after July 1, 1998, but on or before June 30, 2001, the rate shall be 2%,

for privilege periods ending on or after July 1, 2001, but on or before June 30, 2002, the rate shall be 1.33%,

for privilege periods ending on or after July 1, 2002, but on or before June 30, 2003, the rate shall be 0.67%, and

for privilege periods ending on or after July 1, 2003 there shall be no rate of tax imposed under this paragraph, and

(iii) For a taxpayer that has entire net income of \$100,000 or less for privilege periods ending on or after July 1, 1998, but on or before June 30, 2001 the rate for that privilege period shall be 0.5%, and for privilege periods ending on or after July 1, 2001 there shall be no rate of tax imposed under this paragraph,

(iv) The taxpayer's rate determined under subparagraph (i), (ii) or (iii) of this paragraph shall be multiplied by its entire net income that is not subject to federal income taxation or such portion thereof as may be allocable to this State pursuant to sections 6 through 10 of P.L.1945, c.162 (C.54:10A-6 through 54:10A-10).

(3) For a taxpayer that is a New Jersey S corporation, in addition to the amount, if any, determined under paragraph (2) of this subsection, the tax rate that would otherwise be applicable to the taxpayer's entire net income for the privilege period if the taxpayer were not an S corporation provided under paragraph (1) of this subsection for the privilege period multiplied by its entire net income that is subject to federal income taxation or such portion thereof as may be allocable to this State pursuant to sections 6 through 10 of P.L.1945, c.162 (C.54:10A-6 through 54:10A-10).

(d) Provided, however, that the franchise tax to be annually assessed to and paid by any investment company or real estate investment trust, which has elected to report as such and has filed its return in the form and within the time provided in this act and the rules and regulations promulgated in connection therewith, shall, in the case of an investment company, be measured by 25% of its entire net income and 25% of its entire net worth, and in the case of a real estate investment trust, by 4% of its entire net income and 15% of its entire net worth, at the rates hereinbefore set forth for the computation of tax on net income and net worth, respectively, but in no case less than \$250, and further provided, however, that the franchise tax to be annually assessed to and paid by a regulated investment company which

for a period covered by its report satisfies the requirements of Chapter 1, Subchapter M, Part I, Section 852(a) of the federal Internal Revenue Code shall be \$250.

(e) The tax assessed to any taxpayer pursuant to this section shall not be less than \$25 in the case of a domestic corporation, \$50 in the case of a foreign corporation, or \$250 in the case of an investment company or regulated investment company. Provided however, that for accounting or privilege periods beginning in calendar year 1994 and thereafter the minimum taxes for taxpayers other than an investment company or a regulated investment company shall be as provided in the following schedule:

Period Beginning In Calendar Year	Domestic Corporation Minimum Tax	Foreign Corporation Minimum Tax
1994	\$ 50	\$100
1995	\$100	\$200
1996	\$150	\$200
1997	\$200	\$200

and provided further that the director shall adjust the minimum tax for accounting or privilege periods beginning in each fifth year following calendar year 1997 and each fifth year thereafter by multiplying the minimum tax for periods beginning in 1997 by an amount equal to one plus 75% of the increase, if any, in the annual average total producer price index for finished goods published by the federal Department of Labor, Bureau of Labor Statistics, for the year preceding the determination year over such index for calendar year 1996 which adjusted minimum tax amount shall be rounded to the next highest multiple of \$10.

(f) In lieu of the portion of the tax based on net worth and to be computed under subsection (a) of this section, any taxpayer, the value of whose total assets everywhere, less reasonable reserves for depreciation, as of the close of the period covered by its report, amounts to less than \$150,000, may elect to pay the tax shown in a table which shall be promulgated by the director.

(g) Provided however, that the franchise tax annually assessed to and paid by a taxpayer:

(1) that is a limited liability company or foreign limited liability company classified as a partnership for federal income tax purposes shall be the amount determined pursuant to the provisions of section 3 of P.L.2001, c.136 (C.54:10A-15.6); or

(2) that is a limited partnership or foreign limited partnership classified as a partnership for federal income tax purposes shall be the amount determined pursuant to the provisions of section 4 of P.L.2001, c136 (C.54:10A-15.7).

C.54:10A-15.6 Provisions concerning certain limited, foreign limited liability companies, computation, allocation for members.

3. a. A limited liability company or foreign limited liability company that is classified as a partnership for federal income tax purposes may obtain and retain in its records for inspection by the director the consent of each of its members that are not corporations exempt from tax pursuant to section 3 of P.L.1945, c.162 (C.54:10A-3), or individuals, trusts or estates subject to the "New Jersey Gross Income Tax Act", N.J.S.54A:1-1 et seq., to the following jurisdictional requirements in a form prescribed by the Director of the Division of Taxation: that this State shall have the right and jurisdiction to tax and collect the tax, hereby imposed, on the entire net income of the member (1) based upon combining the respective numerators and denominators of the allocation fractions of the member with the member's share of the numerators and denominators of the limited liability company or foreign limited liability company to determine an allocation factor to be applied to the member's entire net income, including the member's distributive share of the company income, to determine the portion of the member's entire net income allocated to this State if the relationship between the member and limited liability company or foreign limited liability company is unitary, or (2) based upon separately using the allocation fractions of the limited liability company or foreign limited liability company to determine the allocation factor to be applied to the member's distributive share of the company income, using the allocation fractions of the member to determine the allocation factor to be applied to the member's entire net income excluding the member's distributive share of the income of the limited liability company or foreign limited liability company, and then combining those allocated amounts of net income to determine the portion of the member's entire net income allocated to this State if the relationship between the member and limited liability company or foreign limited liability company is not unitary.

b. A limited liability company or foreign limited liability company that is not a qualified investment partnership and that has not obtained and retained the written consent of one or more of its members that are not corporations exempt from tax pursuant to section 3 of P.L.1945, c.162 (C.54:10A-3), or individuals, trusts or estates subject to the "New Jersey Gross Income Tax Act", N.J.S.54A:1-1 et seq., shall, on or before the 15th day of the fourth month succeeding the close of each privilege period, remit

a payment of tax equal to the nonconsenting members' share of the entire net income of the limited liability company or foreign limited liability company for that privilege period, multiplied by an allocation factor determined, pursuant to section 6 of P.L.1945, c.162 (C.54:10A-6), based on the allocation fractions of the limited liability company or foreign limited liability company for that privilege period, and multiplied by the maximum rate set forth at paragraph (1) of subsection (c) of section 5 of P.L.1945, c.162 (C.54:10A-5) for that privilege period. The limited liability company or foreign limited liability company shall have the right, but not the obligation, to recover from the nonconsenting members such payments made by the company.

c. An amount of tax paid by a limited liability company or foreign limited liability company pursuant to subsection b. of this section attributable to a nonconsenting member shall be credited to the member as of the date of its receipt by the director.

C.54:10A-15.7 Provisions concerning certain limited, foreign limited partnerships, computation, allocation for partners.

4. a. A limited partnership or foreign limited partnership that is classified as a partnership for federal income tax purposes may obtain and retain in its records for inspection by the director the consent of each of its partners that are not corporations exempt from tax pursuant to section 3 of P.L.1945, c.162 (C.54:10A-3), or individuals, trusts or estates subject to the "New Jersey Gross Income Tax Act", N.J.S.54A:1-1 et seq., to the following jurisdictional requirements in a form prescribed by the Director of the Division of Taxation: that this State shall have the right and jurisdiction to tax and collect the tax, hereby imposed, on the entire net income of the partner (1) based upon combining the respective numerators and denominators of the allocation fractions of the partner with the partner's share of the numerators and denominators of the limited partnership or foreign limited partnership to determine an allocation factor to be applied to the partner's entire net income, including the partner's distributive share of the partnership income, to determine the portion of the partner's entire net income allocated to this State if the relationship between the partner and limited partnership or foreign limited partnership is unitary, or (2) based upon separately using the allocation fractions of the limited partnership or foreign limited partnership to determine the allocation factor to be applied to the partner's distributive share of the partnership income, using the allocation fractions of the partner to determine the allocation factor to be applied to the partner's entire net income excluding the partner's distributive share of the income of the limited partnership or foreign limited partnership, and then combining those two allocated amounts of net income to determine

the portion of the partner's entire net income allocated to this State if the relationship between the partner and the limited partnership or foreign limited partnership is not unitary.

b. A limited partnership or foreign limited partnership that is not a qualified investment partnership and that has not obtained and retained the written consent of one or more of its partners that are not corporations exempt from tax pursuant to section 3 of P.L.1945, c.162 (C.54:10A-3), or individuals, trusts or estates subject to the "New Jersey Gross Income Tax Act", N.J.S.54A:1-1 et seq., shall, on or before the 15th day of the fourth month succeeding the close of each privilege period, remit a payment of tax equal to the nonconsenting partners' share of the entire net income of the limited partnership or foreign limited partnership for that privilege period, multiplied by an allocation factor determined, pursuant to section 6 of P.L.1945, c.162 (C.54:10A-6), based on the allocation fractions of the limited partnership or foreign limited partnership for that privilege period, and multiplied by the maximum rate set forth at paragraph (1) of subsection (c) of section 5 of P.L.1945, c. 162 (C.54:10A-5) for that privilege period. The limited partnership or foreign limited partnership shall have the right, but not the obligation, to recover from the nonconsenting partners such payments made by the partnership.

c. An amount of tax paid by a limited partnership or foreign limited partnership pursuant to subsection b. of this section attributable to a nonconsenting partner shall be credited to the partner as of the date of its receipt by the director.

C.54:10A-15.8 Installment payments.

5. a. Notwithstanding the provisions of subsection (f) of section 15 of P.L.1945, c.162 (C.54:10A-15) to the contrary, a taxpayer that is a limited liability company or a foreign limited liability company subject to the provisions of subsection b. of section 3 of P.L.2001, c.136 (C.54:10A-15.6) or that is a limited partnership or foreign limited partnership subject to the provisions of subsection b. of section 4 of P.L.2001, c.136 (C.54:10A-15.7) shall, in addition to the tax payable pursuant to subsection b. of section 3 or subsection b. of section 4 of P.L.2001, c.136 (C.54:10A-15.6 or C.54:10A-15.7), make an installment payment of its tax for the privilege period on or before the 15th day of the fourth month of the privilege period equal to the tax payable pursuant to subsection b. of section 3 or subsection b. of section 4 of P.L.2001, c.136 (C.54:10A-15.6 or C.54:10A-15.7). Any amount of tax paid pursuant to this subsection shall be credited against the tax paid pursuant to subsection b. of section 3 or subsection b. of section 4 of P.L.2001, c.136 (C.54:10A-15.6 or C.54:10A-15.7).

b. Notwithstanding the provisions of section 5 of P.L.1981, c.184 (C.54:10A-15.4) to the contrary, the amount of underpayment of an installment payment pursuant to subsection a. of this section shall, for the purposes of subsection e. of section 5 of P.L.1981, c.184, be the excess of 100% of the tax liability determined pursuant to subsection b. of section 3 or subsection b. of section 4 of P.L.2001, c.136 (C.54:10A-15.6 or C.54:10A-15.7) at the rates and other facts in effect for the privilege period but on the basis of the entire net income for the prior privilege period over the amount paid pursuant to subsection a. of this section; provided however, that if the taxpayer did not have a prior privilege period consisting of a 12 month period, the amount of underpayment of an installment payment shall be the excess of 90% of the tax liability determined pursuant to subsection b. of section 3 or subsection b. of section 4 of P.L.2001, c.136 (C.54:10A-15.6 or C.54:10A-15.7) for the current privilege period over the amount paid pursuant to subsection a. of this section.

C.54:10A-15.9 Liability of taxpayers for privilege periods beginning in CY2001.

6. a. Notwithstanding the provisions of subsection b. of section 3 of P.L.2001, c.136 (C.54:10A-15.6) and the provisions of subsection b. of section 4 of P.L.2001, c.136 (C.54:10A-15.7), the liability of a taxpayer that is a limited liability company or a foreign limited liability company subject to the provisions of subsection b. of section 3 of P.L.2001, c.136 (C.54:10A-15.6) or that is a limited partnership or foreign limited partnership subject to the provisions of subsection b. of section 4 of P.L.2001, c.136 (C.54:10A-15.7) shall, for privilege periods beginning in calendar year 2001, be 45% of the amount otherwise due.

b. Notwithstanding the provisions of subsection a. of section 5 of P.L.2001, c.136 (C.54:10A-15.8), no estimated payment shall be due from a taxpayer that is a limited liability company or a foreign limited liability company subject to the provisions of subsection b. of section 3 of P.L.2001, c.136 (C.54:10A-15.6) or that is a limited partnership or foreign limited partnership subject to the provisions of subsection b. of section 4 of P.L.2001, c.136 (C.54:10A-15.7) for privilege periods beginning in calendar year 2001.

C.54:10A-15.10 Regulations, forms.

7. a. The director shall adopt regulations in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), and prescribe forms to administer the provisions of this act.

b. Notwithstanding the provisions of P.L.1968, c.410 to the contrary, the director may adopt immediately upon filing with the Office of Administrative Law, such regulations as the director deems necessary to implement the provisions of this act, which regulations shall be effective for a period

not to exceed 180 days from the date of the filing. The regulations may thereafter be amended, adopted or readopted by the director as the director deems necessary in accordance with the requirements of P.L.1968, c.410.

8. This act shall take effect immediately and apply to privilege periods beginning on or after January 1, 2001.

Approved June 29, 2001.

CHAPTER 137

AN ACT concerning the State Library, amending and supplementing various sections of the statutory law, and repealing sections 14 and 27 of P.L.1969, c.158 (C.18A:73-29 and 18A:73-42).

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

1. N.J.S.2A:12-6 is amended to read as follows:

Distribution of law reports.

2A:12-6. The Administrative Director of the Courts is authorized to distribute or cause to be distributed any bound volumes of the New Jersey Reports and the New Jersey Superior Court Reports heretofore or hereafter published and delivered to him, as follows:

To each member of the Legislature, one copy of each volume of such reports.

To the following named, for official use, to remain the property of the State, the following number of copies of each volume of such reports:

- a. To the Governor, four copies;
- b. To the Department of Law and Public Safety, for the Division of Law, four copies; and the Division of Alcoholic Beverage Control, one copy;
- c. To the Department of the Treasury, for the State Treasurer, one copy; the Division of Taxation, three copies; and the Division of Local Government Services in the Department of Community Affairs, one copy;
- d. To the Department of State, one copy;
- e. To the Department of Personnel, one copy;
- f. To the Department of Banking and Insurance, two copies;
- g. To the Board of Public Utilities in the Department of the Treasury, one copy;

- h. To the Department of Labor, for the commissioner, one copy; the Division of Workers' Compensation, five copies; the State Board of Mediation, one copy; and the Division of Employment Security, three copies;
- i. To the Department of Education, for the commissioner, one copy;
- j. To the Department of Transportation, one copy;
- k. To the Department of Human Services, one copy; and the Department of Corrections, one copy;
- l. To each judge of the federal courts in and for the district of New Jersey, one copy;
- m. To each justice of the Supreme Court, one copy;
- n. To each judge of the Superior Court, one copy;
- o. To the Administrative Director of the Courts, one copy;
- p. To each standing master of the Superior Court, one copy;
- q. (Deleted by amendment, P.L.1983, c.36.)
- r. To the clerk of the Supreme Court, one copy;
- s. To the clerk of the Superior Court, one copy;
- t. (Deleted by amendment, P.L.1983, c.36.)
- u. (Deleted by amendment, P.L.1983, c.36.)
- v. (Deleted by amendment, P.L.1991, c.91.)
- w. (Deleted by amendment, P.L.1991, c.91.)
- x. To each county prosecutor, one copy;
- y. To the Central Management Unit in the Office of Legislative Services, one copy;
- z. To each surrogate, one copy;
- aa. To each county clerk, one copy;
- ab. To each sheriff, one copy;
- ac. To Rutgers, The State University, two copies; and the law schools, five copies each;
- ad. To the law school of Seton Hall University, five copies;
- ae. To Princeton University, two copies;
- af. To the Library of Congress, four copies;
- ag. To the New Jersey Historical Society, one copy;
- ah. To every library provided by the board of chosen freeholders of any county at the courthouse in each county, one copy;
- ai. To the library of every county bar association in this State, one copy;
- aj. To each incorporated library association in this State, which has a law library at the county seat of the county in which it is located, one copy;
- ak. To each judge of the tax court, one copy;
- al. The State Library, 60 copies, five of which shall be deposited in the Law Library, and 55 of which shall be used by the State Librarian to send one copy to the state library of each state and territory of the United States,

the same to be in exchange for the law reports of such states and territories sent to the State Library, which reports shall be deposited in and become part of the collection of the Law Library.

The remaining copies of such reports shall be retained by the administrative director for the use of the State and for such further distribution as he may determine upon.

2. N.J.S.18A:4-34 is amended to read as follows:

Duties of assistant commissioner.

18A:4-34. Each assistant commissioner shall perform such duties in the public school system of the State as may from time to time be assigned to him by the commissioner, which shall include, but need not be limited to, any one or more of the following:

- a. The supervision of curriculum and instruction;
- b. The supervision of vocational education;
- c. The hearing and determination of controversies and disputes which may arise under the school laws, or the rules of the State board, or of the commissioner; and
- d. The supervision of business and financial matters.

3. Section 11 of P.L.1969, c.158 (C.18A:73-26) is amended to read as follows:

C.18A:73-26 Responsibility for administration of State Library.

11. Upon the enactment of P.L.2001, c.137 (C.18A:73-42.1 et al.), Thomas Edison State College shall be responsible for the administration of the State Library. The State Library shall be in, but not of, the Department of State.

4. Section 12 of P.L.1969, c.158 (C.18A:73-27) is amended to read as follows:

C.18A:73-27 State Library personnel.

12. The State Library shall consist of the State Librarian and an advisory council and such other personnel as the President of Thomas Edison State College may deem necessary for the efficient administration thereof.

5. Section 13 of P.L.1969, c.158 (C.18A:73-28) is amended to read as follows:

C.18A:73-28 Advisory Council of the State Library.

13. There shall be within the State Library an advisory council which shall be designated as the Advisory Council of the State Library. Such

advisory council shall consist of eight members. The President of Thomas Edison State College or the designee thereof shall serve as a member ex officio. The other seven members shall be appointed by the Governor by and with the advice and consent of the Senate for a term of five years, beginning on July 1, and ending June 30, except as hereinafter provided. Each member shall serve until his successor has been appointed and qualified. In case of a vacancy, however, occurring, the successor shall be appointed in like manner for the unexpired term only. The council shall meet at least 4 times a year. It shall frame and modify bylaws for its own government, and elect its chairman and other officers. Any member of the advisory council may be removed from office by the Governor for cause, upon notice and opportunity to be heard.

6. Section 15 of P.L.1969, c.158 (C.18A:73-30) is amended to read as follows:

C.18A:73-30 Reimbursement to advisory council for expenses.

15. The members of the advisory council shall serve without compensation, but shall be reimbursed by Thomas Edison State College for necessary expenses incurred in the performance of their duties under this act. The expenses shall be paid from the direct State services portion of the annual appropriation for the State Library.

7. Section 16 of P.L.1969, c.158 (C.18A:73-31) is amended to read as follows:

C.18A:73-31 Duties of advisory council.

16. The advisory council shall give advice and make recommendations to:

- (a) The President of Thomas Edison State College with regard to the appointment of the State Librarian;
- (b) The President of Thomas Edison State College and the State Librarian with regard to
 - (1) The policies and operations of the State Library and the State's library program;
 - (2) The adoption, amendment or rescission of such rules and regulations as may be necessary for the implementation of this act;
 - (3) Minimum standards of library service;
 - (4) The apportionment of State aid to libraries;
 - (5) Contractual arrangements for library services to which the State Library is a party.

8. Section 17 of P.L.1969, c.158 (C.18A:73-32) is amended to read as follows:

C.18A:73-32 State Librarian, qualifications.

17. The State Librarian shall be a graduate of an accredited university or college and shall, prior to the appointment, have graduated from a school of library service accredited by the American Library Association, and have had at least four years of library experience in a responsible administrative capacity.

9. Section 18 of P.L.1969, c.158 (C.18A:73-33) is amended to read as follows:

C.18A:73-33 Position of State Librarian established, duties.

18. The position of State Librarian is hereby established.

The President of Thomas Edison State College shall appoint the State Librarian. The State Librarian shall head the State Library and shall, with the approval and under the supervision of Thomas Edison State College:

- (a) Direct and administer the work of the library;
- (b) Administer all laws which are by their terms included under the jurisdiction of the library;
- (c) Establish and organize the bureaus therein;
- (d) Allocate the duties to be performed by the personnel of the State Library and the bureaus established within the library;
- (e) Prescribe such rules and regulations, not inconsistent with law, as may be necessary to effectuate his powers and duties under this act;
- (f) Prescribe minimum standards of service for libraries in the State of New Jersey as may be necessary to effectuate the State Librarian's powers under the law.

10. Section 6 of P.L.1983, c.486 (C.18A:73-33.1) is amended to read as follows:

C.18A:73-33.1 Annual report.

6. a. In addition to the duties prescribed in section 18 of P.L.1969, c.158 (C.18A:73-33), the State Librarian shall on or before October 31 of each year prepare an annual report on the activities of the library network for the preceding year. The report shall be transmitted to the President of Thomas Edison State College who, upon the approval of the report thereby, shall transmit it to the Governor, the Thomas Edison State College Board of Trustees and the Chairman of the State Government Committee, or successor committee, of each House of the Legislature. The report shall set

forth a complete operating and financial statement covering the library network's operation during the preceding year.

b. (Deleted by amendment, P.L.2001, c.137).

11. Section 19 of P.L.1969, c.158 (C.18A:73-34) is amended to read as follows:

C.18A:73-34 Appointment of staff, compensation.

19. a. The President of Thomas Edison State College or the designee thereof shall, with the advice of the State Librarian, appoint all professional staff in the library, and fix the compensation of all such persons thus appointed. The President of Thomas Edison State College or the designee thereof shall appoint such other personnel as that person may consider necessary for the efficient performance of the work of the library and fix their compensation. All persons thus appointed shall be subject to the provisions of Title 11A, Civil Service, of the New Jersey Statutes.

b. For all purposes, the employees of the State Library shall be considered employees of Thomas Edison State College.

c. Thomas Edison State College shall maintain, in a manner acceptable to the Department of Personnel, the personnel records of all employees and positions currently on staff and funded. All such records shall be subject to audit by the Department of Personnel.

d. The State shall be responsible for paying the entire employer contribution of the pension and benefits costs for the State Library employees whose salaries are funded from the direct State services portion of the annual appropriation for the State Library.

12. Section 20 of P.L.1969, c.158 (C.18A:73-35) is amended to read as follows:

C.18A:73-35 Duties of State Library.

20. The State Library shall:

(a) Maintain library resources and information services over a broad range of subjects which affect the educational, intellectual, cultural, economic and political life of the State;

(b) Provide special library services for the legislative, executive and judicial branches of State Government, supplemental library service for New Jersey libraries and citizens and direct library service for the handicapped;

(c) Purchase or otherwise acquire, and maintain a general collection of books, periodicals, newspapers, maps, slides, films and other library materials for the use of State and local governments, libraries, and the public generally; and exchange, discard, sell, or otherwise dispose of books and

library materials as required within the purposes stated herein and all moneys to be secured from such sales shall be paid into the treasury to be used for the benefit of the State Library when appropriated to that purpose;

(d) Maintain as part of the State Library, a general reference service; a legislative reference service; a law library service; a documents depository service; an archival service for New Jersey materials; a records management service for State and local governments; a deposit and exchange service for library materials; an interlibrary loan service; an advisory service for public libraries, school libraries, libraries of institutions of higher education, industrial, commercial and other special libraries, State department and agency libraries, and the libraries the State maintains within the institutions carrying out its health, welfare and correctional programs; and a library service for the handicapped; and provide such other services as may be required by law;

(e) Preserve the records of the history of New Jersey through its official archives and other materials and promote interest and research in the history of the State;

(f) Coordinate a Statewide system of libraries in New Jersey, and administer State and federal programs for the development of libraries, library facilities, library resources and library services in New Jersey, and require such reports as are necessary for the proper administration of its duties and for the gathering and publishing of annual and occasional statistics on libraries in the State;

(g) Promote and demonstrate library service throughout the State, and study library problems and needs in New Jersey and make the resultant findings known generally.

13. Section 2 of P.L.1983, c.486 (C.18A:73-35b) is amended to read as follows:

C.18A:73-35b Findings, declarations concerning a Statewide library network.

2. The Legislature finds and declares that promoting cooperation among the various types of libraries in New Jersey will provide this State's residents with full and equal access to library materials and programs not currently available within their communities; that increased cooperation and access will help control the cost of maintaining local libraries, while providing for improved services; that establishing a library network can best be accomplished by assisting libraries to form cooperatives on a regional basis and by having the State Library promote, coordinate and fund such cooperative efforts, as well as provide and coordinate library services on a Statewide basis.

14. Section 3 of P.L.1983, c.486 (C.18A:73-35c) is amended to read as follows:

C.18A:73-35c Definitions relative to the library network.

3. As used in this act:

a. "President" means the President of Thomas Edison State College or the designee thereof;

b. "State Library" means the State's research library and depository for State and federal documents affiliated with Thomas Edison State College;

c. "Library" means any library eligible for advisory service from the State Library as provided in subsection d. of section 20 of P.L.1969, c.158 (C.18A:73-35); any county audiovisual aids center established pursuant to N.J.S.18A:51-1 et seq.; and any educational information and resource center established pursuant to P.L.1983, c.486 (C.18A:73-35a et seq.);

d. "Library region" means a geographic area designated by the State Librarian pursuant to this act within which libraries may establish a regional library cooperative;

e. "Library network" means all libraries in all regional library cooperatives, the State Library, and any library providing services to other libraries; and

f. "Regional library cooperative" means a membership organization of libraries within a library region which has agreed to provide and receive cooperative library services.

15. Section 4 of P.L.1983, c.486 (C.18A:73-35d) is amended to read as follows:

C.18A:73-35d Additional duties concerning the network.

4. In addition to the duties prescribed in section 20 of P.L.1969, c.158 (C.18A:73-35), the State Library shall establish, organize, supervise and fund the library network, as well as provide library services on a regional as well as a Statewide basis. To effectuate the purposes of this act, the State Library shall: a. establish library regions to encompass all of the State's territory; b. provide for the creation, structure, funding, and governance of a regional library cooperative for each library region; c. enter into contracts with any library or service-providing agency to provide cooperative library services to any members of the library network; d. determine the kinds of cooperative services to be provided and received by members of the network; and e. provide direct services to members of the network, on a regional as well as a Statewide basis.

16. Section 8 of P.L.1983, c.486 (C.18A:73-35f) is amended to read as follows:

C.18A:73-35f State funding restriction.

8. To provide an efficient and effective library network in accordance with objectives of this act, no regional library cooperative or any library with which the State Library contracts to provide cooperative services on a regional as well as a Statewide basis to the library network shall participate in any apportionment of State funds pursuant to this act unless it operates in compliance with the rules and regulations which have been, or may be, prescribed by law or promulgated by the State Librarian with the approval of the President of Thomas Edison State College.

17. Section 9 of P.L.1983, c.486 (C.18A:73-35g) is amended to read as follows:

C.18A:73-35g Budget estimates.

9. On or before November 15 in each year, the State Librarian, with the approval of the President, shall estimate the amount necessary to be appropriated to carry out the provisions of this act for the succeeding fiscal year and shall determine for budget purposes the amount estimated to be payable to each regional library cooperative or library with which the State Library contracts to provide cooperative service to the library network for that year and the amount necessary for supplemental library services provided directly. The amount requested for direct services shall not exceed 20% of the total amount appropriated. The State Librarian shall make such determination for budget purposes upon the basis of appropriations for library network purposes made by the Legislature in the current calendar year.

On or before September 15 of each succeeding year, the State Librarian shall make a final determination of the payments to be made under this act.

18. Section 8 of P.L.1986, c.174 (C.18A:73-35g1) is amended to read as follows:

C.18A:73-35g1 Funding of library network.

8. Notwithstanding the provisions of any other law to the contrary, all funds previously appropriated to fund area libraries pursuant to N.J.S.18A:74-4 and research library centers pursuant to N.J.S.18A:74-5 are appropriated to the State Library, for the purpose of funding the library network.

In succeeding fiscal years the State Librarian shall make the budget determinations required by section 9 of P.L.1983, c.486 (C.18A:73-35g), based on previous appropriations for library network purposes, which shall

include the transfer of area library and research library center appropriations made pursuant to this section.

19. Section 10 of P.L.1983, c.486 (C.18A:73-35h) is amended to read as follows:

C.18A:73-3h Payments.

10. The sums payable pursuant to this act shall be payable on October 1 following the final determination in each year. Payments shall be made by Thomas Edison State College. Payment shall be made to the receiving officer designated by each regional library cooperative, each library with which the State Library contracts to provide cooperative service to the library network and to the State library for the cost of providing direct Statewide library services to the library network.

20. Section 11 of P.L.1983, c.486 (C.18A:73-35i) is amended to read as follows:

C.18A:73-35i Rules, regulations.

11. The State Librarian may, with the approval of the President, promulgate pursuant to the "Administrative Procedure Act," P.L.1968, c. 410 (C.52:14B-1 et seq.), such rules and regulations as the State Librarian deems necessary to effectuate the purposes of this act.

21. Section 12 of P.L.1983, c.486 (C.18A:73-35j) is amended to read as follows:

C.18A:73-35j Appropriations.

12. There shall be appropriated in the first fiscal year following the receipt by the Legislature of the first annual report and in each fiscal year thereafter following the receipt by the Legislature of each subsequent annual report required pursuant to section 6 of P.L.1983, c.486 (C.18A:73-33.1), such sums as may be necessary for the operations of the library network. If the sums appropriated at any time are insufficient to carry out in full the provisions of this act, the President, with the approval of the Thomas Edison State College Board of Trustees, shall allocate such sums on a pro rata basis. A sum not to exceed 1% of such total or supplemental appropriation for the purposes of this act may be allocated for the administrative cost thereof.

22. Section 1 of P.L.1980, c.149 (C.18A:73-35.1) is amended to read as follows:

C.18A:73-35.1 Purchases without advertisement for bids.

1. The State Librarian may, within the limits of funds appropriated or otherwise made available to the State Library, purchase the following without advertising for bids: library materials including books, periodicals, newspapers, documents, pamphlets, photographs, reproductions, microfilms, pictorial or graphic works, musical scores, maps, charts, globes, sound recordings, slides, films, filmstrips, video and magnetic tapes, other printed or published matter, and audiovisual and other materials of a similar nature and necessary binding or rebinding of library materials.

23. Section 23 of P.L.1969, c.158 (C.18A:73-38) is amended to read as follows:

C.18A:73-38 Hours of operation of State Library.

23. The State Library shall be kept open during the normal working hours of State Government and at all times during which the Legislature and the courts of this State and of the United States which sit at Trenton are in session, and at such other times as the State Librarian, with the approval of the President of Thomas Edison State College, shall prescribe.

24. Section 24 of P.L.1969, c.158 (C.18A:73-39) is amended to read as follows:

C.18A:73-39 Application, acceptance of grants, funds.

24. The President of Thomas Edison State College may apply for and accept on behalf of the State of New Jersey and, through the State Library, administer for the State, any funds, books and library facilities applicable to public or school library purposes, granted or provided by the Federal Government, or any agency or officer thereof, under or pursuant to any Federal Law heretofore or hereafter enacted authorizing grants to the States for such purposes or for similar purposes.

25. Section 25 of P.L.1969, c.158 (C.18A:73-40) is amended to read as follows:

C.18A:73-40 Designation of agency to carry out purpose of law.

25. In the event that under or pursuant to any such Federal law it is required that a State agency be designated to carry out the purpose of such law, including the administration or suspension of administration of any plan or program pursuant thereto, Thomas Edison State College shall be the sole agency in this State for carrying out such purposes. The Governor is hereby authorized to make such designation, and Thomas Edison State

College is hereby empowered to act as the sole agency in this State for carrying out such purposes.

26. Section 26 of P.L.1969, c.158 (C.18A:73-41) is amended to read as follows:

C.18A:73-41 Custody, use of federal funds.

26. Thomas Edison State College shall receive and provide for the proper custody of any funds granted by the Federal Government for such public or school library purposes, under or pursuant to any Federal law. All moneys so received shall be used exclusively for the purposes of any such law. Such moneys shall be expended in the same manner as any funds of the State are expended, upon vouchers certified or approved by the President of Thomas Edison State College or the duly authorized representative thereof, as provided by law.

Thomas Edison State College shall submit to the State Treasurer copies of any final financial status reports submitted to the federal government for grants or other funds received by the college.

27. Section 1 of P.L.1985, c.297 (C.18A:74-3.2) is amended to read as follows:

C.18A:74-3.2 Distribution of State aid.

1. Thomas Edison State College shall annually, within the limitations of amounts appropriated by the Legislature, distribute funds pursuant to rules and regulations adopted according to N.J.S.18A:74-1 et seq. upon certification of the State Library;

a. To any municipality which receives State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.) and supports, in whole or in part, a municipal library which maintains one or more branch libraries, to assist solely in maintaining, operating and improving those branch libraries to meet community needs;

b. To any county or municipality which supports, in whole or in part, library services from county or municipal tax revenues to evaluate and develop the collections of any library receiving such funds; and

c. To any library in the State which houses and maintains a collection of historical or special interest, to be used to house, protect, preserve, repair, restore and maintain the collection.

Funds allocated pursuant to this section shall be distributed as grants to qualifying applicants, based on competitive criteria and a selection process established by the State Library. No rule or regulation shall be adopted nor any application approved nor grant made under this section which creates

or implies, by its nature or purpose, a continuing assistance grant or entitlement of indefinite length.

28. Section 2 of P.L.1985, c.297 (C.18A:74-3.3) is amended to read as follows:

C.18A:74-3.3 Distribution of funds for audiovisual services.

2. Thomas Edison State College, after consultation with the State Librarian, shall annually, within the limitations of amounts appropriated by the Legislature, distribute funds pursuant to rules and regulations adopted according to N.J.S.18A:74-1 et seq., for audiovisual public library services.

29. Section 3 of P.L.1985, c.297 (C.18A:74-3.4) is amended to read as follows:

C.18A:74-3.4 Services for institutionalized persons.

3. Thomas Edison State College, after consultation with the State Librarian, shall annually, within the limitations of amounts appropriated by the Legislature, distribute funds pursuant to rules and regulations adopted according to N.J.S.18A:74-1 et seq., for library services to persons institutionalized in health, mental health, mental retardation, veterans', residential, correctional and other similar facilities which are operated by or under contract to the State or to county or municipal governments.

30. Section 1 of P.L.1981, c.225 (C.18A:74-4.1) is amended to read as follows:

C.18A:74-4.1 Provision of optical scanners.

1. The Thomas Edison State College, after consultation with the State Librarian, and after consultation with the Commission for the Blind and Visually Impaired, shall purchase and provide to designated area libraries or other public facilities accessible to the blind or visually impaired that may be appropriate an optical scanner, which converts printed materials into synthetic speech for the benefit of the blind and visually impaired. The President of Thomas Edison State College shall provide for the training of personnel in the proper use of these devices.

31. N.J.S.18A:74-6 is amended to read as follows:

Emergency aid; incentive grant.

18A:74-6. There shall be appropriated annually the sum of \$200,000.00 to be distributed by Thomas Edison State College and in accordance with its rules and regulations to meet unforeseeable conditions in any municipality or county, and to encourage the formation and development of larger

units of service pursuant to law. The amount of such emergency aid or incentive grant shall be payable by the President of Thomas Edison State College upon certification by the State Librarian.

32. N.J.S.18A:74-7 is amended to read as follows:

Determination of appropriation.

18A:74-7. On or before November 15 in each year, the State Library shall estimate the amount necessary to be appropriated to carry out the provisions of this chapter for the succeeding fiscal year and shall determine for budget purposes the amount estimated to be payable to each of the counties and municipalities under this chapter for such succeeding year. The State Library shall make such determination for budget purposes upon the basis of the annual appropriations for library purposes for the current calendar year.

On or before September 15 of each succeeding year, the State Library shall make the final determination of the payments to be made under this chapter upon the basis of the annual expenditures for library purposes for the preceding calendar year.

33. N.J.S.18A:74-8 is amended to read as follows:

Payment of State aid; date, method.

18A:74-8. The sums payable as State aid, as finally determined by the State Library shall be payable on October 1 following the final determination in each such year. Payments shall be made by the state treasurer upon certificate of the President of Thomas Edison State College, the State Librarian, and warrant of the director of the division of budget and accounting. Payment shall be made to the governing body of each municipality qualifying for aid under this chapter and to the treasurer of each county which supports a regional or county library system, and to the receiving officer designated by each research library center.

34. N.J.S.18A:74-10 is amended to read as follows:

Compliance with regulations, standards.

18A:74-10. In order to participate in any apportionment made according to the provisions of this chapter, municipalities and counties shall comply with the regulations and standards which have been, or which may be, prescribed by law or recommended by the advisory council of the State Library for the operation and improvement of free public libraries to provide efficient and effective library services, to insure public benefit and convenience therefrom and to achieve the objects of this chapter.

35. N.J.S.18A:74-12 is amended to read as follows:

Enforcement of law and regulations.

18A:74-12. The Department of the Treasury, at the request of the State Librarian, is hereby empowered to withhold any form of State Library aid from any municipality, county, or area library which does not comply with the provisions of chapters 33 and 54 of Title 40 of the Revised Statutes and chapter 132 of the laws of 1947 (C.45:8A-1 et seq.) wherever applicable, or with any rules and regulations duly adopted pursuant to said statutes or this chapter, or which reduces its annual expenditures for library services pursuant to chapters 33 and 54 of Title 40 of the Revised Statutes below the average of those expenditures for normal, recurring, operating costs made during the three years previous to receipt of the first State aid under this chapter.

36. N.J.S.18A:74-13 is amended to read as follows:

Appropriations, allocation.

18A:74-13. There is hereby appropriated for the purposes of this chapter such sums as may be included therefor in any annual or supplemental appropriation. In the event the sums appropriated at any time are insufficient to carry out in full the provisions of this chapter, the State Library shall allocate such sums on the basis of the method of allocation described in this chapter to the extent deemed advisable and practicable. A sum not to exceed 1% of such total annual or supplemental appropriation for the purposes of this chapter may be allocated to Thomas Edison State College for the administrative costs thereof.

37. Section 3 of P.L.1973, c.381 (C.18A:74-16) is amended to read as follows:

C.18A:74-16 Definitions relative to library construction.

3. For the purposes of this act unless the context clearly indicates otherwise:

- a. "Act" means the "New Jersey Library Construction Incentive Act."
- b. "Area" means all or part of one or more political subdivisions of the State of New Jersey.
- c. "Project," "construction project," "rehabilitation project," "expansion" or "acquisition," means a project which is eligible for a grant under regulations and standards promulgated under this act. When used alone, "project" means any construction, expansion, or rehabilitation project or acquisition.

d. "Public library" means a library that serves free of charges all residents of an area without discrimination and receives its financial support, in whole or in part, from public funds. "Public library" does not include any special-purpose library, such as a law, medical, school or academic library, which are organized to serve a special clientele or purpose.

e. "Authorized applicant" means a public library as defined in paragraph d. hereof.

f. "Eligible project costs" means costs incurred in a project approved by the President of Thomas Edison State College, a portion of which may be reimbursed.

g. "President" means the President of Thomas Edison State College.

h. "Fiscal year" means the period between July 1 of any calendar year and June 30 of the next succeeding calendar year.

38. Section 4 of P.L.1973, c.381 (C.18A:74-17) is amended to read as follows:

C.18A:74-17 Administration of act.

4. The administration of this act shall be governed by rules and regulations, recommended by the Advisory Council of the State Library, and promulgated by the State Librarian with the approval of the President of Thomas Edison State College.

39. Section 5 of P.L.1973, c.381 (C.18A:74-18) is amended to read as follows:

C.18A:74-18 Participation in grants.

5. In order to participate in any grant made according to the provisions of this act, the applicant shall comply with the rules and regulations adopted as provided in section 4 of this act. Application for grants under this act shall be made to the President on forms specified in said rules and regulations. Applications shall be approved by the President in accordance with said rules and regulations. The President is hereby empowered to withhold any grants from any public library which does not comply with said rules and regulations.

40. Section 6 of P.L.1973, c.381 (C.18A:74-19) is amended to read as follows:

C.18A:74-19 Reimbursement for project costs.

6. The President shall reimburse each authorized applicant whose application has been approved for a portion of its eligible project costs,

determined in accordance with the rules and regulations promulgated pursuant to this act.

41. Section 7 of P.L.1973, c.381 (C.18A:74-20) is amended to read as follows:

C.18A:74-20 Project costs eligible for grants.

7. The following project costs shall be eligible for grants, at the discretion of the President, when incurred after the date of project approval, or after such date as is indicated in paragraphs 3 and 5 of this section:

a. Construction of new buildings to be used for public library purposes.

b. Expansion, rehabilitation or acquisition of existing buildings to be used for public library purposes.

c. Expenses (other than interest and the carrying charge on bonds) related to the acquisition of land on which there is to be construction of new buildings or expansion of existing buildings to be used for public library purposes which are incurred within the three fiscal years preceding the fiscal year in which the project is approved by the President, provided such expenses constitute an actual cost or a transfer of public funds in accordance with the usual procedures generally applicable to all State and local agencies and institutions.

d. Site grading and improvement of land on which buildings used for public library purposes are located or are to be located.

e. Architectural, engineering, consulting and inspection services related to the specific project for which application for financial assistance is made, provided the costs of such services are incurred within three fiscal years preceding the year in which the project is approved by the President.

f. Expenses (other than interest and the carrying charges on bonds) related to the acquisition of existing buildings to be used for public library purposes, provided such expenses constitute an actual cost or a transfer of public funds in accordance with the usual procedures generally applicable to all State and local agencies and institutions.

g. Expenses relating to the acquisition and installation of initial equipment to be located in public library facilities, provided by a construction project, including all necessary building fixtures and utilities, office furniture and public library equipment, such as library shelving and filing equipment, card catalogs, cabinets, circulation desks, reading tables, study carrels, booklifts, elevators and information retrieval devices (but not books or other library materials).

42. Section 8 of P.L.1973, c.381 (C.18A:74-21) is amended to read as follows:

C.18A:74-21 Projects to be accessible, usable by handicapped persons.

8. The President shall require that projects constructed with the use of State funds under this act shall, to the extent appropriate be accessible to and usable by handicapped persons.

43. Section 9 of P.L.1973, c.381 (C.18A:74-22) is amended to read as follows:

C.18A:74-22 Credit to State for unused facilities, equipment, land.

9. Whenever public library facilities, items of equipment or land to which the State has contributed funds under this act are not used for the purposes authorized by the act, the President may require that the State be credited with its proportionate share of the fair market value of such facilities, equipment, or land. All moneys so credited shall be remitted to the Treasurer of the State of New Jersey. In no event, however, may the President require that the State be so credited when such facilities, equipment or land have been used in excess of 20 years for the purposes authorized by this act.

44. Section 4 of P.L.1956, c.108 (C.40:9A-4) is amended to read as follows:

C.40:9A-4 Standards for libraries.

4. The State Librarian, subject to the approval of the President of Thomas Edison State College, shall formulate and promulgate standards for the said federations of libraries to insure the public convenience in the use of such library services.

45. R.S.40:33-6 is amended to read as follows:

Establishment, maintenance of libraries.

40:33-6. Upon the adoption of the provisions of this article the board of chosen freeholders may contract with an existing library, or library board, within the county or the library commission of a county library already established and furnishing county library services in another county, for the establishment and maintenance of the county free library in accordance with the provisions of this article and subject to the rules and regulations of the board of chosen freeholders. No independently operated county library shall be established hereafter in any county unless a plan for the financing of the same, indicating the amount annually to be assessed, levied and collected in taxes for the establishment and thereafter for the maintenance,

thereof, shall be submitted to, and shall be approved as sufficient by, the head of the Library Development Bureau in the State Library.

46. R.S.40:33-8 is amended to read as follows:

County library commission.

40:33-8. The county library commission shall organize by the election of a chairman, and shall adopt rules and regulations for the establishment and maintenance of the county library. It shall employ a librarian, if any, as may be required, who shall hold appropriate certificates issued by the State Board of Examiners and such other employees as it shall deem necessary for the performance of its functions. It may purchase such supplies and equipment and incur such expenses as it may deem necessary to carry out the provisions of this article, but shall not incur expenses or make purchases in any fiscal year from public funds in excess of the appropriation for county library purposes for that year. In addition to its other powers, it may accept gifts, devises, legacies and bequests of property, real and personal, and hold and use the property and income of the same in any manner, which is lawful and consistent with the purpose for which the commission is created, and with the provisions of the conveyance, will or other instrument in or under which such gift, devise, legacy or bequest is made and may dispose of the same subject to the same conditions. It shall make an annual report to the financial officer of the county which shall include a statement setting forth in detail all county appropriations made to the library, other public revenues received by the library, all State aid received by the library, all expenditures made by the library and the balance of funds available. The report shall also include an analysis of the state and condition of the library and shall be sent to the county, governing body and to the State Library. The State Librarian, with the approval of the President of Thomas Edison State College, shall prescribe by regulation the form of all such reports.

47. Section 6 of P.L.1981, c.489 (C.40:33-13.2i) is amended to read as follows:

C.40:33-13.2i "Branch Development Option."

6. The option for reorganization of the county library system provided in this section shall be known as the "Branch Development Option" and shall govern the county library system of any county whose voters have adopted it pursuant to section 5 of this act.

a. The county library commission shall establish a branch of the county library in each municipality: (1) which is a member of the county library system upon the effective date of the reorganization of the system; and (2) in which the municipal governing body adopts a resolution

approving the establishment of a branch library. The county library commission may establish a joint branch library for two or more adjacent municipalities upon its determination that the library needs of such municipalities could best be served by a joint branch library, and upon the adoption by the governing bodies of all municipalities to be served thereby of joint resolutions, approving the establishment thereof. A branch library or a joint branch library established pursuant to this act shall conform to all standards promulgated by the State Library for branch libraries.

b. The county library commission shall assure that all branch or joint branch libraries agreed upon pursuant to subsection a. of this section are operating within three calendar years of the effective date of the reorganization of the county library system.

c. Any municipality which has agreed to the establishment of a branch library or joint branch library of the county library shall remain a member of the county library system for at least five years following the effective date of the reorganization of the county library system.

d. Any municipality which is a member of the county library system and whose governing body does not approve the establishment of a branch library or a joint branch library shall remain a member of the county library system until such time as it elects to withdraw from the system in the manner provided in chapter 33 of Title 40 of the Revised Statutes. The governing body of such a municipality may, by resolution, request that the county library establish a branch library or a joint branch library at any time following the effective date of the reorganization of the county library system, in the manner provided in subsection a.

48. Section 7 of P.L.1981, c.489 (C.40:33-13.2j) is amended to read as follows:

C.40:33-13.2j "Service Contract Option."

7. The option for reorganization of the county library system provided in this section shall be known as the "Service Contract Option" and shall govern the county library system of any county whose voters have adopted it pursuant to section 5 of this act.

a. The county library commission shall offer a contract to any of the municipalities identified by the county library study commission in its report to provide such municipalities with sufficient staff and materials to insure compliance with standards promulgated by the State Librarian, with the approval of the President of Thomas Edison State College, for library service in those municipalities. Municipalities shall accept or reject such contracts by resolution of the governing body.

Any municipality which accepts a contract shall determine an appropriate geographic location within the municipality for the staff and materials provided by the county library.

b. Any municipality which rejects a contract pursuant to this section and is a member of the county library system shall remain a member of the system until such time as it elects to withdraw from the system in the manner provided in chapter 33 of Title 40 of the Revised Statutes.

49. Section 8 of P.L.1981, c.489 (C.40:33-13.2k) is amended to read as follows:

C.40:33-13.2k "Tax Base Sharing Option."

8. The option for reorganization of the county library system provided in this section shall be known as the "Tax Base Sharing Option," and shall be available only to any county in which revenues from the dedicated county library tax established pursuant to R.S.40:33-9 or P.L.1977, c.300 (C.40:33-15 et seq.) have been derived from less than 75% of the total assessed property of the county in the calendar year prior to the establishment of the county library study commission. This option shall govern the county library system of any qualified county whose voters have adopted it pursuant to section 5 of this act.

a. The governing body of the county shall annually determine a sum sufficient to distribute among certain municipalities and the county according to the following formula:

$A = CBS + CRS + LRS$ where: A is the total tax pool to be distributed; CBS is the county base share and is determined as $.0000666 \times$ the apportionment valuation of the county; CRS is the county residual share and is determined as $(A - CBS) \times .60$; and LRS is the local residual share and is determined as $(A - CBS) \times .40$.

The county base share (CBS) shall be appropriated to the county library which shall receive no funds from the library tax provided for in R.S.40:33-9 or from the library tax established in P.L.1977, c.300 (C.40:33-15 et seq.). The local residual share (LRS) shall be distributed among those municipalities not members of the county library system on January 1, 1982. Each such municipality shall be apportioned an amount of those revenues in a proportion equal to the proportion which that municipality's apportionment valuation is of the apportionment valuation of all such municipalities. Any municipality receiving revenues from the tax base sharing option provided in this section shall appropriate those funds directly to the board of trustees of any library within its borders funded by the municipality in the calendar year prior to the reorganization of the county library system.

b. For each year following the reorganization of the county library system, the county library distribution (CBS + CRS) from the formula established in subsection a. of this section shall not be less than the appropriation made to the county library in the calendar year immediately prior to the reorganization of the county library system; provided, however, that in the first calendar year following the reorganization of the county library system, the county library shall receive an appropriation not less than an amount equal to the appropriation made to the county library in the calendar year preceding the reorganization of the system and not more than an amount equal to the prior year's appropriation plus 10% of that appropriation.

In each year following the reorganization of the county library system, the governing body of any municipality not a member of the county library system shall appropriate to any library in the municipality which was funded by the municipality prior to the reorganization of the county library system a sum of money not less than the average appropriation made to such libraries in the three years occurring immediately prior to the reorganization of the county library system. The governing body shall also provide any in-kind benefits or the cash equivalent thereof, which were provided to such libraries during that preceding period.

c. The county library shall receive State aid as provided in the "State Library Aid Law" (N.J.S.18A:74-1 et seq.) based on expenditures from the total appropriation from the tax base sharing option made to the county library and the total resident population of the county. Any library located within a municipality not a member of the county library system shall receive State aid as provided in the "State Library Aid Law" based on expenditures from the total appropriation made to the library from the municipality and from the portion of the local residual share received by the municipality as provided in subsection a. of this section. Any municipality which is a member of the county library system and which supports a library shall receive State aid as provided in the "State Library Aid Law" based on the total appropriation made by the municipality for library purposes.

d. The county library shall make all of its patron services available to all residents of the county. For the purpose of this act "patron services" means services rendered by a library directly to patrons as distinguished from those services rendered to other libraries. Patron services shall include circulation of library materials, reference assistance, and public programs.

e. A municipality which maintains a municipal public library within the county shall not dissolve its municipal public library for a period of two calendar years from the effective date of the reorganization of the county library system.

f. The county library commission may offer a service contract for library services to any municipality within the county for any library services performed by the county library. Any such contracts shall conform to the contracts established in section 7 of this act.

g. The county library study commission shall remain in existence for one calendar year after the effective date of such reorganization. It shall be the responsibility of the commission to evaluate the tax base sharing option and to determine if the appropriation for the county library system is sufficient to provide patron services to all residents of the county and that such services are in compliance with standards promulgated by the State Library for such libraries. The commission shall make a report of its findings to the county governing body within one calendar year of the reorganization of the county library system.

50. Section 11 of P.L.1981, c.489 (C.40:33-13.2n) is amended to read as follows:

C.40:33-13.2n Rules, regulations.

11. The State Librarian, with the approval of the President of Thomas Edison State College is authorized to promulgate, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), such rules and regulations as it deems necessary to effectuate the purposes of this act.

51. Section 3 of P.L.1962, c.134 (C.40:33-13.5) is amended to read as follows:

C.40:33-13.5 Amendment of regional library agreement; filing copy.

3. The regional library agreement may, from time to time, be amended or supplemented by the adoption of similar resolutions by all the boards of chosen freeholders of the participating counties. A copy of the original regional library agreement, of any amendments or supplements thereto and of the resolutions approving such agreement, amendments or supplements shall be filed with the State Librarian and with the Director of the Division of Local Government.

52. Section 12 of P.L.1962, c.134 (C.40:33-13.14) is amended to read as follows:

C.40:33-13.14 Agreements with municipalities not served by regional library.

12. The board of trustees may enter into agreements with the governing body of any municipality which is not then served by the regional library to increase or improve the library services available to the residents of said municipality or to the residents of the municipalities then served by the

regional library. Any such agreement shall specify the services to be rendered by the regional library and by the municipality and the amount and nature of payment of any consideration for such services. Any municipality may enter into such agreements with the board of trustees for periods of not more than five years and may renew such agreements for like periods.

No such agreement shall be concluded (a) without the approval of the boards of chosen freeholders of the counties participating in the regional library and, (b) in the event that the municipality maintains a municipal public library, without the approval of the board of trustees of such library. Such agreement may be amended and supplemented, from time to time, and a copy of such agreement, amendments and supplements, together with resolutions of the board of trustees approving such agreement, amendments and supplements, shall be filed with the State Librarian and with the Director of the Division of Local Government.

53. Section 5 of P.L.1985, c.541 (C.40:54-8.1) is amended to read as follows:

C.40:54-8.1 Limitation on increase in amount raised by taxation.

5. Any increase in the amount raised by taxation for the municipal library as required by R.S.40:54-8 shall not exceed the total amount expended by the municipality in the previous year plus 15% of the previous year's total expenditures for the maintenance of a free public library; except that the State Librarian is authorized to approve additional appropriations to any municipality that requests to appropriate an amount in excess of 15% of the previous year's total library expenditures.

54. R.S.40:54-12 is amended to read as follows:

Powers of board.

40:54-12. The board shall hold in trust and manage all property of the library. It may rent rooms, or, when proper, construct buildings for the use of the library, purchase books, pamphlets, documents, papers and other reading matter, hire librarians, and other necessary personnel, and fix their compensation, make proper rules and regulations for the government of the library, and generally do all things necessary and proper for the establishment and maintenance of the free public library in the municipality. The board may also transfer to and receive from other libraries books, magazines, prints, maps and other related library materials for the purpose of augmenting the interlibrary loan service.

55. R.S.40:54-15 is amended to read as follows:

Annual report.

40:54-15. The board of trustees shall make an annual report to the chief financial officer of the municipality which shall include a statement setting forth in detail all public revenues received by the library, all State aid received by the library, all expenditures made by the library and the balance of funds available. The annual report shall also include an analysis of the state and condition of the library and shall be sent to the municipal governing body and to the State Library. The State Librarian shall prescribe by regulation the form of all such reports.

56. Section 3 of P.L.1959, c.155 (C.40:54-29.5) is amended to read as follows:

C.40:54-29.5 Joint library agreement, filing.

3. After the introduction of an ordinance approving such joint library agreement, which may be incorporated by reference therein, such agreement shall be and remain on file for public inspection in the municipal clerk's office from the time of introduction of such ordinance and such ordinance shall so state. A copy of such ordinance and of the joint library agreement shall be filed with the State Librarian and the Director of the Division of Local Government. Subsequent amendments and supplements to such ordinance and agreement shall be filed in like manner.

57. Section 21 of P.L.1959, c.155 (C.40:54-29.23) is amended to read as follows:

C.40:54-29.23 Discontinuance.

21. When such discontinuance has been agreed upon or determined and if the governing body of the municipality proposing such discontinuance shall determine to proceed therewith,

(a) such governing body shall introduce an ordinance authorizing and directing the submission to the legal voters the question whether said municipality shall discontinue participation in the joint library pursuant to said agreement or determination, which agreement or determination may be incorporated by reference in said ordinance provided said agreement or determination shall be and remain on file in the office of the municipal clerk for public inspection;

(b) if said ordinance shall be adopted, a copy thereof and of said agreement or determination shall be filed with the Director of the Division of Local Government and the State Librarian; and

(c) the question of such discontinuance shall be submitted to the legal voters of such municipality at the next general election to be held therein not less than 40 days after the adoption of said ordinance, and said agreement

or determination shall remain on file in the office of the municipal clerk for public inspection pending such election.

C.18A:73-42.1 Rules for administration of State Library.

58. Unless provided for elsewhere to the contrary, the State Library, with the approval of the President of Thomas Edison State College, may promulgate, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), such rules as the State Librarian deems necessary for the administration of the State Library.

C.18A:73-38.1 Certain buildings to remain State property, use of property.

59. The State Library building located at 185 East State Street in Trenton, Mercer County, and the State Library for the Blind and Handicapped, located at 2300 Stuyvesant Avenue in Trenton, Mercer County, shall remain the property of the State of New Jersey. Each building shall be maintained by the Department of the Treasury and be entitled to all of the services provided to other State buildings in the Capitol Complex. Any additional costs incurred by the State Library for services at those buildings shall be paid by Thomas Edison State College from the direct State services portion of the annual appropriation for the State Library. The contents of the buildings, including but not limited to the furniture, equipment, State Library collection and library materials, shall be the property of the State of New Jersey, but shall be available to Thomas Edison State College for the use of the State Library and the employees thereof.

C.18A:73-43.4 Disbursement of funds appropriated for State Library to Thomas Edison State College.

60. a. The State Treasurer shall disburse to Thomas Edison State College the amount of funds appropriated in the direct State services portion of the annual appropriation for the State Library. The funds shall be paid to the college in four equal installments beginning on July 1 of each year. Thomas Edison State College shall deposit all such funds into separate accounts to be used solely for State Library purposes.

b. The State Treasurer shall disburse to Thomas Edison State College the amount of funds appropriated in the State aid portion of the annual appropriation for the State Library. The funds shall be paid to the college on a drawdown schedule to be prepared by Thomas Edison State College and approved by the Office of Management and Budget. Thomas Edison State College shall deposit all such funds into separate accounts to be used solely for State Library purposes.

c. Each year, Thomas Edison State College shall prepare and submit to the Office of Management and Budget in the Department of the Treasury a proposed budget for the operation of the State Library during the

following fiscal year at the same time that Thomas Edison State College prepares and submits to the Secretary of State for submission to Office of Management and Budget a proposed budget for the operation of the college during the following fiscal year.

d. Funds disbursed to Thomas Edison State College for the operations of the State Library, although maintained in separated accounts, shall be considered college funds for all purposes related to purchasing, including for the purposes of the "State College Contracts Law," P.L.1986, c.43 (C.18A:64-52 et seq.).

e. Thomas Edison State College is authorized to accept donations on behalf of the State Library and those donated funds shall be maintained in separate accounts to be used solely for State Library purposes.

f. Thomas Edison State College shall be entitled to use, solely for State Library purposes, the interest income from any public or private fund established to support the programs and services of the State Library to the extent permitted by law and the terms of the fund.

g. Thomas Edison State College shall conduct an independent financial audit of the State Library accounts each year, including accounts that receive federal funds, and shall submit copies of the same to the Department of the Treasury, with the cost of such audits funded from the direct State services portion of the annual appropriation for the State Library.

h. Thomas Edison State College shall be responsible for the maintenance of all financial records that involve the operations of the State Library, including those records that relate to federal funds.

61. All transfers directed by this act, except as otherwise provided herein, shall be made in accordance with the "State Agency Transfer Act," P.L.1971, c.375 (C.52:14D-1 et seq.).

Repealer.

62. Sections 14 and 27 of P.L.1969, c.158 (C.18A:73-29 and 18A:73-42) are repealed.

63. This act shall take effect immediately.

Approved July 2, 2001.

CHAPTER 138

AN ACT permitting local units to establish snow removal reserves and supplementing chapter 4 of Title 40A of the New Jersey Statutes.

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

C.40A:4-62.1 Snow removal reserves; permitted, rules, regulations.

1. a. A local unit may, by resolution, establish a snow removal reserve. Unexpended balances budgeted annually for snow removal may be lapsed into the reserve. Upon passage of a resolution of the governing body, funds in the reserve may be used for any purpose related to snow and ice removal by the local unit after current budget appropriations for that purpose have been expended.

b. 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.), in order to effectuate the purposes of this section.

2. This act shall take effect immediately.

Approved July 2, 2001.

CHAPTER 139

AN ACT concerning structured settlements.

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

C.2A:16-63 Short title.

1. This act shall be known and may be cited as the "Structured Settlement Protection Act."

C.2A:16-64 Definitions relative to structured settlements.

2. For the purposes of this act:

"Annuity issuer" means an insurer that has issued a contract to fund periodic payments under a structured settlement.

"Dependents" includes a payee's spouse and minor children and all other persons for whom the payee is legally obligated to provide support, including alimony.

"Discounted present value" means the present value of future payments determined by discounting those payments to the present using the most recently published applicable federal rate for determining the present value of an annuity, as issued by the United States Internal Revenue Service.

"Gross advance amount" means the sum payable to the payee or for the payee's account as consideration for a transfer of structured settlement

payment rights before any reductions for transfer expenses or other deductions to be made from that consideration.

"Independent professional advice" means advice of an attorney, certified public accountant, actuary or other licensed professional adviser.

"Interested parties" means, with respect to any structured settlement, the payee, any beneficiary irrevocably designated under the annuity contract to receive payments following the payee's death, the annuity issuer, the structured settlement obligor, and any other party that has continuing rights or obligations under the structured settlement.

"Net advance amount" means the gross advance amount less the aggregate amount of the actual and estimated transfer expenses required to be disclosed under subsection e. of section 3 of this act.

"Payee" means an individual who is receiving tax free payments under a structured settlement and proposes to make a transfer of payment rights thereunder.

"Periodic payments" includes both recurring payments and scheduled future lump sum payments.

"Qualified assignment agreement" means an agreement providing for a qualified assignment within the meaning of 26 U.S.C. s.130.

"Responsible administrative authority" means, with respect to a structured settlement, any government authority vested by law with exclusive jurisdiction over the settled claim resolved by the structured settlement.

"Settled claim" means the original tort claim or workers' compensation claim resolved by a structured settlement.

"Structured settlement" means an arrangement for periodic payment of damages for personal injuries or sickness established by settlement or judgment in resolution of a tort claim or for periodic payments in settlement of a workers' compensation claim.

"Structured settlement agreement" means the agreement, judgment, stipulation or release embodying the terms of a structured settlement.

"Structured settlement obligor" means, with respect to any structured settlement, the party that has the continuing obligation to make periodic payments to the payee under a structured settlement agreement or a qualified assignment agreement.

"Structured settlement payment rights" means rights to receive periodic payments under a structured settlement, whether from the structured settlement obligor or the annuity issuer, if:

(1) the payee is domiciled in, or the domicile or principal place of business of the structured settlement obligor or the annuity issuer is located in, this State; or

(2) the structured settlement agreement was approved by a court or responsible administrative authority in this State; or

(3) the structured settlement agreement is expressly governed by the laws of this State.

"Terms of the structured settlement" include, with respect to any structured settlement, the terms of the structured settlement agreement, the annuity contract, any qualified assignment agreement and any order or other approval of any court or responsible administrative authority or other government authority that authorized or approved the structured settlement.

"Transfer" means any sale, assignment, pledge, hypothecation or other alienation or encumbrance of structured settlement payment rights made by a payee for consideration; except that the term "transfer" does not include the creation or perfection of a security interest in structured settlement payment rights under a blanket security agreement entered into with an insured depository institution, in the absence of any action to redirect the structured settlement payments to the insured depository institution, or an agent or successor in interest thereof, or otherwise to enforce the blanket security interest against the structured settlement payment rights.

"Transfer agreement" means the agreement providing for a transfer of structured settlement payment rights.

"Transfer expenses" means all expenses of a transfer that are required under the transfer agreement to be paid by the payee or deducted from the gross advance amount, including, without limitation, court filing fees, attorneys' fees, escrow fees, lien recordation fees, judgment and lien search fees, finders' fees, commissions, and other payments to a broker or other intermediary; "transfer expenses" does not include preexisting obligations of the payee payable for the payee's account from the proceeds of a transfer.

"Transferee" means a party acquiring or proposing to acquire structured settlement payment rights through a transfer.

C.2A:16-65 Provision of separate disclosure statement to payee, contents.

3. Not less than three days prior to the date on which a payee signs a transfer agreement, the transferee shall provide to the payee a separate disclosure statement, in bold type no smaller than 14 points, setting forth:

a. the amounts and due dates of the structured settlement payments to be transferred;

b. the aggregate amount of the payments;

c. the discounted present value of the payments to be transferred, which shall be identified as the "calculation of current value of the transferred structured settlement payments under federal standards for valuing annuities" and the amount of the applicable federal rate used in calculating the discounted present value;

- d. the gross advance amount;
- e. an itemized listing of all applicable transfer expenses, other than attorneys' fees and related disbursements payable in connection with the transferee's application for approval of the transfer, and the transferee's best estimate of the amount of any of those fees and disbursements;
- f. the net advance amount;
- g. the amount of any penalties or liquidated damages payable by the payee in the event of any breach of the transfer agreement by the payee; and
- h. a statement that the payee has the right to cancel the transfer agreement, without penalty or further obligation, not later than the third business day after the date the agreement is signed by the payee.

C.2A:16-66 Approval required for payment.

4. No direct or indirect transfer of structured settlement payment rights shall be effective and no structured settlement obligor or annuity issuer shall be required to make any payment directly or indirectly to any transferee of structured settlement payment rights unless the transfer has been approved in advance in a final court order or order of a responsible administrative authority based on express findings by the court or responsible administrative authority that:

- a. the transfer is in the best interest of the payee, taking into account the welfare and support of the payee's dependents;
- b. the payee has been advised in writing by the transferee to seek independent professional advice regarding the transfer and has either received the advice or knowingly waived the right to seek that advice in writing; and
- c. the transfer does not contravene any applicable statute or the order of any court or other government authority.

C.2A:16-67 Procedures following transfer.

5. Following a transfer of structured settlement payment rights under this act:

a. The structured settlement obligor and the annuity issuer shall, as to all parties except the transferee, be discharged and released from any and all liability for the transferred payments;

b. The transferee shall be liable to the structured settlement obligor and the annuity issuer:

(1) if the transfer contravenes the terms of the structured settlement, for any taxes incurred by those parties as a consequence of the transfer; and

(2) for any other liabilities or costs, including reasonable costs and attorneys' fees, arising from compliance by those parties with the order of the court or responsible administrative authority or arising as a consequence of the transferee's failure to comply with this act;

c. Neither the annuity issuer nor the structured settlement obligor shall be required to divide any periodic payment between the payee and any transferee or assignee or between two or more transferees or assignees; and

d. Any further transfer of structured settlement payment rights by the payee shall be made in compliance with all of the requirements of this act.

C.2A:16-68 Application for approval of transfer, procedure.

6. a. An application under this act to a court or responsible administrative authority for approval of a transfer of structured settlement payment rights shall be made by the transferee and may be brought in the jurisdiction in which the payee resides, in the jurisdiction in which the structured settlement obligor or the annuity issuer maintains its principal place of business, or in any court or before any responsible administrative authority which approved the structured settlement agreement.

b. Not less than 20 days prior to the scheduled hearing on any application for approval of a transfer of structured settlement payment rights under section 4 of this act, the transferee shall file with the court or responsible administrative authority and serve on all interested parties a notice of the proposed transfer and the application for its authorization, including with the notice:

(1) a copy of the transferee's application;

(2) a copy of the transfer agreement;

(3) a copy of the disclosure statement required under section 3 of this act;

(4) a listing of each of the payee's dependents, together with each dependent's age;

(5) notification that any interested party is entitled to support, oppose or otherwise respond to the transferee's application, either in person or by counsel, by submitting written comments to the court or responsible administrative authority or by participating in the hearing; and

(6) notification of the time and place of the hearing and notification of the manner in which, and the time by which, written responses to the application shall be filed, which shall be not less than 15 days after service of the transferee's notice, in order to be considered by the court or responsible administrative authority.

C.2A:16-69 Provisions of act not waivable; controlling law; prohibitions.

7. a. The provisions of this act shall not be waived by any payee.

b. Any transfer agreement entered into on or after the effective date of this act by a payee who resides in this State shall provide that disputes under the transfer agreement, including any claim that the payee has breached the agreement, shall be determined in and under the laws of this State. No

transfer agreement shall authorize the transferee or any other party to confess judgment or consent to entry of judgment against the payee.

c. No transfer of structured settlement payment rights shall extend to any payments that are life-contingent unless, prior to the date on which the payee signs the transfer agreement, the transferee has established and has agreed to maintain procedures reasonably satisfactory to the annuity issuer and the structured settlement obligor for: (1) periodically confirming the payee's survival; and (2) giving the annuity issuer and the structured settlement obligor prompt written notice in the event of the payee's death.

d. No payee who proposes to make a transfer of structured settlement payment rights shall incur any penalty, forfeit any application fee or other payment, or otherwise incur any liability to the proposed transferee or any assignee based on any failure of the transfer to satisfy the conditions of this act.

e. Nothing contained in this act shall be construed to authorize any transfer of structured settlement payment rights in contravention of any law or to imply that any transfer under a transfer agreement entered into prior to the effective date of this act is valid or invalid.

f. Compliance with the requirements set forth in section 3 of this act and fulfillment of the conditions set forth in section 4 of this act shall be solely the responsibility of the transferee in any transfer of structured settlement payment rights, and neither the structured settlement obligor nor the annuity issuer shall bear any responsibility for, or any liability arising from, non-compliance with those requirements or failure to fulfill those conditions.

8. This act shall take effect on the 30th day following enactment and shall apply to any transfer of structured settlement payment rights under a transfer agreement entered into on or after the effective date of this act; provided, however, that nothing contained herein shall imply that any transfer under a transfer agreement reached prior to that date is either effective or ineffective.

Approved July 2, 2001.

CHAPTER 140

AN ACT concerning the distribution of certain municipal revenues to real property taxpayers and supplementing chapter 4 of Title 40A of the New Jersey Statutes.

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

C.40A:4-27.3 Distribution of certain municipal revenues to real property taxpayers; definitions.

1. a. The governing body of a municipality, by resolution, may determine to distribute receipts from a miscellaneous revenue to the real property taxpayers of the municipality during the current local budget year. The distribution shall take the form of a credit against the taxes assessed against each taxable line item on the tax list for the current tax year. The amount of the credit, which shall not be less than 0.10 cent, shall be an amount that is proportional to the ratio of the assessed value of each taxable line item over the taxable value of all real property in the municipality, as determined by the county tax board.

b. For the purposes of this section:

"Reimbursement amount" means a sum of money equal to a credit against taxes distributed pursuant to subsection a. of this section to the landlord of a multifamily dwelling and shall be considered a property tax reduction for the purposes of the "Tenants' Property Tax Rebate Act," P.L.1976, c.63 (C.54:4-6.2 et seq.).

c. When a reimbursement amount is received by the landlord of a multifamily dwelling pursuant to subsection a. of this section, the reimbursement amount shall be considered a "property tax reduction" as defined in section 2 of the "Tenants' Property Tax Rebate Act," P.L.1976, c.63 (C.54:4-6.3), and shall be distributed in the same manner as distributions or credits are made under the "Tenants' Property Tax Rebate Act," P.L.1976, c.63 (C.54:4-6.2 et seq.).

d. In addition to any regulations promulgated pursuant to the "Tenants' Property Tax Rebate Act," P.L.1976, c.63 (C.54:4-6.2 et seq.), the Director of the Division of Local Government Services in the Department of Community Affairs shall provide, through rules, regulations and forms adopted pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), that reimbursement distributions or credit received by tenants under P.L.2001, c.140 (C.40A:4-27.3) shall be provided to tenants as a tenant property tax rebate.

2. This act shall take effect immediately.

Approved July 2, 2001.

CHAPTER 141

AN ACT concerning the parole board, amending P.L.1979, c.441 and making an appropriation.

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

1. Section 3 of P.L.1979, c.441 (C.30:4-123.47) is amended to read as follows:

C.30:4-123.47 State Parole Board.

3. a. There is hereby created and established within the Department of Corrections a State Parole Board which shall consist of a chairman, 14 associate members and three alternate board members. The chairman, associate members and alternate board members shall be appointed by the Governor with the advice and consent of the Senate from qualified persons with training or experience in law, sociology, criminal justice, juvenile justice or related branches of the social sciences. Members of the board and the alternate board members shall be appointed for terms of six years and the terms of their successors shall be calculated from the expiration of the incumbent's term. Members shall serve until their successors are appointed and have qualified.

The Governor shall designate a vice-chairman from among the associate members. The vice-chairman shall assume the duties of the chairman when the chairman is absent, unavailable or otherwise unable to perform his duties, or, in the case of removal or a permanent incapacity, until the qualification of a successor chairman appointed by the Governor.

Any alternate board member may assume the duties of an associate member when the associate member is absent, unavailable or otherwise unable to perform his duties, or the associate member assumes the duties of the chairman, and shall perform those duties only until the associate resumes his duties, or, in the case of removal or a permanent incapacity, the qualification of a successor appointed by the Governor.

b. (1) Any vacancy occurring in the membership of the board, otherwise than by expiration of term, shall be filled in the same manner as one occurring by expiration of term, but for the unexpired term only. Any member of the board, including any alternate board member, may be removed from office by the Governor for cause.

(2) Upon certification of the chairman that additional parole panels are needed on a temporary basis for the efficient processing of parole decisions, the Governor also may appoint not more than four temporary acting parole

board members from qualified persons with training or experience in law, sociology, criminal justice, juvenile justice or related branches of the social sciences. A temporary acting member shall be appointed for a term of three months. The Governor may extend the appointment of any or all of the temporary acting members for additional terms of three months, upon certification of the chairman that additional parole panels are needed on a temporary basis for the efficient processing of parole decisions. A temporary acting member shall be authorized to participate in administrative review of initial parole hearing decisions, parole consideration hearings and determinations concerning revocation or rescission of parole.

c. The members of the board shall devote their full time to the performance of their duties and be compensated pursuant to section 2 of P.L.1974, c.55 (C.52:14-15.108). Any alternate member and any temporary acting members shall be entitled to compensation. The amount of such compensation shall be determined by multiplying the rate an associate member would be paid on a per diem basis times the number of days the alternate board member or temporary acting member actually performed the duties of an associate member in accordance with the provisions of this section.

d. At the time of appointment, the Governor shall designate two associate members of the board to serve on a panel on juvenile commitments. The remaining 12 associate members of the board shall be appointed by the Governor to panels on adult sentences and assigned by the chairman of the board to six panels on adult sentences. The chairman of the board shall be a member of each panel. Nothing provided herein shall prohibit the chairman from reassigning any member appointed to a panel on adult sentences to facilitate the efficient function of the board. Nothing provided herein shall prohibit the chairman from temporarily reassigning any member appointed to a panel on juvenile commitments to a panel on adult sentences or a panel on young adult sentences to facilitate the efficient function of the board. The alternate board member may assume, in accordance with the provisions of this section, the duties of any associate member, regardless of whether that associate member serves on a panel on juvenile commitments or panels on adult sentences. The chairman may assign a temporary acting member to a panel on adult sentences or juvenile commitments.

e. Of the associate members first appointed to the four positions created pursuant to the provisions of P.L.2001, c.141, one shall be appointed for a term of six years; one shall be appointed for a term of five years; one shall be appointed for a term of four years and one shall be appointed for a term of three years.

2. Section 4 of P.L.1979, c.441 (C.30:4-123.48) is amended to read as follows:

C.30:4-123.48 Policies, determinations of parole board.

4. a. All policies and determinations of the Parole Board shall be made by the majority vote of the members.

b. Except where otherwise noted, parole determinations on individual cases pursuant to this act shall be made by the majority vote of a quorum of the appropriate board panel established pursuant to this section.

c. The chairman of the board shall be the chief executive officer of the board and, after consulting with the board, shall be responsible for designating the time and place of all board meetings, for appointing the board's employees, for organizing, controlling and directing the work of the board and its employees, and for preparation and justification of the board's budget. Hearing officers and such other positions as are designated by the Commissioner of the Department of Personnel shall serve at the pleasure of the chairman and shall not be subject to the provisions of Title 11A of the New Jersey Statutes. All other employees shall be in the career service and subject to the provisions of Title 11A of the New Jersey Statutes. All such career service employees who are employed by the State Parole Board on September 5, 2001 shall have permanent career service status with seniority awarded from the date of their appointments. Parole officers assigned to supervise adult parolees and all supervisory titles associated with the supervision of adult parolees in the parole officer series shall be classified employees subject to the provisions of Title 11A of the New Jersey Statutes. Parole officers assigned to supervise adult parolees and all supervisory titles associated with the supervision of adult parolees in the parole officer job classification series shall be organizationally assigned to the State Parole Board with a sworn member of the Division of Parole appointed to act as director of parole supervision. The director of parole supervision shall report directly to the Chairman of the State Parole Board or to such person as the chairman may designate.

d. The board shall promulgate such reasonable rules and regulations, consistent with this act, as may be necessary for the proper discharge of its responsibilities. The chairman shall file such rules and regulations with the Secretary of State. The provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) shall apply to the promulgation of rules and regulations concerning policy and administration, but not to other actions taken under this act, such as parole hearings, parole revocation hearings and review of parole cases. In determination of its rules and regulations concerning policy and administration, the board shall consult the Governor, the Commissioner of Corrections and the Juvenile Justice

Commission established pursuant to section 2 of P.L.1995, c.284 (C.52:17B-170).

e. The board, in conjunction with the Department of Corrections and the Juvenile Justice Commission, shall develop a uniform information system in order to closely monitor the parole process. Such system shall include participation in the Uniform Parole Reports of the National Council on Crime and Delinquency.

f. The board shall transmit a report of its work for the preceding fiscal year, including information on the causes and extent of parole recidivism, to the Governor, the Legislature and the Juvenile Justice Commission annually. The report also may include relevant information on compliance with established time frames in the processing of parole eligibility determinations, the effectiveness of any pertinent legislative or administrative measures, and any recommendations to enhance board operations or to effectuate the purposes of the "Parole Act of 1979," P.L.1979, c.441 (C.30:4-123.45 et seq.).

g. The board shall give public notice prior to considering any adult inmate for release.

h. The board shall give notice to the appropriate prosecutor's office and to the committing court prior to the initial consideration of any juvenile inmate for release.

3. Section 10 of P.L.1979, c.441 (C.30:4-123.54) is amended to read as follows:

C.30:4-123.54 Report prior to parole eligibility date.

10. a. At least 120 days but not more than 180 days prior to the parole eligibility date of each adult inmate, a report concerning the inmate shall be filed with the appropriate board panel, by the staff members designated by the superintendent or other chief executive officer of the institution in which the inmate is held.

b. (1) The report filed pursuant to subsection a. shall contain preincarceration records of the inmate, including any history of civil commitment, any disposition which arose out of any charges suspended pursuant to N.J.S.2C:4-6 including records of the disposition of those charges and any acquittals by reason of insanity pursuant to N.J.S.2C:4-1, state the conduct of the inmate during the current period of confinement, include a complete report on the inmate's social and physical condition, include an investigation by the Division of Parole of the inmate's parole plans, and present information bearing upon the likelihood that the inmate will commit a crime under the laws of this State if released on parole. The report shall also include a complete psychological evaluation of the inmate

in any case in which the inmate was convicted of a first or second degree crime involving violence and:

(a) the inmate has a prior acquittal by reason of insanity pursuant to N.J.S.2C:4-1 or had charges suspended pursuant to N.J.S.2C:4-6; or

(b) the inmate has a prior conviction for murder pursuant to N.J.S.2C:11-3, aggravated sexual assault or sexual assault pursuant to N.J.S.2C:14-2, kidnapping pursuant to N.J.S.2C:13-1, endangering the welfare of a child which would constitute a crime of the second degree pursuant to N.J.S.2C:24-4, or stalking which would constitute a crime of the third degree pursuant to P.L.1992, c.209 (C.2C:12-10); or

(c) the inmate has a prior diagnosis of psychosis.

The inmate shall disclose any information concerning any history of civil commitment.

The preincarceration records of the inmate contained in the report shall include any psychological reports prepared in connection with any court proceedings.

(2) At the time of sentencing, the prosecutor shall notify any victim injured as a result of a crime of the first or second degree or the nearest relative of a murder victim of the opportunity to present a written or videotaped statement for the parole report to be considered at the parole hearing or to testify to the parole board concerning his harm at the time of the parole hearing. Each victim or relative shall be responsible for notifying the board of his intention to submit such a statement and to provide an appropriate mailing address.

The report may include a written or videotaped statement concerning the continuing nature and extent of any physical harm or psychological or emotional harm or trauma suffered by the victim, the extent of any loss of earnings or ability to work suffered by the victim and the continuing effect of the crime upon the victim's family. At the time public notice is given that an inmate is being considered for parole pursuant to this section, the board shall also notify any victim or nearest relative who has previously contacted the board of the availability to provide a written or videotaped statement for inclusion in the parole report or to present testimony at the parole hearing.

The board shall notify such person at his last known mailing address.

c. A copy of the report filed pursuant to subsection a. of this section, excepting those documents which have been classified as confidential pursuant to rules and regulations of the board or the Department of Corrections, shall be served on the inmate at the time it is filed with the board panel. The inmate may file with the board panel a written statement regarding the report, but shall do so within 105 days prior to the primary parole eligibility date.

d. Upon receipt of the public notice pursuant to section 1 of P.L.1979, c.441 (C.30:4-123.45), a county prosecutor may request from the parole board a copy of the report on any adult inmate prepared pursuant to subsection a. of this section, which shall be expeditiously forwarded to the county prosecutor by the parole board by mail, courier, or other means of delivery. Upon receipt of the report, the prosecutor has 10 working days to review the report and notify the parole board of the prosecutor's comments, if any, or notify the parole board of the prosecutor's intent to provide comments. If the county prosecutor does not provide comments or notify the parole board of the prosecutor's intent to provide comments within the 10 working days, the parole board may presume that the prosecutor does not wish to provide comments and may proceed with the parole consideration. Any comments provided by a county prosecutor shall be delivered to the parole board by the same method by which the county prosecutor received the report. The confidentiality of the contents in a report which are classified as confidential shall be maintained and shall not be disclosed to any person who is not authorized to receive or review a copy of the report containing the confidential information.

e. Any provision of this section to the contrary notwithstanding, the board shall by rule or regulation modify the scope of the required reports and time periods for rendering such reports with reference to county penal institutions.

f. Notwithstanding any provision of this section, the board may modify the time periods for submitting the reports required pursuant to this section in processing an inmate whose parole eligibility date is accelerated pursuant to section 11 of P.L.1979, c.441 (C.30:4-123.55).

4. Section 11 of P.L.1979, c.441 (C.30:4-123.55) is amended to read as follows:

C.30:4-123.55 Review of reports, risk assessment, inmate's statement; certification, denial of parole; hearing.

11. a. Prior to the parole eligibility date of each adult inmate, a designated hearing officer shall review the reports required by section 10 of P.L.1979, c.441 (C.30:4-123.54), and shall determine whether there is a basis for denial of parole in the preparole report, any risk assessment prepared in accordance with the provisions of subsection e. of section 8 of P.L.1979, c.441 (C.30:4-123.52), or the inmate's statement, or an indication, reduced to writing, that additional information providing a basis for denial of parole would be developed or produced at a hearing. If the hearing officer determines that there is no basis in the preparole report, the risk assessment, or the inmate's statement for denial of parole and that there is no additional

relevant information to be developed or produced at a hearing, he shall at least 60 days prior to the inmate's parole eligibility date recommend in writing to the assigned member of the board panel that parole release be granted.

b. If the assigned member of the board panel or in the case of an inmate sentenced to a county penal institution, the assigned member concurs in the hearing officer's recommendation, he shall certify parole release pursuant to section 15 of P.L.1979, c.441 (C.30:4-123.59) as soon as practicable after the eligibility date and so notify the inmate and the board. In the case of an inmate sentenced to a county penal institution the board shall certify parole release or deny parole as provided by this section, except with regard to time periods for notice and parole processing which are authorized by or otherwise adopted pursuant to subsection g. of section 7 of P.L.1979, c.441 (C.30:4-123.51). If the designated hearing officer does not recommend release on parole or if the assigned member does not concur in a recommendation of the designated hearing officer in favor of release, then the parole release of an inmate in a county penal institution shall be treated under the provisions of law otherwise applicable to an adult inmate. In the case of an inmate sentenced to a county penal institution, the performance of public service for the remainder of the term of the sentence shall be a required condition of parole, where appropriate.

c. If the hearing officer or the assigned member determines that there is a basis for denial of parole, or that a hearing is otherwise necessary, the hearing officer or assigned member shall notify the appropriate board panel and the inmate in writing of his determination, and of a date for a parole consideration hearing. The board panel shall notify the victim of the crime, if the crime for which the inmate is incarcerated was a crime of the first or second degree, or the victim's nearest relative if the crime was murder, as appropriate, who was previously contacted by the board and who has indicated his intention to the board to testify at the hearing, of the opportunity to testify or submit written or videotaped statements at the hearing. Said hearing shall be conducted by the appropriate board panel at least 30 days prior to the eligibility date. At the hearing, which shall be informal, the board panel shall receive as evidence any relevant and reliable documents or videotaped or in person testimony, including that of the victim of the crime or the members of the family of a murder victim if the victim or a family member so desires. If a victim of a crime or the relative of a murder victim chooses not to testify personally at the hearing, the victim or relative may elect to present testimony to a senior hearing officer designated by the board panel. The senior hearing officer shall notify the victim of the right to have this testimony videotaped. The senior hearing officer shall prepare a report, transcript or videotape, if applicable, of the testimony for presenta-

tion to the board panel at the hearing. All such evidence not classified as confidential pursuant to rules and regulations of the board or the Department of Corrections shall be disclosed to the inmate and the inmate shall be permitted to rebut such evidence and to present evidence on his own behalf. The decision of the board panel shall be based solely on the evidence presented at the hearing.

d. At the conclusion of the parole consideration hearing, the board panel shall either (1) certify the parole release of the inmate pursuant to section 15 of this act as soon as practicable after the eligibility date and so notify the inmate and the board, or (2) deny parole and file with the board within 30 days of the hearing a statement setting forth the decision, the particular reasons therefor, except information classified as confidential pursuant to rules and regulations of the board or the Department of Corrections, a copy of which statement shall be served upon the inmate together with notice of his right to appeal to the board.

e. Upon request by the hearing officer or the inmate, the time limitations contained in section 10 of P.L.1979, c.441 (C.30:4-123.54) and this section may be waived by the appropriate board panel for good cause.

f. Notwithstanding the provision of any other law to the contrary, if an inmate incarcerated for murder is recommended for parole by the assigned board member or the appropriate board panel, parole shall not be certified until a majority of the full parole board, after conducting a hearing, concurs in that recommendation. The board shall notify the victim's family of that hearing and family members shall be afforded the opportunity to testify in person or to submit written or videotaped statements. The provisions of this subsection shall not apply to an inmate who has his parole revoked and is returned to custody pursuant to the provisions of section 19 of P.L.1979, c.441 (C.30:4-123.63).

g. Notwithstanding the provision of any other law or regulation to the contrary, the board may promulgate rules and regulations for the processing of any inmate whose parole eligibility date is accelerated. For purposes of this section, a parole eligibility date is accelerated when an inmate becomes eligible for parole at the time of or within 120 days of an event or circumstance beyond the control of the parole board, such as sentencing, resentencing or other amendment, including the awarding of additional credit to the original sentence, restoration of authorized institutional time credits or the application of authorized institutional time credits on a future eligibility date established pursuant to subsection a. of section 12 of P.L.1979, c.441 (C.30:4-123.56) or subsection a. of section 20 of P.L.1979, c.441 (C.30:4-123.64). The rules and regulations shall provide for the preparation and review of a preparole report and shall require that a parole consideration hearing be held not more than 120 days after the board has

received notice that an accelerated parole eligibility date has been established.

5. Section 16 of P.L.1979, c.441 (C.30:4-123.60) is amended to read as follows:

C.30:4-123.60 Violation of parole conditions.

16. a. Any parolee who violates a condition of parole may be subject to an order pursuant to section 17 of P.L.1979, c.441 (C.30:4-123.61) providing for one or more of the following: (1) That he be required to conform to one or more additional conditions of parole; (2) That he forfeit all or a part of commutation time credits granted pursuant to R.S.30:4-140.

b. Any parolee who has seriously or persistently violated the conditions of his parole, may have his parole revoked and may be returned to custody pursuant to sections 18 and 19 of P.L.1979, c.441 (C.30:4-123.62 and 30:4-123.63). The board shall be notified immediately upon the arrest or indictment of a parolee or upon the filing of charges that the parolee committed an act which, if committed by an adult, would constitute a crime. The board shall not revoke parole on the basis of new charges which have not resulted in a disposition at the trial level except that upon application by the prosecuting authority, the Juvenile Justice Commission established pursuant to section 2 of P.L.1995, c.284 (C.52:17B-170) or the Director of the State Parole Board's Division of Parole or his designee, the chairman of the board or his designee may at any time detain the parolee and commence revocation proceedings pursuant to sections 18 and 19 of P.L.1979, c.441 (C.30:4-123.62 and 30:4-123.63) when the chairman determines that the new charges against the parolee are of a serious nature and it appears that the parolee otherwise poses a danger to the public safety. In such cases, a parolee shall be informed that, if he testifies at the revocation proceedings, his testimony and the evidence derived therefrom shall not be used against him in a subsequent criminal prosecution or delinquency adjudication.

c. Any parolee who is convicted of a crime or adjudicated delinquent for an act which, if committed by an adult, would constitute a crime, committed while on parole shall have his parole revoked and shall be returned to custody unless the parolee demonstrates, by clear and convincing evidence at a hearing pursuant to section 19 of P.L.1979, c.441 (C.30:4-123.63), that good cause exists why he should not be returned to confinement.

6. There is appropriated from the General Fund to the Department of Corrections for the State Parole Board \$685,000 to effectuate the purposes of this act. Of this amount, \$462,000 shall be used for the salaries of four

additional board members and two administrative assistants, \$115,500 for employee benefits and \$90,000 for equipment and administrative costs.

7. This act shall take effect immediately

Approved July 2, 2001.

CHAPTER 142

AN ACT concerning the five-day grace period for the payment of rent by certain renters and amending P.L.1976, c.100.

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

1. Section 1 of P.L.1976, c.100 (C.2A:42-6.1) is amended to read as follows:

C.2A:42-6.1 Grace period for payment of rent.

1. A person to whom rent is due and payable on the first of the month upon a lease or other agreement shall allow a period of five business days grace in which the rent due shall be paid. No delinquency or other late charge shall be made which includes the grace period of five business days.

As used in this section, "business day" means any day other than a Saturday, Sunday or State or federal holiday.

2. Section 3 of P.L.1976, c.100 (C.2A:42-6.3) is amended to read as follows:

C.2A:42-6.3 Applicability of act.

3. The provisions of this act shall only be applicable to premises rented or leased by senior citizens receiving Social Security Old Age Pensions, Railroad Retirement Pensions or other governmental pensions in lieu of Social Security Old Age Pensions, and by recipients of Social Security Disability Benefits, Supplemental Security Income or benefits under Work First New Jersey.

3. This act shall take effect immediately.

Approved July 10, 2001.

CHAPTER 143

AN ACT concerning the solemnization of marriages and amending R.S.37:1-13.

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

1. R.S.37:1-13 is amended to read as follows:

Authorization to solemnize marriages.

37:1-13. Each judge of the United States Court of Appeals for the Third Circuit, each judge of a federal district court, United States magistrate, judge of a municipal court, judge of the Superior Court, judge of a tax court, retired judge of the Superior Court or Tax Court, or judge of the Superior Court or Tax Court, the former County Court, the former County Juvenile and Domestic Relations Court, or the former County District Court who has resigned in good standing, surrogate of any county, county clerk and any mayor or the deputy mayor when authorized by the mayor, or chairman of any township committee or village president of this State, and every minister of every religion, are hereby authorized to solemnize marriage between such persons as may lawfully enter into the matrimonial relation; and every religious society, institution or organization in this State may join together in marriage such persons according to the rules and customs of the society, institution or organization.

2. This act shall take effect immediately.

Approved July 10, 2001.

CHAPTER 144

AN ACT concerning certain trusts and supplementing Title 3B of the New Jersey Statutes.

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

C.3B:11-38 Trust funds for pets recognized as valid.

1. a. A trust for the care of a domesticated animal is valid. The intended use of the principal or income may be enforced by a person designated for that purpose in the trust instrument, a person appointed by the

New Jersey State Library

court, or a trustee. The trust shall terminate when no living animal is covered by the trust, or at the end of 21 years, whichever occurs earlier.

b. Except as expressly provided otherwise in the trust instrument, no portion of the trust's principal or income may be converted to the use of the trustee or to any use other than for the benefit of the animal designated in the trust.

c. Upon termination of the trust, the trustee shall transfer the unexpended trust property as directed in the trust instrument. If no directions for such transfer exist, the property shall pass to the estate of the creator of the trust.

d. The court may reduce the amount of the property transferred if it determines that the amount substantially exceeds the amount required for the intended use. The amount of any reduction shall be transferred as directed in the trust instrument or, if no such directions are contained in the trust instrument, to the estate of the creator of the trust.

e. If no trustee is designated or if no designated trustee is willing or able to serve, a court shall appoint a trustee and may make such other orders and determinations as are advisable to carry out the intent of the creator of the trust and the purpose of this act.

2. This act shall take effect immediately.

Approved July 10, 2001.

CHAPTER 145

AN ACT concerning liability for underground storage tank facilities under certain circumstances and amending P.L. 1993, c. 112.

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

1. Section 3 of P.L. 1993, c. 112 (C.58:10-23.11g6) is amended to read as follows:

C.58:10-23.11g6 Status and liability of holders after foreclosure.

3. The indicia of ownership, held after foreclosure, continue to be maintained primarily as a protection for a security interest provided that the holder did not participate in management prior to foreclosure and that the holder undertakes to sell, re-lease property held pursuant to a lease financing transaction (whether by a new lease financing transaction or substitution of

the lessee) or otherwise divest itself of the vessel, facility, or underground storage tank facility in a reasonably expeditious manner in accordance with the means and procedures specified in this section. Such a holder may liquidate, maintain business operations, undertake environmental response actions pursuant to State and federal law, and take measures to preserve, protect or prepare the secured asset prior to sale or other disposition, without losing status as a person who maintains indicia of ownership primarily to protect a security pursuant to section 2 of P.L.1993, c.112 (C.58:10-23.11g5).

a. For purposes of establishing that a holder is seeking to sell, re-lease property held pursuant to a new lease financing transaction (whether by a new lease financing transaction or substitution of the lessee), or divest a vessel, facility, or underground storage tank facility in a reasonably expeditious manner, the holder may use whatever commercially reasonable means are relevant or appropriate with respect to the vessel, facility, or underground storage tank facility, or may employ the means specified in this section.

b. (1) A holder that outbids, rejects or fails to act upon a written bona fide, firm offer of fair consideration within 90 days of receipt of the offer, and which offer is received at any time after six months following the date of foreclosure, shall not be deemed to be using a commercially reasonable means for the purpose of this section. A "written bona fide, firm offer" means a legally enforceable, commercially reasonable, cash offer solely for the foreclosed vessel, facility, or underground storage tank facility, including all material terms of the transaction, from a ready, willing, and able purchaser who demonstrates to the holder's satisfaction the ability to perform. For purposes of this subsection, the six-month period begins to run from the time that the holder acquires a marketable title, provided that the holder, after the expiration of any redemption or other waiting period provided by law, was acting diligently to acquire marketable title.

(2) A holder that outbids, rejects, or fails to act upon an offer of fair consideration for the vessel, facility, or underground storage tank facility within the 90-day period, establishes that the ownership indicia in the secured property are not held primarily to protect the security interest, unless the holder is required, in order to avoid liability under federal or State law, to make a higher bid, to obtain a higher offer, or to seek or obtain an offer in a different manner.

c. A holder establishes that it is proceeding in a commercially reasonable manner after foreclosure by, within 12 months following foreclosure, listing the vessel, facility, or underground storage tank facility with a broker, dealer, or agent who deals with the type of property in question, or by advertising the vessel, facility, or underground storage tank

facility as being for sale or disposition on at least a monthly basis in either a real estate publication or a trade or other publication suitable for the vessel, facility, or underground storage tank facility in question, or a newspaper of general circulation (defined as one with a circulation over 10,000, or one suitable under any applicable federal, State, or local rules of court for publication required by court order or rules of civil procedure) covering the area where the property is located. For purposes of this subsection, the 12-month period begins to run from the time that the holder acquires marketable title, provided that the holder, after the expiration of any redemption or other waiting period provided by law, was acting diligently to acquire marketable title.

d. A holder shall sell, re-lease the property held pursuant to a new lease financing transaction, or otherwise divest such vessel, facility, or underground storage tank facility in a reasonably expeditious manner, but not later than five years after the date of foreclosure, except that a holder may continue to hold the property for a time period longer than five years without losing status as a person who maintains indicia of ownership primarily to protect a security interest if (1) the holder has made a good faith effort to sell, re-lease or otherwise divest itself of the property using commercially reasonable means or other procedures prescribed by this act; (2) the holder has obtained any approvals required pursuant to applicable federal or State banking or other lending laws to continue its possession of the property; and (3) the holder has exercised reasonable custodial care to prevent or mitigate any new discharges from the vessel, facility, or underground storage tank facility that could substantially diminish the market value of the property.

e. (1) The exemption granted to holders pursuant to this section shall not apply to the liability for any new discharge from the vessel, facility, or underground storage tank facility, occurring after the date of foreclosure, that is caused by acts or omissions of the holder which can be shown, based on a preponderance of the evidence, to have been negligent. In the event a property has both preexisting and new discharges, the liability, if any, allocable to the holder pursuant to this subsection shall be limited to those cleanup costs or damages that relate directly to the new discharge. In the event there is a substantial commingling of a new discharge with a preexisting discharge, the liability, if any, allocable to the holder pursuant to this subsection shall be limited to the cleanup costs or damages in excess of those cleanup costs or damages relating to the preexisting discharge.

In order to establish that a discharge occurred or began prior to the date of foreclosure, a holder may perform, but shall not be required to perform, an environmental audit, in accordance with any applicable Department of Environmental Protection regulations and guidelines, to identify such

discharges at the vessel, facility, or underground storage tank facility. Upon receipt of a complete audit from the holder, the Department of Environmental Protection shall, within 90 days of its receipt of the audit, review the audit and transmit its findings to the holder. The Department of Environmental Protection may charge reasonable fees and adopt any additional regulations necessary to provide guidelines for the submission and review of such audits.

(2) Nothing in this subsection shall be deemed to impose liability for a new discharge from the vessel, facility, or underground storage tank facility that is authorized pursuant to a federal or State permit or cleanup procedure.

(3) The exemption granted to holders of indicia of ownership to protect a security interest shall not apply to liability, if any, pursuant to applicable law and regulation, for arranging for the offsite disposal or treatment of a hazardous substance or by accepting for transportation and disposing of a hazardous substance at an offsite facility selected by the holder.

f. (1) A holder who acquires an underground storage tank facility continues to hold the exemption from liability for the underground storage tank facility granted to holders pursuant to this section if there is an operator of the underground storage tank facility, other than the holder, who is in control of the underground storage tank facility or has responsibility for compliance with applicable federal and State requirements.

(2) If an operator does not exist, a holder continues to maintain the exemption from liability for the underground storage tank facility granted to holders pursuant to this section if the holder: (i) empties all underground storage tank facilities within 60 days after foreclosure or within 60 days after the effective date of P.L.1997, c.278 (C.58:10B-1.1 et al.), whichever is later, so that no more than one inch of residue, or .3 percent by weight of the total capacity of the underground storage tank facility remains in the underground storage tank facility, leaves vent lines open and functioning, and caps and secures all other lines, pumps, manways, and ancillary equipment; (ii) empties those underground storage tank facilities that are discovered after foreclosure within 60 days of discovery or within 60 days of the effective date of P.L.1997, c.278, whichever is later, so that no more than one inch of residue, or .3 percent by weight of the total capacity of the underground storage tank facility remains in the system, leaves vent lines open and functioning, and caps and secures all other lines, pumps, manways, and ancillary equipment; and (iii) permanently closes the underground storage tank facility pursuant to the provisions of P.L.1986, c.102 (C.58:10A-21 et seq.) or temporarily closes the underground storage tank facility.

g. An underground storage tank facility may be temporarily closed until a subsequent purchaser has acquired marketable title to the under-

ground storage tank facility. When a subsequent purchaser acquires marketable title to the facility, the purchaser shall operate the underground storage tank facility in accordance with applicable State and federal laws or shall permanently close or remove the underground storage tank facility in accordance with the provisions of P.L.1986, c.102 (C.58:10A-21 et seq.).

For the purposes of this section, an underground storage tank facility shall be considered temporarily closed if a holder continues to operate and maintain corrosion protection and reports suspected releases to the Department of Environmental Protection. If the underground storage tank facility has not been upgraded to comply with the provisions of P.L.1986, c.102 and the applicable federal law or does not comply with the standards for new underground storage tanks pursuant to State and federal law except for spill and overfill protection, and is temporarily closed for 12 months or more following foreclosure, the holder shall conduct a site investigation of the underground storage tank facility in accordance with rules and regulations adopted by the department and shall be required to take any emergency response actions necessary to prevent, contain or mitigate a continuing or new discharge that poses an immediate threat to the environment or to the public health, safety or welfare.

2. This act shall take effect immediately.

Approved July 10, 2001.

CHAPTER 146

AN ACT concerning certain lease purchase agreements and leasing arrangements entered into by public school districts and amending N.J.S.18A:20-4.2 and N.J.S.18A:18A-42.

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

1. N.J.S.18A:20-4.2 is amended to read as follows:

Powers of boards concerning real property.

18A:20-4.2. The board of education of any school district may, for school purposes:

(a) Purchase, take and condemn lands within the district and lands not exceeding 50 acres in extent without the district but situate in a municipality or municipalities adjoining the district, but no more than 25 acres may be so

acquired in any one such municipality, without the district, except with the consent, by ordinance, of such municipality;

(b) Grade, drain and landscape lands owned or to be acquired by it and improve the same in like manner;

(c) Erect, lease for a term not exceeding 50 years, enlarge, improve, repair or furnish buildings;

(d) Borrow money therefor, with or without mortgage; in the case of a type II district without a board of school estimate, when authorized so to do at any annual or special school election; and in the case of a type II district having a board of school estimate, when the amount necessary to be provided therefor shall have been fixed, determined and certified by the board of school estimate; and in the case of a type I district, when an ordinance authorizing expenditures for such purpose is finally adopted by the governing body of a municipality comprised within the district; provided, however, that no such election shall be held nor shall any such resolution of a school estimate board or ordinance of a municipal governing body be introduced to authorize any lease of any building for a term exceeding one year, until the proposed terms of such lease have been reviewed and approved by the Commissioner of Education and the Local Finance Board in the Department of Community Affairs;

(e) Construct, purchase, lease or otherwise acquire a building with the federal government, the State, a political subdivision thereof or any other individual or entity properly authorized to do business in the State; provided that: (1) the noneducational uses of the building are compatible with the establishment and operation of a school, as determined by the Commissioner of Education; (2) the portion of the building to be used as a school meets regulations of the Department of Education; (3) the board of education has complied with the provisions of law and regulations relating to the selection and approval of sites; and (4) in the case of a lease, that any lease in excess of five years shall be approved by the Commissioner of Education and the Local Finance Board in the Department of Community Affairs;

(f) Acquire, with the approval of either the commissioner, or voters or board of school estimate, as applicable, improvements or additions to school buildings through lease purchase agreements not in excess of five years. The agreement shall be recorded as an expenditure of the General Fund of the district. The commissioner shall approve the agreement only upon a demonstration by the district that the lease purchase payments and any operating expenses related to the agreement can be included within the district's net budget spending growth limitation and will not result in the need for approval by the voters or board of school estimate, as appropriate, of additional spending proposals to maintain existing instructional programs

and extracurricular activities. If the commissioner cannot approve the agreement, the board of education may frame a separate question to authorize the lease purchase agreement and obtain voter or board of school estimate approval to enter into the agreement. A district may, without separate prior approval of the commissioner, also acquire equipment through a lease purchase agreement not in excess of five years or in the case of a lease purchase agreement entered into for the acquisition of school buses not in excess of 10 years, provided that the amount of the first installment and each subsequent installment for the lease purchase payments is included in the budget that is advertised and submitted for approval to the voters of the district or the board of school estimate, as appropriate. As used herein, a "lease purchase agreement" refers to any agreement which gives the board of education as lessee the option of purchasing the leased equipment or improvements or additions to existing school buildings during or upon termination of the lease, with credit toward the purchase price of all or part of rental payments which have been made by the board of education in accordance with the lease. As part of such a transaction, the board of education may transfer or lease land or rights in land, including any building thereon, after publicly advertising for proposals for the transfer for nominal or fair market value, to the party selected by the board of education, by negotiation or otherwise, after determining that the proposal is in the best interest of the taxpayers of the district, to construct or to improve and to lease or to own or to have ownership interests in the site and the school building to be leased pursuant to such lease purchase agreement, notwithstanding the provisions of any other law to the contrary. The land and any building thereon which is described in a lease purchase agreement entered into pursuant to this amendatory act, shall be deemed to be and treated as property of the school district, used for school purposes pursuant to R.S.54:4-3.3, and shall not be considered or treated as property leased to another whose property is not exempt, and shall not be assessed as real estate pursuant to section 1 of P.L.1949, c.177 (C.54:4-2.3). Any lease purchase agreement authorized by this section shall contain a provision making payments thereunder subject to the annual appropriation of funds sufficient to meet the required payments or shall contain an annual cancellation clause and shall require all construction contracts let by public school districts or let by developers or owners of property used for school purposes to be competitively bid, pursuant to N.J.S.18A:18A-1 et seq.;

(g) Establish with an individual or entity authorized to do business in the State a tenancy in common, condominium, horizontal property regime or other joint ownership arrangement on a site contributed by the school district; provided the following conditions are met:

(1) The individual or entity agrees to construct on the site, or provide for the construction thereon, a building or buildings for use of the board of education separately or jointly with the individual or entity, which shall be subject to the joint ownership arrangement;

(2) The provision of the building shall be at no cost or at a reduced cost to the board of education;

(3) The school district shall not make any payment for use of the building other than its pro rata share of costs of maintenance and improvements;

(4) The noneducational uses of the building are compatible with the establishment and operation of a school, as determined by the Commissioner of Education;

(5) The portion of the building to be used as a school, and the site, meet regulations of the Department of Education; and

(6) Any such agreement shall be approved by the Commissioner of Education and the Local Finance Board in the Department of Community Affairs;

(h) Acquire through sale and lease-back textbooks and non-consumable instructional materials provided that the sale price and principal amount of the lease-back do not exceed the fair market value of the textbooks and instructional materials and that the interest rate applied in the lease-back is consistent with prevailing market rates or is less.

2. N.J.S.18A:18A-42 is amended to read as follows:

Multiyear contracts.

18A:18A-42. All contracts for the provision or performance of goods or services shall be awarded for a period not to exceed 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.18A:18A-5 shall be awarded for a period not to exceed 12 consecutive months. Any board of education may award a contract for longer periods of time as follows:

a. Supplying of:

(1) Fuel for heating purposes, for any term not exceeding in the aggregate, three years;

(2) Fuel or oil for use of automobiles, autobuses, motor vehicles or equipment, for any term not exceeding in the aggregate, three years;

(3) Thermal energy produced by a cogeneration facility, for use for heating or air conditioning or both, for any term not exceeding 40 years, when the contract is approved by the Board of Public Utilities. For the purposes of this paragraph, "cogeneration" means the simultaneous

production in one facility of electric power and other forms of useful energy such as heating or process steam; or

b. Plowing and removal of snow and ice, for any term not exceeding in the aggregate, three years; or

c. Collection and disposal of garbage and refuse, for any term not exceeding in the aggregate, three years; or

d. Data processing service, for any term of not more than seven years; or

e. Insurance, including the purchase of insurance coverages, insurance consultant or administrative services, and including participation in a joint self-insurance fund, risk management program or related services provided by a school board insurance group, or participation in an insurance fund established by a county pursuant to N.J.S.40A:10-6, or a joint insurance fund established pursuant to P.L.1983, c.372 (C.40A:10-36 et seq.), for any term of not more than three years; or

f. Leasing or servicing of automobiles, motor vehicles, electronic communications equipment, machinery and equipment of every nature and kind and textbooks and non-consumable instructional materials, for any term not exceeding in the aggregate, five years; except that contracts for the leasing of school buses may be awarded for any term not exceeding in the aggregate ten years. Contracts awarded pursuant to this subsection shall be awarded only subject to and in accordance with rules and regulations promulgated by the State Board of Education; or

g. Supplying of any product or the rendering of any service by a company providing voice, data, transmission or switching services, for a term not exceeding five years; or

h. (Deleted by amendment, P.L.1999, c.440.)

i. Driver education instruction conducted by private, licensed driver education schools, for any term not exceeding in the aggregate, three years;

j. Provision or performance of goods or services for the purpose of conserving energy in the buildings owned by any local board of education, the entire price of which shall be established as a percentage of the resultant savings in energy costs, for a term not to exceed 15 years; except that these contracts shall be entered into only subject to and in accordance with guidelines promulgated by the Board of Public Utilities establishing a methodology for computing energy costs;

k. Any single project for the construction, reconstruction or rehabilitation of any public building, structure or facility, or any public works project, including the retention of the services of any architect or engineer in connection therewith, for the length of time authorized and necessary for the completion of the actual construction;

- l. Laundry service and the rental, supply and cleaning of uniforms for any term of not more than three years;
- m. Food supplies and food services for any term of not more than three years;
- n. Purchases made under a contract awarded by the Director of the Division of Purchase and Property in the Department of the Treasury for use by counties, municipalities or other contracting units pursuant to section 3 of P.L.1969, c.104 (C.52:25-16.1), for a term not to exceed the term of that contract.

Any contract for services other than professional services, the statutory length of which contract is for three years or less, may include provisions for no more than one two-year, or two one-year, extensions, subject to the following limitations: a. the contract shall be awarded by resolution of the board of education upon a finding by the board of education that the services are being performed in an effective and efficient manner; b. no such contract shall be extended so that it runs for more than a total of five consecutive years; c. any price change included as part of an extension shall be based upon the price of the original contract as cumulatively adjusted pursuant to any previous adjustment or extension and shall not exceed the change in the index rate for the 12 months preceding the most recent quarterly calculation available at the time the contract is renewed; and d. the terms and conditions of the contract remain substantially the same.

All multiyear leases and contracts entered into pursuant to this section 18A:18A-42, including any two-year or one-year extensions, except contracts for insurance coverages, insurance consultant or administrative services, participation or membership in a joint self-insurance fund, risk management programs or related services of a school board insurance group, participation in an insurance fund established by a county pursuant to N.J.S.40A:10-6 or contracts for thermal energy authorized pursuant to subsection a. above, and contracts for the provision or performance of goods or services to promote energy conservation authorized pursuant to subsection j. of this section, shall contain a clause making them subject to the availability and appropriation annually of sufficient funds as may be required to meet the extended obligation, or contain an annual cancellation clause. All contracts shall cease to have effect at the end of the contracted period and shall not be extended by any mechanism or provision, unless in conformance with the "Public School Contracts Law," N.J.S.18A:18A-1 et seq., except that a contract may be extended by mutual agreement of the parties to the contract when a board of education has commenced rebidding prior to the time the contract expires or when the awarding of a contract is pending at the time the contract expires.

3. This act shall take effect immediately.

Approved July 10, 2001.

CHAPTER 147

AN ACT concerning new home warranties, establishing a board of trustees to provide increased security, equity and accountability in the administration of the new home warranty security fund, and amending and supplementing P.L.1977, c.467 (C.46:3B-1 et seq.).

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

C.46:3B-7.1 Findings, declarations relative to new home warranties.

1. The Legislature finds and declares that:
 - a. New Jersey provides unique protection through "The New Home Warranty and Builders' Registration Act," P.L.1977, c.467 (C.46:3B-1), which establishes a program requiring that newly constructed homes conform with certain construction and quality standards and provides buyers of new homes with insurance-backed warranty protection in the event such standards are not met;
 - b. In addition to authorizing warranty coverage through private insurance programs, the act requires that a new home warranty security fund be maintained by the State Treasurer and administered by the commissioner on behalf of the buyers of new homes;
 - c. Moneys payable to the fund are solely for the purpose of paying proven claims, providing reasonable reserves, including appropriate forms of reinsurance, and covering the costs of program administration. Accordingly, program premiums, fees and other charges must be adequate to these purposes;
 - d. Since the premiums, fees and other charges assessed by the fund are solely for the protection of the buyers of new homes enrolled in the program and since such charges bear directly on the affordability of those homes, the fees should be set in an actuarially sound manner, including prudent reinsurance, with provision for the distribution of any accumulated surplus to the buyers of new homes enrolled in the fund; and
 - e. The purposes of the "The New Home Warranty and Builders' Registration Act" shall be furthered through the creation of a Board of Trustees to provide independent oversight over the fund on behalf of those whose homes are covered by it.

C.46:3B-7.2 "New Home Warranty Security Fund Board of Trustees."

2. a. There is hereby established in, but not of, the Department of Community Affairs the "New Home Warranty Security Fund Board of Trustees." The duties of the board shall include, but shall not be limited to, monitoring, reporting and making recommendations to the commissioner on the financial soundness, premium structure, reinsurance adequacy and administrative efficiency of the new home warranty security fund and, when appropriate, the distribution of surplus reserves to the owners of enrolled homes. The board shall not make any determination regarding the payment of specific claims by the commissioner pursuant to section 7 of P.L.1977, c.467 (C.46:3B-7).

b. The board shall consist of five trustees to be appointed by the commissioner. One trustee shall represent the home buying public; one shall represent the New Jersey Builders Association; one shall be a certified public accountant licensed to practice in New Jersey; one shall be an attorney-at-law who is a member in good standing of the New Jersey bar; and one shall be a representative of the insurance industry.

c. Each trustee shall be appointed for a four-year term; however, among the trustees first appointed, one shall be appointed for a term of one year, two shall be appointed for a term of two years, one shall be appointed for a term of three years and one shall be appointed for a term of four years. The trustees shall annually select a chairperson from among themselves. The commissioner may reappoint a trustee. The commissioner may remove a trustee for cause.

d. Trustees shall serve without compensation, but may be reimbursed for expenses incurred in the performance of their duties.

C.46:3B-7.3 Functions, duties of board.

3. a. The Board of Trustees shall monitor and annually report to the Legislature on the financial performance of the new home warranty security fund, with particular attention to whether the fund's income from fees, premiums, interest and other sources, together with its reserves and reinsurance, will provide sufficient resources to meet anticipated claims on the fund.

b. The board shall commission an independent biennial actuarial analysis of the fund. The initial analysis shall commence June 30, 2001.

c. Based on its continuing monitoring of the fund's financial performance and the adequacy of the fund relative to anticipated claims, the board shall annually submit to the commissioner recommendations concerning the fund's premiums, fees, investments and reinsurance. Within 90 days of receipt of the recommendations, the commissioner shall formally respond

as to the implementation of the recommendations, including an explanation of any deviation from the board's recommendations.

d. If, based on the actuarial analysis of the fund, the board determines that the fund's reserves are in excess of what is sufficient to meet anticipated claims, the board shall recommend to the commissioner the amount of fund moneys that should be returned to, and the mode of calculating the distribution of such moneys among, the owners of the enrolled homes.

e. The board shall periodically review and make recommendations to the commissioner regarding the administration of the new home warranty program established in the department. Such review and recommendations shall include, but not be limited to, claims processing procedures, standards of construction and quality for the structural elements and components of a new home, and the degrees of noncompliance that shall constitute a defect subject to the warranty coverage.

4. Section 2 of P.L.1977, c.467 (C.46:3B-2) is amended to read as follows:

C.46:3B-2 Definitions relative to new home warranties.

2. As used in this act:

a. "Department" means the Department of Community Affairs.

b. "Commissioner" means the Commissioner of Community Affairs.

c. "Warranty" means the warranty prescribed by the commissioner pursuant to P.L.1977, c.467 (C.46:3B-1 et seq.).

d. "New home" means any dwelling unit not previously occupied, excluding dwelling units constructed solely for lease.

e. "Owner" means any person for whom the new home is built or to whom the home is sold for occupation by him or his family as a home and his successors in title to the home or mortgagee in possession. Owner does not mean any development company, association or subsidiary company of the builder or any person or organization to whom the home may be sold or otherwise conveyed by the builder for subsequent resale, letting or other purpose.

f. "Builder" means any individual corporation, partnership or other business organizations engaged in the construction of new homes.

g. "Major construction defect" means any actual damage to the load bearing portion of the home including damage due to subsidence, expansion or lateral movement of the soil (excluding movement caused by flood or earthquake) which affects its load bearing function and which vitally affects or is imminently likely to vitally affect use of the home for residential purposes.

h. "Warranty date" means the first occupation or settlement date, whichever is sooner.

i. "Approved claim" means, for the purposes of P.L.1991, c.202 (C.46:3B-13 et al.), a claim examined and approved by the commissioner in accordance with section 3 of P.L.1991, c.202 (C.46:3B-15).

j. "Approved method" means, for the purposes of P.L.1991, c.202 (C.46:3B-13 et al.), a method of remediation approved by the commissioner in accordance with section 3 of P.L.1991, c.202 (C.46:3B-15).

k. "Fund" means the new home warranty security fund established in the department pursuant to section 7 of P.L.1977, c.467 (C.46:3B-7).

l. "Warranty guarantor" means, for the purposes of P.L.1991, c.202 (C.46:3B-13 et al.), (1) the new home warranty program established in the department pursuant to P.L.1977, c.467 (C.46:3B-1 et seq.) or (2) any alternate new home warranty security program approved pursuant to section 8 of P.L.1977, c.467 (C.46:3B-8).

m. "Board" means the Board of Trustees established pursuant to section 2 of P.L.2001, c.147 (C.46:3B-7.2).

5. Section 7 of P.L.1977, c.467 (C.46:3B-7) is amended to read as follows:

C.46:3B-7 New home warranty security fund.

7. a. There is hereby established a new home warranty security fund to be maintained by the State Treasurer in a trust account, separate and apart from other funds and administered by the commissioner. The purpose of the fund is (1) to provide moneys sufficient to pay claims by owners against builders participating in the fund for defects in new homes covered by the new home warranty; and (2) to pay the costs of administering the new home warranty program established in the department, including the costs of obtaining sufficient reinsurance to prudently protect the fund against unanticipated risks and costs incurred by the board in the discharge of its duties. The amounts payable by participating builders shall be established and may be changed from time to time, as the experience of the fund shall require, by the commissioner, and shall be sufficient to cover anticipated claims, to provide a reasonable reserve and to cover the costs of administering the fund. Amounts paid by participating builders shall be forwarded to the State Treasurer and shall be accounted for and credited by him to the new home warranty security fund.

b. The State Treasurer shall hold, manage and, through the Division of Investment, invest and reinvest moneys in the fund and credit all income earned thereon to the fund in the same manner as provided by law for the investment of pension and retirement funds administered by the State. The

department shall keep the State Treasurer and the board advised of anticipated cash demands for payment of claims against the fund. No funds shall be spent, appropriated or transferred from the fund other than for the express purposes of paying claims or costs related to administering the program or the fund as enumerated in subsection a, c, or e of this section. In the event funds are spent, appropriated or transferred from the fund for other purposes in violation of this subsection, the obligation of participating builders to contribute to the fund shall be suspended until such time as the funds are replenished, and if the amount in the fund shall become insufficient thereafter to pay claims or make awards, the payment of claims and making of awards shall be made from the General Fund. The Joint Budget Oversight Committee, or its successor, shall have the authority to investigate complaints of violative fund transfers under this section, and shall order the Commissioner of Community Affairs to suspend collection from participating builders if it determines that the provisions of this subsection have been violated.

c. Prior to making a claim against the fund for defects covered by the warranty, an owner shall notify the builder of such defects and allow a reasonable time period for their repair. If the repairs are not made within a reasonable time or are not satisfactory to the owner, he may file a claim against the fund in the form and manner prescribed by the commissioner. The commissioner shall investigate each claim to determine the validity thereof, and the amount of the award that shall be made thereon, and shall hold a hearing if requested by either party, in accordance with the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) applicable to contested cases. Reasonable hearing fees shall be assessed against the unsuccessful party. The amount of the award shall be sufficient to cover the reasonable costs necessary to correct any defect or defects covered under the warranty, but the total amount of awards from the fund for any new home shall not exceed the purchase price of the home in the first good faith sale thereof or the fair market value on the home on its completion date if there is no good faith sale. All claims submitted by an owner shall first be reviewed through a conciliation or arbitration procedure by the department, and in the event that the owner is found to be in the right, then the builder shall be required to correct such claims as determined through the conciliation or arbitration procedure. If a builder is unable or willfully refuses to correct such deficiency, then an amount sufficient to cure the problem shall be paid from the fund to the owner. In such cases, the commissioner may then proceed against the builder in accordance with subsection b. of section 6 of P.L.1977, c.467 (C.46:3B-6). Upon certification from the commissioner of the amount of an award, the State Treasurer shall make payment to the claimant from the fund.

d. (Deleted by amendment, P.L.2001, c.147).

e. If the board determines that fund reserves and reinsurance may be insufficient to cover anticipated claims, the board shall recommend steps to the commissioner to restore fund resources to sufficiency, which may include increases in premiums and fees, expanded reinsurance and changes in standards and claims adjudication procedures.

f. The commissioner may provide for surcharges against those builders who are responsible for a significant number of awards against the fund and may discontinue the participation in the fund of any builder who is responsible for an excessive number of awards against the fund after a hearing in accordance with the provisions of the "Administrative Procedure Act," P.L.1968, c. 410 (C.52:14B-1 et seq.) applicable to contested cases. At no time shall the State be required to contribute any moneys to the fund, nor shall the State have any liability to any person having any right to or claim against the fund over and above the amount therein except in those instances where it is determined by the Joint Budget Oversight Committee that the provisions of subsection b. of this section have been violated concerning amounts spent, appropriated or transferred from the fund.

g. The commissioner may order the return of funds to owners of enrolled homes as may be recommended by the board pursuant to section 3 of P.L.2001, c.147 (C.46:3B-7.3).

6. This act shall take effect immediately.

Approved July 10, 2001.

CHAPTER 148

AN ACT concerning library grant funds and amending P.L.1999, c.184.

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

1. Section 1 of P.L.1999, c.184 (C.18A:74-24) is amended to read as follows:

C.18A:74-24 Definitions relative to public library project grant program.

1. For the purposes of this act:

"Area" means all or part of one or more political subdivisions of the State of New Jersey;

"Authority" means the "New Jersey Educational Facilities Authority" established pursuant to N.J.S.18A:72A-1 et seq.;

"Board" means the Public Library Construction Advisory Board established pursuant to section 3 of P.L.1999, c.184 (C.18A:74-26);

"Eligible project costs" means costs incurred in a project approved by the board;

"Fund" means the "Public Library Project Fund" established pursuant to section 2 of P.L.1999, c.184 (C.18A:74-25);

"Project" means any construction, expansion, rehabilitation or acquisition project eligible for a grant under regulations promulgated under section 3 of P.L.1999, c.184 (C.18A:74-26);

"Public library" means a library that serves free of charge all residents of an area as established pursuant to chapter 33 or chapter 54 of Title 40 of the New Jersey Statutes; or a library established pursuant to N.J.S.15A:1-1 et seq. and receiving public funds pursuant to R.S.40:54-35;

"Secretary" means the Secretary of State of the State of New Jersey or the Secretary's designated representative.

2. This act shall take effect immediately.

Approved July 10, 2001.

CHAPTER 149

AN ACT concerning the practice of public accountancy and amending P.L.1997, c.259 and P.L.1999, c.215.

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

1. Section 3 of P.L.1997, c.259 (C.45:2B-44) is amended to read as follows:

C.45:2B-44 Definitions relative to the practice of accounting.

3. As used in this act:

"Attest" means providing any of the following financial statement services: any audit or other engagement to be performed in accordance with the Statements on Auditing Standards (SAS); any review of a financial statement to be performed in accordance with the Statements on Standards for Accounting and Review Services (SSARS); or any examination of prospective financial information to be performed in accordance with the

Statements on Standards for Attestation Engagements (SSAE). The statements on standards specified herein shall be adopted by regulation by the board and shall be in accordance with standards developed for general application by recognized national accountancy organizations such as the American Institute of Certified Public Accountants.

"Board" means the New Jersey State Board of Accountancy.

"Compilation" means providing a service, to be performed in accordance with Statements on Standards for Accounting and Review Services (SSARS), by presenting, in the form of financial statements, information that is the representation of management or owners without undertaking to express any assurance on the statements.

"Financial statements" means statements and related footnotes that purport to present an actual or a prospective financial position at a particular time, or results of operations, cash flow, or changes in financial position for a period of time, in conformity with generally accepted accounting principles or another comprehensive basis of accounting. The term includes specific elements, accounts or items of such statements, but does not include: incidental financial data included in management advisory service reports to support recommendations to a client; or tax returns and supporting schedules.

"Firm" means a sole proprietorship, a professional corporation, a partnership, a limited liability company, a limited liability partnership, or any other lawful form of business organization.

"License" means a license or registration issued to an individual or firm permitting the individual or firm to practice public accountancy.

"Licensee" means the holder of a license issued pursuant to this act.

"Manager" means a manager of a limited liability company.

"Member" means a member of a limited liability company.

"Nonlicensee" means a person not licensed as a certified public accountant or a public accountant of any state or possession of the United States or the District of Columbia.

"Owner of a firm" means any person with an equity or equivalent interest in a firm, such as a shareholder with respect to a corporation or a partner with respect to a partnership, or an individual with respect to a sole proprietorship.

"Practice of public accountancy" means the performance or the offering to perform attest services for a client or potential client, by a licensee or registered firm. The "practice of public accountancy" also means the performance or the offering to perform by a licensee of one or more of the following: a compilation of a financial statement to be performed in accordance with SSARS, management advisory, financial advisory or

consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.

"Practice unit" means any office of a firm registered with the board to engage in the practice of public accountancy in the State of New Jersey.

"Quality review" means a study, appraisal or review of one or more aspects of the professional work of a licensee or registered firm that performs attest or compilation services, by a person who is a certified public accountant or public accountant and who is not affiliated with the licensee or registered firm being reviewed.

"Report" when used with reference to financial statements, means an opinion, report, or other form of language that states or implies assurance as to the reliability of any financial statement and that also includes or is accompanied by any statement or implication that the person or firm issuing it has special knowledge or competence in accounting or auditing. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is an accountant or auditor, or from the language of the report itself. The term "report" includes any form of language which disclaims an opinion when that form of language is conventionally understood to imply any positive assurance as to the reliability of the financial statement referred to or special competence on the part of the person or firm issuing that language, or both; and it includes any other form of language that is conventionally understood to imply that assurance or that special knowledge or competence, or both.

2. Section 5 of P.L.1997, c.259 (C.45:2B-46) is amended to read as follows:

C.45:2B-46 Membership; terms; vacancies; removal.

5. The board shall consist of 12 members, seven of whom shall have been engaged in practice as certified public accountants and two of whom shall have been engaged in practice as public accountants in this State, two of whom shall be public members and one of whom shall be a State executive department member. Each certified public accountant board member and public accountant board member shall maintain an active license in New Jersey during his term of service on the board. Each certified public accountant member, public accountant member, and public member shall be appointed by the Governor for a term of three years and shall hold office until reappointed or a successor is appointed and qualified. Any vacancy on the board shall be filled by the Governor for the unexpired term only.

The public members and the State executive department member shall be appointed by the Governor in accordance with and subject to the provisions of P.L.1971, c.60 (C.45:1-2.1 et seq.).

Except for the State executive department member, no member may serve more than two successive terms in addition to any unexpired term to which he has been appointed, except that any member who has served two such successive terms may be reappointed after an intervening period of one year.

The Governor may remove any member of the board, other than the State executive department member, for cause, upon notice and opportunity to be heard.

3. Section 8 of P.L.1997, c.259 (C.45:2B-49) is amended to read as follows:

C.45:2B-49 Application for licensure; requirements.

8. Every applicant for examination for licensure as a certified public accountant shall present to the board a written application on a form to be provided by the board, together with the required fee, and satisfactory proof of the following:

- a. That the applicant is at least 18 years of age;
- b. That the applicant is of good moral character; and
- c. That the applicant has at least 150 semester hours of education, including a baccalaureate or higher degree or its equivalent, from an institution of higher education accredited by a regional accrediting agency recognized by the Commission on Higher Education. The educational program shall include a concentration in accounting or its equivalent and related professional courses as determined by regulation of the board.

Notwithstanding the provisions of subsection c. of this section, an applicant who applies prior to July 1, 2005 shall qualify for examination for licensure if he has a baccalaureate degree or its equivalent from an institution of higher education acceptable to the board; provided, however, that no applicant shall be issued a license unless he has successfully completed at least the 150 semester hours of education required pursuant to subsection c. of this section.

4. Section 12 of P.L.1997, c.259 (C.45:2B-53) is amended to read as follows:

C.45:2B-53 Waiving of examination.

12. a. The board may waive the examination of, and issue a license to, any person who is of good moral character, and who, at the time of his application, holds a valid and unrevoked license as a certified public

accountant issued by or under the authority of any state or possession of the United States or the District of Columbia which has education, experience, examination and re-examination requirements which are substantially equivalent to the requirements of this act and the regulations promulgated pursuant to this act for the issuance of a license as a certified public accountant.

b. The board may waive the examination of, and issue a license to, an applicant who within 10 years immediately preceding the date of application has held a valid and unrevoked license as a certified public accountant issued by or under the authority of any state or possession of the United States or the District of Columbia, and who has had four years of experience outside of this State of the type described in subsection a. of section 10 of P.L.1997, c. 259 (C.45:2B-51), or meets equivalent requirements prescribed by the board by regulation, after passing the examination upon which the applicant's license was based with grades that would have been passing grades at the time in this State. If an applicant's certificate, license or permit was issued no less than six years prior to the application for issuance of an initial license under this section, that applicant shall have also fulfilled the requirements of continuing professional education that would have been applicable under the rules of this State to be eligible for licensure under the provisions of subsection a. of section 27 of P.L.1997, c.259 (C.45:2B-68).

c. The board shall issue a license as a certified public accountant to a holder of a foreign designation, granted in a foreign country entitling the holder thereof to engage in the practice of public accountancy if:

(1) The foreign authority which granted the designation makes similar provision to allow a person who holds a valid license issued by this State to obtain that foreign authority's comparable designation; and

(2) The foreign designation:

(a) was duly issued by a foreign authority that regulates the practice of public accountancy and the foreign designation has not expired or been revoked or suspended;

(b) entitles the holder to issue reports upon a financial statement; and

(c) was issued upon the basis of educational, examination, and experience requirements established by the foreign authority or by law; and

(3) The applicant:

(a) received the designation, based on educational and examination standards substantially equivalent to those in effect in this State, at the time the foreign designation was granted;

(b) completed an experience requirement, substantially equivalent to the requirement set out in section 10 of this act, in the jurisdiction which granted the foreign designation, or has completed four years of experience

of the type described in subsection a. of section 10 of P.L.1997, c.259 (C.45:2B-51); or meets equivalent requirements prescribed by the board, within the 10 years immediately preceding the application; and

(c) passed a uniform qualifying examination in national standards acceptable to the board and an examination on the laws, regulations and code of ethical conduct in effect in this State.

An applicant seeking licensure under this subsection shall in the application list all jurisdictions, foreign and domestic, in which the applicant has applied for or holds a designation to practice public accountancy, and each holder of a license issued under this subsection shall notify the board in writing, within thirty days after its occurrence, of any issuance, denial, revocation or suspension of a designation or commencement of a disciplinary or enforcement action by any jurisdiction.

5. Section 13 of P.L.1997, c.259 (C.45:2B-54) is amended to read as follows:

C.45:2B-54 Requirements for registration as firm of certified public accountants.

13. a. A firm engaged in this State in the practice of attest services shall be required to register with the board as a firm of certified public accountants. A firm engaged in the practice of public accountancy, but not performing attest services, shall be eligible to register with the board as a firm of certified public accountants. In either case, the firm shall meet the following requirements:

(1) At least one owner of the firm shall be a certified public accountant in good standing, and licensed to practice public accountancy in this State;

(2) Each owner of the firm, other than a nonlicensee, shall be a certified public accountant of any state or possession of the United States or the District of Columbia in good standing, and licensed to practice public accountancy where licensed;

(3) There shall be a certified public accountant in the firm who has ultimate responsibility for each attest engagement. On all firm applications and renewal forms, a licensee shall be designated as responsible and in charge of all professional matters relating to the practice of accountancy by the registered firm. Each resident manager in charge of a practice unit of a firm in this State and each owner thereof, other than a nonlicensee, personally engaged within this State in the practice of public accountancy shall be a certified public accountant in good standing, and licensed to practice public accountancy in this State.

b. Application for registration of a firm shall be made upon the affidavit of an owner of the firm who is a certified public accountant in good standing and licensed to practice public accountancy in this State. The

board shall in each case determine whether the applicant is eligible for registration. A firm which is so registered may use the words "certified public accountant" or the abbreviation "CPAs" in connection with its firm name. Notification shall be given to the board within 90 days after admission or withdrawal of an owner licensed and practicing in this State from any firm so registered.

6. Section 5 of P.L.1999, c.215 (C.45:2B-54.1) is amended to read as follows:

C.45:2B-54.1 Requirements for non-licensed owners.

5. a. A firm registered under P.L. 1997, c.259 (C.45:2B-42 et seq.) as a firm of certified public accountants or public accountants may have owners who are not licensed as certified public accountants or public accountants if it meets the following requirements:

(1) Nonlicensee owners shall be natural persons or entities, including, but not limited to, partnerships and professional corporations, provided that each ultimate beneficial owner of an equity interest in that entity shall be a natural person materially participating in the business conducted by the firm or entity affiliated with the firm;

(2) The ownership interest of nonlicensee owners shall revert to the firm upon the cessation of any material participation by the nonlicensee owner in the business conducted by the firm or entity;

(3) Persons who are licensed to practice public accountancy in any state or possession of the United States or the District of Columbia shall in the aggregate, directly or beneficially, comprise not less than half of the owners, hold more than half of the equity capital, and possess majority voting rights of the firm; and

(4) Nonlicensee owners shall not hold themselves out as certified public accountants or public accountants.

b. Except as otherwise permitted by the board, a person shall not become a nonlicensee owner or remain a nonlicensee owner if the person has:

(1) Been convicted of any crime, an element of which is dishonesty or fraud, under the laws of this State or any other state, of the United States, or of any other jurisdiction. A conviction includes the initial plea, verdict, or finding of guilty, pleas of no contest, or pronouncement of sentence by a trial court, notwithstanding that conviction may not be final or sentence actually imposed until appeals are exhausted;

(2) Had a professional license or the right to practice revoked or suspended for reasons other than nonpayment of fees, or has voluntarily surrendered a license or right to practice with disciplinary charges or a

disciplinary investigation pending, which license or right to practice has not been reinstated by a licensing agency of this State or any other state, of the United States, or of any other jurisdiction;

(3) Been in violation of P.L.1997, c.259 (C.45:2B-42 et seq.) or any regulation promulgated by the board under that act.

c. A nonlicensee owner of a licensed firm shall report to the board in writing of the occurrence of any of the events set forth in subsection b. of this section within 30 days of the date the nonlicensee owner has knowledge of the event. The report shall identify the event by the name of the agency or court, the title of the matter, the docket number, and the date of occurrence of the event.

7. Section 14 of P.L.1997, c.259 (C.45:2B-55) is amended to read as follows:

C.45:2B-55 Requirements for registration as firm of public accountants.

14. a. A firm engaged in this State in the practice of attest services shall be required to register with the board as a firm of public accountants. A firm engaged in the practice of public accountancy, but not performing attest services, shall be eligible to register with the board as a firm of public accountants. In either case, the firm shall meet the following requirements:

(1) At least one owner of a firm shall be a public accountant or certified public accountant in good standing, and licensed to practice public accountancy in this State;

(2) Each owner of the firm, other than a nonlicensee, shall be a public accountant or certified public accountant of any state or possession of the United States or the District of Columbia in good standing, and licensed to practice public accountancy where licensed;

(3) There shall be a public accountant or certified public accountant in the firm who has ultimate responsibility for each attest engagement. On all firm applications and renewal forms, a licensee shall be designated as responsible and in charge of all professional matters relating to the practice of accountancy by the registered firm. Each resident manager in charge of a practice unit of a firm in this State and each owner thereof, other than a nonlicensee, personally engaged within this State in the practice of public accounting shall be a public accountant or a certified public accountant of this State in good standing and licensed to practice public accountancy in this State.

b. Application for registration of a firm shall be made upon the affidavit of an owner of the firm who is a public accountant or certified public accountant of this State in good standing and licensed to practice public accountancy in this State. The board shall in each case determine

whether the applicant is eligible for registration. A firm which is so registered may use the words "public accountant" or the abbreviation "PAs" in connection with its firm name. Notification shall be given to the board within 90 days after admission or withdrawal of an owner licensed and practicing in this State from any firm so registered.

8. Section 21 of P.L.1997, c.259 (C.45:2B-62) is amended to read as follows:

C.45:2B-62 Use of title, designation requires licensure, registration; exceptions.

21. a. No person shall use or assume the title or designation "certified public accountant," or the abbreviation "CPA" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the person is a certified public accountant unless that person holds a current license as a certified public accountant under this act.

b. No firm shall use or assume the title or designation "certified public accountant," or the abbreviation "CPA," unless otherwise provided for by law, or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the firm is composed of certified public accountants, unless the firm holds a current registration issued under this act.

c. No person shall use or assume the title or designation "public accountant," or the abbreviation "PA," or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the person is a public accountant unless that person holds a current license as a public accountant under this act.

d. No firm shall use or assume the title or designation "public accountant," or the abbreviation "PA," unless otherwise provided for by law, or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the firm is composed of public accountants, unless the firm holds a current registration issued under this act.

e. No person or firm shall use or assume the title or designation "certified accountant," "chartered accountant," "enrolled accountant," "licensed accountant," "registered accountant," "accredited accountant," or any other title or designation likely to be confused with the titles "certified public accountant" or "public accountant," or use any of the abbreviations "CA," "LA," "RA," "AA," or similar abbreviations likely to be confused with the abbreviations "CPA" or "PA," unless that person or firm holds a current license or registration issued under this act.

f. No person or firm shall use or assume the title "enrolled agent" or "EA," unless so designated by the Internal Revenue Service.

g. No person or firm shall use or assume any title or designation that includes the words "accountant," "auditor," or "accounting" in connection with any other language, including the language of a report, that implies that the person or firm holds such a certificate, permit, or registration or has special competence as an accountant or auditor, unless that person or firm holds a current license or registration issued under this act, except that this subsection shall not prohibit any officer, partner, member, manager, or employee of any firm or organization from affixing that person's own signature to any statement in reference to the financial affairs of that firm or organization with any wording designating the positions, title, or office that the person holds in the firm or organization, nor shall this subsection prohibit any act of a public official or employee in the performance of the person's duties.

h. No person holding a license or firm holding a registration under this act shall engage in the practice of public accountancy using a professional or firm name or designation that is misleading with regard to the form in which the firm is organized, or about the persons who are partners, officers, members, managers or shareholders of the firm, or about any other matter, except that names of one or more former partners, members, managers, or shareholders may be included in the name of a firm or its successor.

i. The provisions of this section shall not apply to a person or firm holding a certification, designation, degree, or license granted in a foreign country, entitling the holder thereof to engage in the practice of public accountancy or its equivalent in that country, whose activities in this State are limited to the provision of professional services to persons or firms who are residents of, governments of, or business entities of the country in which the person holds that entitlement, so long as that person or firm issues no reports with respect to the financial statements of any other persons, firms, or governmental units in this State, and does not use in this State any titles or designation other than the one under which the person practices in the foreign country, followed by a translation of that title or designation into the English language, if it is in a different language, and by the name of that country.

j. A financial services corporation, the voting stock of which is traded on a recognized exchange or over-the-counter, may use the truthful fact in advertising that the firm employs certified public accountants.

9. Section 29 of P.L.1997, c.259 (C.45:2B-70) is amended to read as follows:

C.45:2B-70 Requirements for qualification as registered municipal accountant.

29. A certified public accountant or public accountant holding an active license shall qualify as a registered municipal accountant by passing a

registered municipal accountant's examination. Only a registered municipal accountant licensed in this State shall undertake the work of auditing the financial statements of any municipality or county.

The board shall make all rules governing examinations and the issuance of licenses to registered municipal accountants.

The registration fee for a registered municipal accountant of New Jersey shall be established by the board, and shall be imposed for each triennial registration.

10. Section 32 of P.L.1997, c.259 (C.45:2B-73) is amended to read as follows:

C.45:2B-73 Qualification as public school accountant.

32. Any person who undertakes the work of auditing the financial statements of any school district in New Jersey shall qualify as a public school accountant (PSA) by:

- a. Submitting an application to the board, demonstrating satisfactorily to the board that the individual holds an active license in New Jersey as a certified public accountant, public accountant, or registered municipal accountant, and paying the required fee; and
- b. Renewing the license triennially and paying the required fee.

11. This act shall take effect immediately.

Approved July 10, 2001.

CHAPTER 150

AN ACT concerning jointure commissions and amending N.J.S.18A:46-25.

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

1. N.J.S.18A:46-25 is amended to read as follows:

Jointure commissions for education and training under this chapter.

18A:46-25. When two or more boards of education determine to carry out jointly by agreement the duties imposed upon them in regard to the education and training of disabled pupils, and counseling, inclusionary, and child study team services for, but not limited to, disabled pupils, the boards may, in accordance with rules and regulations of the State board, and with the approval of the commissioner by the adoption of similar resolutions

establish a jointure commission for the purpose of providing such services. The commission shall, in accordance with rules of the State board, be composed of representatives of the respective boards of education, and shall organize by the election of a president and vice president.

The counseling services provided by a jointure commission to a nondisabled pupil shall be limited to preventive counseling services.

2. This act shall take effect immediately.

Approved July 13, 2001.

CHAPTER 151

AN ACT concerning certain first-aid personnel and lifeguard requirements and amending P.L.1991, c.135.

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

1. Section 1 of P.L.1991, c.135 (C.26:4A-4) is amended to read as follows:

C.26:4A-4 Definitions relative to lifeguard and first aid personnel requirements at certain swimming areas.

1. As used in this act:

"Campground" means a plot of ground upon which two or more campsites are located, established or maintained for occupancy by camping units of the general public as temporary living quarters for children or adults, or both, for a total of 15 days or more in any calendar year, for recreation, education, or vacation purposes.

"Common interest community" means:

a. property subject to the "Condominium Act," P.L.1969, c.257 (C.46:8B-1 et seq.) or the "Horizontal Property Act," P.L.1963, c.168 (C.46:8A-1 et seq.);

b. a housing corporation or association, commonly known as a cooperative, which entitles the holder of a share or membership interest thereof to possess and occupy for dwelling purposes a house, apartment, manufactured or mobile home or other unit of housing owned or leased by the corporation or association, or to lease or purchase a unit of housing constructed or to be constructed by the corporation or association; or

c. real estate with respect to which a person, by virtue of his ownership of a unit, is obligated to pay for real estate taxes, insurance premiums,

maintenance or improvement of other real estate described in the instrument, however denominated, which creates the common interest community. Ownership of a unit does not include holding a leasehold interest of less than 20 years in a unit, including renewal options;

"Hotel" or "motel" means a commercial establishment with a building of four or more dwelling units or rooms used for rental and lodging by guests.

"Mobile home park" means a parcel of land, or two or more contiguous parcels of land, containing at least 10 sites equipped for the installation of mobile or manufactured homes, where these sites are under common ownership and control, other than as a cooperative, for the purpose of leasing each site to the owner of a mobile or manufactured home for the installation thereof, and where the owner provides services, which are provided by the municipality in which the park is located for property owners outside the park, which services may include, but shall not be limited to:

- a. Construction and maintenance of streets;
- b. Lighting of streets and other common areas;
- c. Garbage removal;
- d. Snow removal; and
- e. Provision for the drainage of surface water from home sites and common areas.

"Private lake, river or bay or private community lake, river or bay association" means an organization of property owners within a fixed or defined geographical area with deeded or other rights to utilize, with similarly situated owners, various lakefront, riverfront or bayfront properties, which properties are not open to the general public, other than bona fide guests of a member of the private lake, river or bay or private community lake, river or bay association.

"Private marina" means a privately-owned water dependent facility for the docking, servicing or storage of private boats, at which services are provided on an annual, seasonal or per diem basis, and which facility is not open to the general public, other than bona fide guests of boat owners eligible to use the marina and which has a private swimming pool that is not open to the general public, other than bona fide guests of boat owners eligible to use the marina.

"Retirement community" means a retirement community which is registered with the Division of Housing and Development in the Department of Community Affairs pursuant to "The Planned Real Estate Development Full Disclosure Act," P.L.1977, c.419 (C.45:22A-21 et seq.).

"Specially exempt facility" means a private lake, river or bay or private community lake, river or bay association, or private nonprofit common

interest community which restricts the use of its lake, river, bay or pool, as appropriate, to the owners of units thereof and their invited guests. Specially exempt facility also includes a campground, hotel, motel, mobile home park, or retirement community which restricts the use of its pool to renters of the lodging units or owners of the dwelling units, as appropriate, and their invited guests, or day-use visitors, or a private marina which restricts the use of its swimming pool to owners of boats eligible to use the facilities and their invited guests. Specially exempt facility also includes a privately-owned campground which restricts the use of a swimming area other than its swimming pool to renters of the lodging units or owners of the dwelling units, as appropriate, and their invited guests, or day-use visitors.

2. This act shall take effect immediately.

Approved July 13, 2001.

CHAPTER 152

AN ACT concerning basic skills training, reemployment services and training programs and revising various parts of the statutory law.

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

C.34:15D-21 "Supplemental Workforce Fund for Basic Skills."

1. a. A restricted, nonlapsing, revolving "Supplemental Workforce Fund for Basic Skills," to be managed and invested by the State Treasurer, is hereby established in the Department of Labor to provide basic skills training. All moneys appropriated to the fund, all interest accumulated on balances in the fund and all cash received for the fund from any other source shall be allocated by the Commissioner of Labor as follows:

(1) 24% shall be deposited in an account reserved to support basic skills training delivered by the State's One-Stop Career Centers to qualified displaced, disadvantaged and employed workers pursuant to Employability Development Plans developed pursuant to section 7 of P.L.1992, c.43 (C.34:15D-7);

(2) 28% shall be deposited in an account reserved for Workforce Investment Boards to provide grants for basic skills training for qualified displaced, disadvantaged and employed workers pursuant to Employability Development Plans developed pursuant to section 7 of P.L.1992, c.43

(C.34:15D-7) and for other individuals with learning disabilities or otherwise in need of vocational rehabilitation services;

(3) 38% shall be deposited in an account reserved for grants to consortia including one or more of any of the following: eligible individual employers, employer organizations, labor organizations, community-based organizations or educational institutions to provide basic skills training to qualified displaced, disadvantaged or employed workers or to other individuals seeking to enter apprenticeship training; and

(4) 10% shall be deposited in an account to be used, at the discretion of the commissioner, for any of the purposes indicated in this subsection a. and any administrative costs incurred by the Department of Labor in connection with the fund.

b. Any grant provided in connection with paragraph (3) of subsection a. of this section directly to an employer or to an employer through a consortium shall be regarded as a customized training grant and shall be administered by the Office of Customized Training and the employer and consortium shall comply with all requirements of section 5 of P.L.1992, c.43 (C.34:15D-5), except that any grants provided directly or indirectly to an employer for use in connection with any program which includes apprenticeship training or activities or preparation for entry into apprenticeship training shall be exempt from the requirement of this subsection b. to be administered by the Office of Customized Training and be subject to the requirements of section 5 of P.L.1992, c.43 (C.34:15D-5), if it is approved by the Apprenticeship Policy Committee, as defined in section 3 of P.L.1993, c.268 (C.34:15E-3), and the employer complies with the provisions of subsection e. of section 5 of P.L.1993, c.268 (C.34:15E-5). Any grant provided in connection with paragraph (b) of subsection a. of this section directly to an individual shall be regarded as an individual training grant and shall be subject to the requirements of subsections a., c. and d. of section 6 of P.L.1992, c.43 (C.34:15D-6).

c. Any employment and training services funded by the Supplemental Workforce Fund for Basic Skills shall be provided in a manner which complies with the provisions of subsections b., c., f., g., h. and i. of section 4 of P.L.1992, c.43 (C.34:15D-4), to the extent that those subsections pertain to remedial education. Any service provider receiving moneys from the Supplemental Workforce Fund for Basic Skills shall be subject to the provisions of section 8 of P.L.1992, c.43 (C.34:15D-8) and section 8 of P.L.1992, c.44 (C.34:15D-19).

d. All staff located at any One Stop Career Center supported by funds provided from the Supplemental Workforce Fund for Basic Skills shall be hired and employed by the State pursuant to Title 11A, Civil Service, of the New Jersey Statutes.

e. Beginning July 1, 2002, and for any subsequent fiscal year, if the unexpended cash balance in any of the accounts indicated in subsection a. of this section, less any amount awarded in grants but not yet disbursed from the account, is determined to exceed 20% of the amount of contributions collected for deposit in the account pursuant to this subsection during the fiscal year then ended, the excess shall be regarded as an unemployment compensation contribution and deposited into the unemployment compensation fund within seven business days of the date that the determination is made.

f. The Commissioner of Labor shall establish standards of performance for providers of basic skills training pursuant to this act. The standards shall include, but not be limited to, standards for the curriculum or training to be furnished, qualifications for persons who will provide the training under the act, and standards for establishing what constitutes successful completion of the training program. The commissioner shall establish means of determining the ability of enrollees to gain or maintain employment following the successful completion of a training program established pursuant to this section. In the event that the commissioner determines that a provider has not conducted its training program in accordance with the standards of performance, he may take that action necessary to correct the deficiencies of the provider, or terminate the contract with the provider of basic skills services if the provider fails to respond to remedial action.

g. The State Employment and Training Commission shall review and evaluate the operations of programs supported by the Supplemental Workforce Fund for Basic Skills established pursuant to this section, with special consideration to how those programs assist in the implementation of the goals of the Strategic Five-Year State Plan for New Jersey's Workforce Investment System, and shall consult with the Commissioner of Labor regarding its findings.

h. For the purpose of this section:

"Basic skills training" means basic mathematics, reading comprehension, basic computer literacy, English proficiency and work-readiness skills and shall be regarded as a form of "remedial education" for the purposes of section 3 of P.L.1992, c.43 (C.34:15D-3);

"One Stop Career Center" means one of the centers established in local areas to coordinate a variety of State and local programs providing employment and training services, including job placement services, or any other similar State or local government-sponsored center providing employment and training services as may be developed at any later time; and

"Qualified disadvantaged worker," "qualified displaced worker," "qualified employed worker," and "employment and training services" have the meanings given to them by section 3 of P.L.1992, c.43 (C.34:15D-3).

C.34:15D-22 Contributions to fund.

2. Beginning on January 1, 2002, each worker shall contribute to the Supplemental Workforce Fund for Basic Skills an amount equal to 0.0175% of the worker's wages as determined in accordance with paragraph (3) of subsection (b) of R.S.43:21-7 regarding the worker's employment with an employer.

Beginning on July 1, 2001, each employer shall contribute to the Supplemental Workforce Fund for Basic Skills an amount equal to the amount that the employer's contribution is decreased pursuant to subparagraph (J) of paragraph (5) of subsection (c) of R.S.43:21-7.

C.34:15D-23 Refund of excess employee contributions.

3. If an employee receives wages from more than one employer during any calendar year, and the sum of the employee's contributions deposited in the Supplemental Workforce Fund for Basic Skills exceeds an amount equal to 0.0175% of the wages determined in accordance with the provisions of paragraph (3) of subsection (b) of R.S.43:21-7 during the calendar year beginning January 1, 2002 or any subsequent calendar year, the employee shall be entitled to a refund of the excess if a claim establishing the employee's right to the refund is made within two years after the end of the respective calendar year in which the wages are received and are the subject of the claim. The commissioner shall refund any overpayment from the fund without interest.

Any employee who is a taxpayer and entitled, pursuant to the provisions of this section, to a refund of contributions deducted during a tax year from his wages shall, in lieu of the refund, be entitled to a credit in the full amount thereof against the tax otherwise due on his New Jersey gross income for that tax year if he submits his claim for the credit and accompanies that claim with evidence of his right to the credit in the manner provided by regulation by the Director of the Division of Taxation. In any case in which the amount, or any portion thereof, of any credit allowed hereunder results in or increases an excess of income tax payment over income tax liability, the amount of the new or increased excess shall be considered an overpayment and shall be refunded to the taxpayer in the manner provided by subsection (a) of N.J.S.54A:9-7.

4. Section 1 of P.L.1992, c.48 (C.34:15B-35) is amended to read as follows:

C.34:15B-35 Definitions relative to job training.

1. As used in this act:

"Approved service provider" means a service provider approved pursuant to section 6 of this act.

"Apprenticeship Policy Committee" means the New Jersey Apprenticeship Policy Committee established by an agreement between the Bureau of Apprenticeship and Training in the United States Department of Labor, the State Department of Labor and the State Department of Education and consisting of a representative of the Commissioner of the State Department of Education, a representative of the Commissioner of the State Department of Labor, the Director of Region II of the Bureau of Apprenticeship and Training in the United States Department of Labor, and a representative of the New Jersey State AFL-CIO.

"Commissioner" means the Commissioner of Labor.

"Department" means the Department of Labor.

"Employment and training services" means:

- a. Counseling provided pursuant to section 4 of this act;
- b. Vocational training; or
- c. Remedial education.

"Federal job training funds" means any moneys expended to obtain employment and training services, pursuant to the Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C.s.2801 et seq.), except that, to the extent that the application of any specific provision of this act would cause the amount of federal job training funds provided to the State to be reduced, that provision shall not apply.

"Labor demand occupation" means an occupation for which there is or is likely to be an excess of demand over supply for adequately trained workers, including, but not limited to, an occupation designated as a labor demand occupation by the New Jersey Occupational Information Coordinating Committee pursuant to section 7 of this act.

"Office of Customized Training" means the Office of Customized Training established pursuant to section 5 of P.L.1992, c.43 (C.34:15D-5).

"Permanent employment" means full-time employment unsubsidized by government training funds which provides a significant opportunity for career advancement and long-term job security and is in the occupation for which a worker receives vocational training pursuant to this act.

"Qualified job counselor" means a job counselor whose qualifications meet standards established by the commissioner.

"Remedial education" means any literacy or other basic skills training or education which may not be directly related to a particular occupation but is needed to facilitate success in vocational training or work performance,

including training or education in basic mathematics, reading comprehension, basic computer literacy, English proficiency and work-readiness skills.

"Service provider" or "provider" means a provider of employment and training services including but not limited to a private or public school or institution of higher education, a business, a labor organization or a community-based organization.

"Vocational training" means training or education which is related to an occupation and is designed to enhance the marketable skills and earning power of a worker or job seeker.

5. Section 2 of P.L.1992, c.48 (C.34:15B-36) is amended to read as follows:

C.34:15B-36 Funding of vocational training.

2. a. All vocational training funded with federal job training funds shall be training which is likely to substantially enhance the trainee's marketable skills and earning power and is for a labor demand occupation.

b. Federal job training funds shall not be used for job training or any related activities which induce, encourage or assist: any displacement or partial displacement of currently employed workers by trainees by means such as reduced hours of currently employed workers; any replacement of laid off workers by trainees; or any relocation of operations resulting in a loss of employment at a previous workplace, except in cases of multi-establishment employers consolidating establishments. No federal job training funds shall be used for job training in any case in which an employer relocates within the State and does not offer each affected employee the equivalent benefits, pay and working conditions if the employee moves to the new location and into a job or position involving comparable skills, responsibilities, experience and seniority to the prior job or position.

c. Federal job training funds shall not be used for job training or any related activities which impair existing contracts for services or collective bargaining agreements, except that job training or any related activities which are inconsistent with the terms of a collective bargaining agreement may be undertaken with the written concurrence of the collective bargaining unit and employer who are parties to the agreement.

d. Any federal job training funds which are provided directly to an employer or indirectly to an employer through a consortium shall be regarded as customized training grants and be administered by the Office of Customized Training and the employer and any consortium shall comply with all requirements of section 5 of P.L.1992, c.43 (C.34:15D-5), except that federal job training funds provided directly or indirectly to an employer

for use in connection with any program which includes apprenticeship training or activities shall be exempt from the requirement of this subsection d. to be administered by the Office of Customized Training and be subject to the requirements of section 5 of P.L.1992, c.43 (C.34:15D-5) if it is approved by the Apprenticeship Policy Committee, as defined in section 3 of P.L.1993, c.268 (C.34:15E-3) and the employer complies with the provisions of subsection e. of section 5 of P.L.1993, c.268 (C.34:15E-5). Employment and training services funded by federal job training funds shall not replace, supplant, compete with or duplicate any approved apprenticeship program.

6. Section 3 of P.L.1992, c.48 (C.34:15B-37) is amended to read as follows:

C.34:15B-37 Funding of on the job training.

3. a. On the job training shall not be paid for with federal job training funds for any employment found by the commissioner to be of a level of skill and complexity too low to merit training.

b. The duration of on the job training for any individual shall not exceed the duration indicated by the Specific Vocational Preparation code developed by the United States Department of Labor for the occupation for which the training is provided and shall in no case exceed 26 weeks. The department shall set the duration of on the job training for an individual for less than the indicated maximum, when training for the maximum duration is not warranted because of the level of the individual's previous training, education or work experience.

c. On the job training shall not be paid for with federal job training funds unless it is accompanied, concurrently or otherwise, by whatever amount of classroom-based vocational training, remedial education or both, is deemed appropriate for the worker by the commissioner.

d. Each employer receiving federal job training funds for on the job training shall retain in permanent employment each trainee who successfully completes the training. The commissioner may, for a time period he deems appropriate, provide for the withholding of whatever portion he deems appropriate of the funding as a final payment for training, contingent upon the retention of a program completer as required pursuant to this section.

e. On the job training shall not be paid for with federal job training funds unless the trainee is provided benefits, pay and working conditions at a level and extent not less than the benefits and working conditions of other trainees or employees of the trainee's employer with comparable skills, responsibilities, experience and seniority.

7. Section 5 of P.L.1992, c.48 (C.34:15B-39) is amended to read as follows:

C.34:15B-39 Eligibility for employment, training services.

5. An otherwise qualified individual shall not be denied employment and training services included in the Employability Development Plan developed for the individual pursuant to section 4 of this act for any of the following reasons: the employment and training services include remedial education needed by the individual to advance in the individual's current employment or occupation or to succeed in the vocational component of the training; the qualified displaced worker or other individual has identifiable vocational skills but the training services are needed to enable the individual to develop skills necessary to attain at least the level of self-sufficiency; the training is part of a program under which the individual may obtain a college degree enhancing the individual's marketable skills and earning power; the individual has previously received a training grant; the length of the training period under the program; or the lack of a prior guarantee of employment upon completion of the training, except for on the job training. This section shall not be construed as requiring that federal job training funds be used to pay for employment and training services for which other assistance, such as State or federal student financial aid, is provided.

8. Section 3 of P.L.1992, c.43 (C.34:15D-3) is amended to read as follows:

C.34:15D-3 Definitions relative to workforce development.

3. As used in this act:

"Administrative costs" means any costs incurred by the department to administer the program, including any cost required to collect information and conduct evaluations of service providers pursuant to section 8 of this act and conduct surveys of occupations pursuant to section 12 of this act, to the extent that funding is not available from federal or other sources.

"Apprenticeship Policy Committee" means the New Jersey Apprenticeship Policy Committee established by an agreement between the Bureau of Apprenticeship and Training in the United States Department of Labor, the State Department of Labor and the State Department of Education and consisting of a representative of the Commissioner of the State Department of Education, a representative of the Commissioner of the State Department of Labor, the Director of Region II of the Bureau of Apprenticeship and Training in the United States Department of Labor and a representative of the New Jersey State AFL-CIO.

"Approved service provider" means a service provider approved pursuant to section 8 of this act.

"Commission" means the State Employment and Training Commission.

"Commissioner" means the Commissioner of Labor or the commissioner's designees.

"Customized training services" means employment and training services which are provided by the Office of Customized Training pursuant to section 5 of this act.

"Department" means the State Department of Labor.

"Employer" or "business" means any employer subject to the provisions of R.S.43:21-1 et seq.

"Employment and training services" means:

- a. Counseling provided pursuant to section 7 of this act;
- b. Vocational training;
- c. Remedial education; or
- d. Occupational safety and health training.

"Fund" means the Workforce Development Partnership Fund established pursuant to section 9 of this act.

"Labor Demand Occupation" means an occupation for which there is or is likely to be an excess of demand over supply for adequately trained workers, including, but not limited to, an occupation designated as a labor demand occupation by the New Jersey Occupational Information Coordinating Committee pursuant to section 12 of this act.

"Occupational safety and health training" means training or education which is designed to assist in the recognition and prevention of potential health and safety hazards related to an occupation.

"Office" means the Office of Customized Training established pursuant to section 5 of this act.

"Permanent employment" means full-time employment unsubsidized by government training funds which provides a significant opportunity for career advancement and long-term job security and is in the occupation for which a worker receives vocational training pursuant to this act.

"Program" means the Workforce Development Partnership Program created pursuant to this act.

"Qualified disadvantaged worker" means a worker who is not a qualified displaced worker or a qualified employed worker but who otherwise meets the following criteria:

- a. Is unemployed;
- b. Is working part-time and actively seeking full-time work or is working full-time but is earning wages substantially below the median salary for others in the labor force with similar qualifications and experience; or
- c. Is certified by the Department of Human Services as:
 - (1) Currently receiving public assistance;

(2) Having been recently removed from the public assistance rolls because of gross income exceeding the grant standard for assistance; or

(3) Being eligible for public assistance but not receiving the assistance because of a failure to apply for it.

"Qualified displaced worker" means a worker who:

a. Is unemployed, and:

(1) Is currently receiving unemployment benefits pursuant to R.S.43:21-1 et seq. or any federal or State unemployment benefit extension; or

(2) Has exhausted eligibility for the benefits or extended benefits during the preceding 52 weeks; or

b. Meets the criteria set by the Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C.s.2801 et seq.), to be regarded as a "dislocated worker" pursuant to that act.

"Qualified employed worker" means a worker who is employed by an employer participating in a customized training program, or other employed worker who is in need of remedial education.

"Qualified job counselor" means a job counselor whose qualifications meet standards established by the commissioner.

"Remedial education" means any literacy or other basic skills training or education which may not be directly related to a particular occupation but is needed to facilitate success in vocational training or work performance, including training or education in mathematics, reading comprehension, computer literacy, English proficiency and work-readiness skills.

"Service provider" or "provider" means a provider of employment and training services including but not limited to a private or public school or institution of higher education, a business, a labor organization or a community-based organization.

"Supplemental Workforce Fund for Basic Skills" means the fund established pursuant to section 1 of P.L.2001, c.152 (C.34:15D-21).

"Total revenues dedicated to the program during any one fiscal year" means all moneys received for the fund during any fiscal year, including moneys withdrawn from the State disability benefits fund pursuant to section 3 of P.L.1992, c.44 (C.34:15D-14), minus any repayment made during that fiscal year from the fund to the State disability benefits fund pursuant to that section.

"Training grant" means a grant provided to fund vocational training and any needed remedial education for a qualified displaced or disadvantaged worker pursuant to section 6 of this act, or to fund needed remedial education for a qualified employed worker pursuant to section 1 of P.L.2001, c.152 (C.34:15D-21).

"Vocational training" means training or education which is related to an occupation and is designed to enhance the marketable skills and earning power of a worker or job seeker.

9. Section 4 of P.L.1992, c.43 (C.34:15D-4) is amended to read as follows:

C.34:15D-4 Workforce Development Partnership Program established.

4. a. The Workforce Development Partnership Program is hereby established in the Department of Labor and shall be administered by the Commissioner of Labor. The purpose of the program is to provide qualified displaced, disadvantaged and employed workers with the employment and training services most likely to provide the greatest opportunity for long-range career advancement with high levels of productivity and earning power. To implement that purpose, the program shall provide those services by means of training grants or customized training services, to the extent that funding for the services is not available from federal or other sources. The commissioner is authorized to expend moneys from the Workforce Development Partnership Fund to provide the training grants or customized training services and provide for each of the following:

(1) The cost of counseling required pursuant to section 7 of P.L.1992, c.43 (C.34:15D-7), to the extent that adequate funding for counseling is not available from federal or other sources;

(2) Reasonable administrative costs, which shall not exceed 10% of the revenues collected pursuant to section 2 of P.L.1992, c.44 (C.34:15D-13) during any fiscal year ending before July 1, 2001, except for additional start-up administrative costs approved by the Director of the Office of Management and Budget during the first year of the program's operation;

(3) Reasonable costs, which shall not exceed 0.5% of the revenues collected pursuant to section 2 of P.L.1992, c.44 (C.34:15D-13) during any fiscal year ending before July 1, 2001, as required by the State Employment and Training Commission to design criteria and conduct an annual evaluation of the program; and

(4) The cost of reimbursement to individuals for excess contributions pursuant to section 6 of P.L.1992, c.44 (C.34:15D-17).

b. Not more than 10% of the moneys received by any service provider pursuant to this act shall be expended on anything other than direct costs to the provider of providing the employment and training services, which direct costs shall not include any administrative or overhead expense of the provider.

c. Training and employment services shall be provided to a worker who receives counseling pursuant to section 7 of P.L.1992, c.43

(C.34:15D-7) only if the counselor who evaluates the worker pursuant to that section determines that the worker can reasonably be expected to successfully complete the training and education identified in the Employability Development Plan developed pursuant to that section for the worker.

d. All vocational training provided under this act:

(1) Shall be training which is likely to substantially enhance the individual's marketable skills and earning power; and

(2) Shall be training for a labor demand occupation, except for:

(a) Customized training provided to the present employees of a business which the commissioner deems to be in need of the training to prevent job loss caused by obsolete skills, technological change or national or global competition; or

(b) Customized training provided to employees at a facility which is being relocated from another state into New Jersey; or

(c) Entrepreneurial training and technical assistance supported by training grants provided pursuant to subsection b. of section 6 of P.L.1992, c.43 (C.34:15D-6).

e. During any fiscal year ending before July 1, 2001, not less than 25% of the total revenues dedicated to the program during any one fiscal year shall be reserved to provide employment and training services for qualified displaced workers; not less than six percent of the total revenues dedicated to the program during any one fiscal year shall be reserved to provide employment and training services for qualified disadvantaged workers; not less than 45% of the total revenues dedicated to the program during any one fiscal year shall be reserved for and appropriated to the Office of Customized Training; not less than 3% of the total revenues dedicated to the program during any one fiscal year shall be reserved for occupational safety and health training; and 5% of the total revenues dedicated to the program during any one fiscal year shall be reserved for and appropriated to the Youth Transitions to Work Partnership created pursuant to P.L.1993, c.268 (C.34:15E-1 et seq.).

f. Funds available under the program shall not be used for activities which induce, encourage or assist: any displacement of currently employed workers by trainees, including partial displacement by means such as reduced hours of currently employed workers; any replacement of laid off workers by trainees; or any relocation of operations resulting in a loss of employment at a previous workplace located in the State.

g. On-the-job training shall not be funded by the program for any employment found by the commissioner to be of a level of skill and complexity too low to merit training. The duration of on-the-job training funded by the program for any worker shall not exceed the duration indicated by the Specific Vocational Preparation Code developed by the

United States Department of Labor for the occupation for which the training is provided and shall in no case exceed 26 weeks. The department shall set the duration of on-the-job training for a worker for less than the indicated maximum, when training for the maximum duration is not warranted because of the level of the individual's previous training, education or work experience. On-the-job training shall not be funded by the program unless it is accompanied, concurrently or otherwise, by whatever amount of classroom-based vocational training, remedial education or both, is deemed appropriate for the worker by the commissioner. On-the-job training shall not be funded by the program unless the trainee is provided benefits, pay and working conditions at a level and extent not less than the benefits and working conditions of other trainees or employees of the trainee's employer with comparable skills, responsibilities, experience and seniority.

h. Employment and training services funded by the program shall not replace, supplant, compete with or duplicate in any way approved apprenticeship programs.

i. No activities funded by the program shall impair existing contracts for services or collective bargaining agreements, except that activities which would be inconsistent with the terms of a collective bargaining agreement may be undertaken with the written concurrence of the collective bargaining unit and employer who are parties to the agreement.

10. Section 6 of P.L.1992, c.43 (C.34:15D-6) is amended to read as follows:

C.34:15D-6 Training grants.

6. a. The Workforce Development Partnership Program shall, to the extent that resources available in the fund permit, provide, for each qualified displaced or disadvantaged worker who undergoes counseling pursuant to section 7 of this act, a training grant to pay for employment and training services which are identified in the Employability Development Plan developed pursuant to that section for that worker. No training grant made pursuant to this subsection during the first 12 months following July 1, 1992 shall exceed the amount deemed reasonable by the commissioner for the particular training, which amount shall not exceed \$4,000, except that the commissioner may permit an additional amount, if he deems it necessary to provide remedial education identified in the Employability Development Plan.

b. The Workforce Development Partnership Program may provide, for any individual who is selected to receive a self-employment assistance allowance pursuant to section 4 of P.L.1995, c.394 (C.43:21-70), a training grant to pay for entrepreneurial training and technical assistance deemed

necessary and appropriate by the commissioner to help the individual to become self-employed. A training grant made pursuant to this subsection shall be in an amount deemed reasonable by the commissioner for the particular training, but, during the first 12 months following January 1, 1996, shall not be in an amount which exceeds \$400, or, if the grant is for training provided by any public institution of higher education indicated in N.J.S.18A:62-1, shall not be in an amount which exceeds \$1,500.

c. The maximum amounts permitted for training grants made pursuant to subsection a. or b. of this section may be adjusted annually thereafter by the commissioner, taking into consideration changes in the prevailing costs of services and the availability of alternative sources of funding for the services. Any cost for employment and training services which exceeds the amount of a training grant shall be the responsibility of the worker receiving the grant. The cost of counseling provided pursuant to section 7 of this act shall not be charged against the training grant. No portion of a training grant may be expended on wage subsidies.

d. If the requirements of this section and sections 4 and 7 of this act are met, a qualified displaced, disadvantaged or employed worker shall not be denied a training grant for any of the following reasons: the training includes remedial education needed by the worker to advance in his current employment or occupation or to succeed in the vocational component of the training; the qualified displaced worker or other individual has identifiable vocational skills but the training services are needed to enable the individual to develop skills necessary to attain at least the level of self-sufficiency; the training is part of a program under which the worker may obtain any college degree enhancing the worker's marketable skills and earning power; the worker has previously received a training grant; the length of the training period under the program; or the lack of a prior guarantee of employment upon completion of the training.

11. Section 7 of P.L.1992, c.43 (C.34:15D-7) is amended to read as follows:

C.34:15D-7 Counseling.

7. Counseling shall be made available by the department to each qualified displaced or disadvantaged worker applying to participate in the program. Counseling may also be made available to a qualified employed worker who seeks remedial education or is selected to participate in a customized training program, if the worker's employer requests the counseling. The department may itself provide the counseling or obtain the counseling from a service provider, if the service provider is different from and not affiliated with any service provider offering any employment and

training services to the worker other than the counseling, except that the department may obtain testing and assessment services provided pursuant to subsection a. of this section from a provider which also offers employment and training services to the worker other than the counseling. The purpose of any counseling made available pursuant to this section is to assist each worker in obtaining the employment and training services most likely to provide the worker with the greatest opportunity for long-range career advancement with high levels of productivity and earning power. Whether provided by the department or a service provider, the counseling shall include:

a. Testing and assessment of the worker's job skills and aptitudes, including the worker's literacy skills and other basic skills. Basic skills testing and assessment shall be provided to the worker unless information is provided regarding the worker's educational background and occupational or professional experience which clearly demonstrates that the worker's basic skill level meets the standards established pursuant to section 14 of P.L.1989, c.293 (C.34:15C-11) or unless the worker is already participating in a remedial education program which meets those standards;

b. An evaluation by a qualified job counselor of what remedial education, if any, is determined to be necessary for the worker to advance in his current employment or occupation or to succeed in any particular vocational training which the worker would undertake under the program, provided that the remedial education shall be at a level not lower than that needed to meet the standards established pursuant to section 14 of P.L.1989, c.293 (C.34:15C-11);

c. The provision of information to the worker regarding any of the labor demand occupations for which training meets the requirements of section 4 of this act in the worker's case, including information about the wage levels in those occupations, the effectiveness of approved service providers of vocational training in occupations which the worker is considering and the long-term success of former trainees of each provider in obtaining permanent employment and increasing earnings;

d. The provision of information to the worker regarding the services and benefits available to the worker under the provisions of this act and P.L.1992, c.47 (C.43:21-57 et al.); and

e. Discussion with the counselor of the results of the testing and evaluation and, based on those results, the development of a written Employability Development Plan identifying the training and employment services, including any needed remedial education, to be provided to the worker pursuant to this act.

Counseling made available at the request of an employer participating in a customized training program may include only those components requested by the employer.

All information regarding a worker applicant or trainee which is obtained or compiled in connection with the testing, assessment and evaluation and which may be identified with the worker shall be confidential and shall be released to an entity other than the worker, the counselor or the department only if the worker provides written permission to the department for the release of the information or the information is used solely for program evaluation.

12. Section 9 of P.L.1992, c.43 (C.34:15D-9) is amended to read as follows:

C.34:15D-9 Workforce Development Partnership Fund.

9. a. A restricted, nonlapsing, revolving Workforce Development Partnership Fund, to be managed and invested by the State Treasurer, is hereby established to: provide employment and training services to qualified displaced, disadvantaged and employed workers by means of training grants or customized training services; provide for the other costs indicated in subsection a. of section 4 of this act; and facilitate the provision of education and training to youth by means of grants provided by the Youth Transitions to Work Partnership pursuant to the provisions of P.L.1993, c.268 (C.34:15E-1 et al.). All appropriations to the fund, all interest accumulated on balances in the fund and all cash received for the fund from any other source shall be used solely for the purposes specifically delineated by this act.

b. During any fiscal year beginning after June 30, 2001, of the total revenues dedicated to the program during any one fiscal year: 25% shall be deposited in an account of the Workforce Development Partnership Fund reserved to provide employment and training services for qualified displaced workers; 6% shall be deposited in an account of the Workforce Development Partnership Fund reserved to provide employment and training services for qualified disadvantaged workers; 45% shall be deposited in an account of the Workforce Development Partnership Fund reserved for and appropriated to the Office of Customized Training; 3% shall be deposited in an account of the Workforce Development Partnership Fund reserved for occupational safety and health training; 5% shall be deposited in an account of the Workforce Development Partnership Fund reserved for the Youth Transitions to Work Partnership created pursuant to P.L.1993, c.268 (C.34:15E-1 et seq.); 10% shall be deposited in an account of the Workforce Development Partnership Fund reserved for administra-

tive costs as defined in section 3 of P.L.1992, c.43 (C.34:15D-3); 0.5% shall be deposited in an account of the Workforce Development Partnership Fund reserved for the State Employment and Training Commission to design criteria and conduct an annual evaluation of the program; and 5.5% shall be deposited in an account of the Workforce Development Partnership Fund to be used, at the discretion of the commissioner, for any of the purposes indicated in subsection a. of section 4 of P.L.1992, c.43 (C.34:15D-4).

c. Beginning January 1, 1995, through June 30, 2002, the balance in the fund as of the previous December 31, as determined in accordance with generally accepted accounting principles, shall not exceed 1.5 times the amount of contributions deposited for the calendar year then ended. If the balance exceeds this amount, the excess shall be deposited into the unemployment compensation fund within seven business days of the date that the determination is made.

d. Beginning July 1, 2002, and for any subsequent fiscal year, if the unexpended cash balance in any of the accounts indicated in subsection b. of this section, less any amount awarded in grants but not yet disbursed from the account, is determined to exceed 20% of the amount of contributions collected for deposit in the account pursuant to this subsection during the fiscal year then ended, the excess shall be regarded as an unemployment compensation contribution and deposited into the unemployment compensation fund within seven business days of the date that the determination is made.

13. R.S.43:21-7 is amended to read as follows:

Contributions.

43:21-7. Contributions.

Employers other than governmental entities, whose benefit financing provisions are set forth in section 4 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit organizations liable for payment in lieu of contributions on the basis set forth in section 3 of P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller for the unemployment compensation fund, contributions as set forth in subsections (a), (b) and (c) hereof, and the provisions of subsections (d) and (e) shall be applicable to all employers, consistent with the provisions of the "unemployment compensation law" and the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.).

(a) Payment.

(1) Contributions shall accrue and become payable by each employer for each calendar year in which he is subject to this chapter (R.S.43:21-1 et seq.), with respect to having individuals in his employ during that calendar year, at the rates and on the basis hereinafter set forth. Such contributions

shall become due and be paid by each employer to the controller for the fund, in accordance with such regulations as may be prescribed, and shall not be deducted, in whole or in part, from the remuneration of individuals in his employ.

(2) In the payment of any contributions, a fractional part of a cent shall be disregarded unless it amounts to \$0.005 or more, in which case it shall be increased to \$0.01.

(b) Rate of contributions. Each employer shall pay the following contributions:

(1) For the calendar year 1947, and each calendar year thereafter, 2 7/10% of wages paid by him during each such calendar year, except as otherwise prescribed by subsection (c) of this section.

(2) The "wages" of any individual, with respect to any one employer, as the term is used in this subsection (b) and in subsections (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid during calendar year 1975, for services performed either within or without this State; provided that no contribution shall be required by this State with respect to services performed in another state if such other state imposes contribution liability with respect thereto. If an employer (hereinafter referred to as a successor employer) during any calendar year acquires substantially all the property used in a trade or business of another employer (hereinafter referred to as a predecessor), or used in a separate unit of a trade or business of a predecessor, and immediately after the acquisition employs in his trade or business an individual who immediately prior to the acquisition was employed in the trade or business of such predecessors, then, for the purpose of determining whether the successor employer has paid wages with respect to employment equal to the first \$4,800.00 paid during calendar year 1975, any wages paid to such individual by such predecessor during such calendar year and prior to such acquisition shall be considered as having been paid by such successor employer.

(3) For calendar years beginning on and after January 1, 1976, the "wages" of any individual, as defined in the preceding paragraph (2) of this subsection (b), shall be established and promulgated by the Commissioner of Labor on or before September 1 of the preceding year and shall be 28 times the Statewide average weekly remuneration paid to workers by employers, as determined under R.S.43:21-3(c), raised to the next higher multiple of \$100.00 if not already a multiple thereof, provided that if the amount of wages so determined for a calendar year is less than the amount similarly determined for the preceding year, the greater amount will be used; provided, further, that if the amount of such wages so determined does not equal or exceed the amount of wages as defined in subsection (b) of section 3306 of the Federal Unemployment Tax Act, Chapter 23 of the Internal

Revenue Code of 1986 (26 U.S.C.s.3306(b)), the wages as determined in this paragraph in any calendar year shall be raised to equal the amount established under the Federal Unemployment Tax Act for that calendar year.

(c) Future rates based on benefit experience.

(1) A separate account for each employer shall be maintained and this shall be credited with all the contributions which he has paid on his own behalf on or before January 31 of any calendar year with respect to employment occurring in the preceding calendar year; provided, however, that if January 31 of any calendar year falls on a Saturday or Sunday, an employer's account shall be credited as of January 31 of such calendar year with all the contributions which he has paid on or before the next succeeding day which is not a Saturday or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be construed to grant any employer or individuals in his service prior claims or rights to the amounts paid by him into the fund either on his own behalf or on behalf of such individuals. Benefits paid with respect to benefit years commencing on and after January 1, 1953, to any individual on or before December 31 of any calendar year with respect to unemployment in such calendar year and in preceding calendar years shall be charged against the account or accounts of the employer or employers in whose employment such individual established base weeks constituting the basis of such benefits, except that, with respect to benefit years commencing after January 4, 1998, an employer's account shall not be charged for benefits paid to a claimant if the claimant's employment by that employer was ended in any way which, pursuant to subsection (a), (b), (c), (f), (g) or (h) of R.S.43:21-5, would have disqualified the claimant for benefits if the claimant had applied for benefits at the time when that employment ended. Benefits paid under a given benefit determination shall be charged against the account of the employer to whom such determination relates. When each benefit payment is made, either a copy of the benefit check or other form of notification shall be promptly sent to the employer against whose account the benefits are to be charged. Such copy or notification shall identify the employer against whose account the amount of such payment is being charged, shall show at least the name and social security account number of the claimant and shall specify the period of unemployment to which said check applies. If the total amount of benefits paid to a claimant and charged to the account of the appropriate employer exceeds 50% of the total base year, base week wages paid to the claimant by that employer, then such employer shall have canceled from his account such excess benefit charges as specified above.

Each employer shall be furnished an annual summary statement of benefits charged to his account.

(2) Regulations may be prescribed for the establishment, maintenance, and dissolution of joint accounts by two or more employers, and shall, in accordance with such regulations and upon application by two or more employers to establish such an account, or to merge their several individual accounts in a joint account, maintain such joint account as if it constituted a single employer's account.

(3) No employer's rate shall be lower than 5.4% unless assignment of such lower rate is consistent with the conditions applicable to additional credit allowance for such year under section 3303(a)(1) of the Internal Revenue Code of 1986 (26 U.S.C.s.3303(a)(1)), any other provision of this section to the contrary notwithstanding.

(4) Employer Reserve Ratio. (A) Each employer's rate shall be 2 8/10%, except as otherwise provided in the following provisions. No employer's rate for the 12 months commencing July 1 of any calendar year shall be other than 2 8/10%, unless as of the preceding January 31 such employer shall have paid contributions with respect to wages paid in each of the three calendar years immediately preceding such year, in which case such employer's rate for the 12 months commencing July 1 of any calendar year shall be determined on the basis of his record up to the beginning of such calendar year. If, at the beginning of such calendar year, the total of all his contributions, paid on his own behalf, for all past years exceeds the total benefits charged to his account for all such years, his contribution rate shall be:

(1) 2 5/10%, if such excess equals or exceeds 4%, but less than 5%, of his average annual payroll (as defined in paragraph (2), subsection (a) of R.S.43:21-19);

(2) 2 2/10%, if such excess equals or exceeds 5%, but is less than 6%, of his average annual payroll;

(3) 1 9/10%, if such excess equals or exceeds 6%, but is less than 7%, of his average annual payroll;

(4) 1 6/10%, if such excess equals or exceeds 7%, but is less than 8%, of his average annual payroll;

(5) 1 3/10%, if such excess equals or exceeds 8%, but is less than 9%, of his average annual payroll;

(6) 1%, if such excess equals or exceeds 9%, but is less than 10%, of his average annual payroll;

(7) 7/10 of 1%, if such excess equals or exceeds 10%, but is less than 11%, of his average annual payroll;

(8) 4/10 of 1%, if such excess equals or exceeds 11% of his average annual payroll.

(B) If the total of an employer's contributions, paid on his own behalf, for all past periods for the purposes of this paragraph (4), is less than the

total benefits charged against his account during the same period, his rate shall be:

- (1) 4%, if such excess is less than 10% of his average annual payroll;
- (2) $4\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less than 20%, of his average annual payroll;
- (3) $4\frac{6}{10}\%$, if such excess equals or exceeds 20% of his average annual payroll.

(C) Specially assigned rates. If no contributions were paid on wages for employment in any calendar year used in determining the average annual payroll of an employer eligible for an assigned rate under this paragraph (4), the employer's rate shall be specially assigned as follows:

- (i) if the reserve balance in its account is positive, its assigned rate shall be the highest rate in effect for positive balance accounts for that period, or 5.4%, whichever is higher, and
- (ii) if the reserve balance in its account is negative, its assigned rate shall be the highest rate in effect for deficit accounts for that period.

(D) The contribution rates prescribed by subparagraphs (A) and (B) of this paragraph (4) shall be increased or decreased in accordance with the provisions of paragraph (5) of this subsection (c) for experience rating periods through June 30, 1986.

(5) (A) Unemployment Trust Fund Reserve Ratio. If on March 31 of any calendar year the balance in the unemployment trust fund equals or exceeds 4% but is less than 7% of the total taxable wages reported to the controller as of that date in respect to employment during the preceding calendar year, the contribution rate, effective July 1 following, of each employer eligible for a contribution rate calculation based upon benefit experience, shall be increased by $\frac{3}{10}$ of 1% over the contribution rate otherwise established under the provisions of paragraph (3) or (4) of this subsection. If on March 31 of any calendar year the balance of the unemployment trust fund exceeds $2\frac{1}{2}\%$ but is less than 4% of the total taxable wages reported to the controller as of that date in respect to employment during the preceding calendar year, the contribution rate, effective July 1 following, of each employer eligible for a contribution rate calculation based upon benefit experience, shall be increased by $\frac{6}{10}$ of 1% over the contribution rate otherwise established under the provisions of paragraph (3) or (4) of this subsection.

If on March 31 of any calendar year the balance of the unemployment trust fund is less than $2\frac{1}{2}\%$ of the total taxable wages reported to the controller as of that date in respect to employment during the preceding calendar year, the contribution rate, effective July 1 following, of each employer (1) eligible for a contribution rate calculation based upon benefit experience, shall be increased by (i) $\frac{6}{10}$ of 1% over the contribution rate

otherwise established under the provisions of paragraph (3), (4)(A) or (4)(B) of this subsection, and (ii) an additional amount equal to 20% of the total rate established herein, provided, however, that the final contribution rate for each employer shall be computed to the nearest multiple of 1/10% if not already a multiple thereof; (2) not eligible for a contribution rate calculation based upon benefit experience, shall be increased by 6/10 of 1% over the contribution rate otherwise established under the provisions of paragraph (4) of this subsection. For the period commencing July 1, 1984 and ending June 30, 1986, the contribution rate for each employer liable to pay contributions under R.S.43:21-7 shall be increased by a factor of 10% computed to the nearest multiple of 1/10% if not already a multiple thereof.

(B) If on March 31 of any calendar year the balance in the unemployment trust fund equals or exceeds 10% but is less than 12 1/2% of the total taxable wages reported to the controller as of that date in respect to employment during the preceding calendar year, the contribution rate, effective July 1 following, of each employer eligible for a contribution rate calculation based upon benefit experience, shall be reduced by 3/10 of 1% under the contribution rate otherwise established under the provisions of paragraphs (3) and (4) of this subsection; provided that in no event shall the contribution rate of any employer be reduced to less than 4/10 of 1%. If on March 31 of any calendar year the balance in the unemployment trust fund equals or exceeds 12 1/2% of the total taxable wages reported to the controller as of that date in respect to employment during the preceding calendar year, the contribution rate, effective July 1 following, of each employer eligible for a contribution rate calculation based upon benefit experience, shall be reduced by 6/10 of 1% if his account for all past periods reflects an excess of contributions paid over total benefits charged of 3% or more of his average annual payroll, otherwise by 3/10 of 1% under the contribution rate otherwise established under the provisions of paragraphs (3) and (4) of this subsection; provided that in no event shall the contribution rate of any employer be reduced to less than 4/10 of 1%.

(C) The "balance" in the unemployment trust fund, as the term is used in subparagraphs (A) and (B) above, shall not include moneys credited to the State's account under section 903 of the Social Security Act, as amended (42 U.S.C.s.1103), during any period in which such moneys are appropriated for the payment of expenses incurred in the administration of the "unemployment compensation law."

(D) Prior to July 1 of each calendar year the controller shall determine the Unemployment Trust Reserve Ratio, which shall be calculated by dividing the balance of the unemployment trust fund as of the prior March 31 by total taxable wages reported to the controller by all employers as of March 31 with respect to their employment during the last calendar year.

(E) (Deleted by amendment, P.L.1997, c.263).

(ii) (Deleted by amendment, P.L.2001, c.152).

(iii) With respect to experience rating years beginning on or after July 1, 1998, the new employer rate or the unemployment experience rate of an employer under this section shall be the rate which appears in the column headed by the Unemployment Trust Fund Reserve Ratio as of the applicable calculation date and on the line with the Employer Reserve Ratio, as defined in paragraph 4 of this subsection (R.S.43:21-7 (c)(4)), as set forth in the following table:

EXPERIENCE RATING TAX TABLE

Fund Reserve Ratio¹

Employer Reserve Ratio ²	4.50% and Over A	3.50% to 4.49% B	3.00% to 3.49% C	2.50% to 2.99% D	2.49% and Under E
Positive Reserve Ratio:					
17% and over	0.3	0.4	0.5	0.6	1.2
16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
Deficit Reserve Ratio:					
-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5

-15.00%to-19.99%	3.6	4.6	5.5	6.1	6.6
-20.00%to-24.99%	3.7	4.7	5.6	6.2	6.7
-25.00%to-29.99%	3.7	4.8	5.6	6.3	6.8
-30.00%to-34.99%	3.8	4.8	5.7	6.3	6.9
-35.00% and under	5.4	5.4	5.8	6.4	7.0
New Employer Rate	2.8	2.8	2.8	3.1	3.4

¹Fund balance as of March 31 as a percentage of taxable wages in the prior calendar year.

²Employer Reserve Ratio (Contributions minus benefits as a percentage of employer's taxable wages).

(F)(i) (Deleted by amendment, P.L.1997, c.263).

(ii) With respect to experience rating years beginning on or after July 1, 1997, if the fund reserve ratio, based on the fund balance as of the prior March 31, is less than 1.00%, the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5), shall be increased by a factor of 10% computed to the nearest multiple of 1/10% if not already a multiple thereof.

(G) On or after January 1, 1993, notwithstanding any other provisions of this paragraph (5), the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5), shall be decreased by 0.1%, except that, during any experience rating year starting before January 1, 1998 in which the fund reserve ratio is equal to or greater than 7.00% or during any experience rating year starting on or after January 1, 1998, in which the fund reserve ratio is equal to or greater than 3.5%, there shall be no decrease pursuant to this subparagraph (G) in the contribution of any employer who has a deficit reserve ratio of negative 35.00% or under.

(H) On or after January 1, 1993 until December 31, 1993, notwithstanding any other provisions of this paragraph (5), the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5), shall be decreased by a factor of 52.0% computed to the nearest multiple of 1/10%, except that, if an employer has a deficit reserve ratio of negative 35.0% or under, the employer's rate of contribution shall not be reduced pursuant to this subparagraph (H) to less than 5.4%. The amount of the reduction in the employer contributions stipulated by this subparagraph (H) shall be in addition to the amount of the reduction in the employer contributions stipulated by subparagraph (G) of this paragraph (5), except that the rate of contribution of an employer who has a deficit reserve ratio of negative 35.0% or under shall not be reduced pursuant to this subparagraph (H) to less than 5.4% and the rate of contribution of any other employer shall not be reduced to less than 0.0%.

On or after January 1, 1994 until December 31, 1995, except as provided pursuant to subparagraph (I) of this paragraph (5), notwithstanding any other provisions of this paragraph (5), the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5), shall be decreased by a factor of 36.0% computed to the nearest multiple of 1/10%, except that, if an employer has a deficit reserve ratio of negative 35.0% or under, the employer's rate of contribution shall not be reduced pursuant to this subparagraph (H) to less than 5.4%. The amount of the reduction in the employer contributions stipulated by this subparagraph (H) shall be in addition to the amount of the reduction in the employer contributions stipulated by subparagraph (G) of this paragraph (5), except that the rate of contribution of an employer who has a deficit reserve ratio of negative 35.0% or under shall not be reduced pursuant to this subparagraph (H) to less than 5.4% and the rate of contribution of any other employer shall not be reduced to less than 0.0%.

On or after April 1, 1996 until December 31, 1996, the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5), shall be decreased by a factor of 25.0% computed to the nearest multiple of 1/10%, except that, if an employer has a deficit reserve ratio of negative 35.0% or under, the employer's rate of contribution shall not be reduced pursuant to this subparagraph (H) to less than 5.4%. The amount of the reduction in the employer contributions stipulated by this subparagraph (H) shall be in addition to the amount of the reduction in the employer contributions stipulated by subparagraph (G) of this paragraph (5), except that the rate of contribution of an employer who has a deficit reserve ratio of negative 35.0% or under shall not be reduced pursuant to this subparagraph (H) to less than 5.4% and the rate of contribution of any other employer shall not be reduced to less than 0.0%.

On or after January 1, 1997 until December 31, 1997, the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5), shall be decreased by a factor of 10.0% computed to the nearest multiple of 1/10%, except that, if an employer has a deficit reserve ratio of negative 35.0% or under, the employer's rate of contribution shall not be reduced pursuant to this subparagraph (H) to less than 5.4%. The amount of the reduction in the employer contributions stipulated by this subparagraph (H) shall be in addition to the amount of the reduction in the employer contributions stipulated by subparagraph (G) of this paragraph (5), except that the rate of contribution of an employer who has a deficit reserve ratio of negative 35.0% or under shall not be reduced pursuant to this subparagraph (H) to less than 5.4% and the rate of contribution of any other employer shall not be reduced to less than 0.0%.

On and after January 1, 1998 until December 31, 2000, the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5), shall be decreased each calendar year by a factor, as set out below, computed to the nearest multiple of 1/10%, except that, if an employer has a deficit reserve ratio of negative 35.0% or under, the employer's rate of contribution shall not be reduced pursuant to this subparagraph (H) to less than 5.4%:

From January 1, 1998 until December 31, 1998, a factor of 12%;

From January 1, 1999 until December 31, 1999, a factor of 10%;

From January 1, 2000 until December 31, 2000, a factor of 7%.

The amount of the reduction in the employer contributions stipulated by this subparagraph (H) shall be in addition to the amount of the reduction in the employer contributions stipulated by subparagraph (G) of this paragraph (5), except that the rate of contribution of an employer who has a deficit reserve ratio of negative 35.0% or under shall not be reduced pursuant to this subparagraph (H) to less than 5.4% and the rate of contribution of any other employer shall not be reduced to less than 0.0%.

(I) If the fund reserve ratio decreases to a level of less than 4.00% on March 31 of calendar year 1994 or calendar year 1995, the provisions of subparagraph (H) of this paragraph (5) shall cease to be in effect as of July 1 of that calendar year.

If, upon calculating the unemployment compensation fund reserve ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997, March 31, 1998 or March 31, 1999, the controller finds that the fund reserve ratio has decreased to a level of less than 3.00%, the Commissioner of Labor shall notify the State Treasurer of this fact and of the dollar amount necessary to bring the fund reserve ratio up to a level of 3.00%. The State Treasurer shall, prior to March 31, 1997, March 31, 1998 or March 31, 1999, as applicable, transfer from the General Fund to the unemployment compensation fund, revenues in the amount specified by the commissioner and which, upon deposit in the unemployment compensation fund, shall result, upon recalculation, in a fund reserve ratio used to determine employer contributions beginning July 1, 1997, July 1, 1998, July 1, 1999, as applicable, of at least 3.00%.

If, upon calculating the unemployment compensation fund reserve ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 2000, the controller finds that the fund reserve ratio has decreased to a level of less than 3.00%, the Commissioner of Labor shall notify the State Treasurer of this fact and of the dollar amount necessary to bring the fund reserve ratio up to a level of 3.00%. The State Treasurer shall, prior to March 31, 2000, transfer from the General Fund to the unemployment compensation fund, revenues in the amount specified by the commissioner and which, upon deposit in the

unemployment compensation fund, shall result, upon recalculation, in a fund reserve ratio used to determine employer contributions beginning July 1, 2000 of at least 3.00%.

(J) On or after July 1, 2001, notwithstanding any other provisions of this paragraph (5), the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5), shall be decreased by 0.0175%, except that, during any experience rating year starting on or after July 1, 2001, in which the fund reserve ratio is equal to or greater than 3.5%, there shall be no decrease pursuant to this subparagraph (J) in the contribution of any employer who has a deficit reserve ratio of negative 35.00% or under. The amount of the reduction in the employer contributions stipulated by this subparagraph (J) shall be in addition to the amount of the reduction in the employer contributions stipulated by subparagraphs (G) and (H) of this paragraph (5), except that the rate of contribution of an employer who has a deficit reserve ratio of negative 35.0% or under shall not be reduced pursuant to this subparagraph (J) to less than 5.4% and the rate of contribution of any other employer shall not be reduced to less than 0.0%.

(6) Additional contributions.

Notwithstanding any other provision of law, any employer who has been assigned a contribution rate pursuant to subsection (c) of this section for the year commencing July 1, 1948, and for any year commencing July 1 thereafter, may voluntarily make payment of additional contributions, and upon such payment shall receive a recomputation of the experience rate applicable to such employer, including in the calculation the additional contribution so made. Any such additional contribution shall be made during the 30-day period following the date of the mailing to the employer of the notice of his contribution rate as prescribed in this section, unless, for good cause, the time for payment has been extended by the controller for not to exceed an additional 60 days; provided that in no event may such payments which are made later than 120 days after the beginning of the year for which such rates are effective be considered in determining the experience rate for the year in which the payment is made. Any employer receiving any extended period of time within which to make such additional payment and failing to make such payment timely shall be, in addition to the required amount of additional payment, a penalty of 5% thereof or \$5.00, whichever is greater, not to exceed \$50.00. Any adjustment under this subsection shall be made only in the form of credits against accrued or future contributions.

(7) Transfers.

(A) Upon the transfer of the organization, trade or business, or substantially all the assets of an employer to a successor in interest, whether

by merger, consolidation, sale, transfer, descent or otherwise, the controller shall transfer the employment experience of the predecessor employer to the successor in interest, including credit for past years, contributions paid, annual payrolls, benefit charges, et cetera, applicable to such predecessor employer, pursuant to regulation, if it is determined that the employment experience of the predecessor employer with respect to the organization, trade, assets or business which has been transferred may be considered indicative of the future employment experience of the successor in interest. Unless the predecessor employer was owned or controlled (by legally enforceable means or otherwise), directly or indirectly, by the successor in interest, or the predecessor employer and the successor in interest were owned or controlled (by legally enforceable means or otherwise), directly or indirectly, by the same interest or interests, the transfer of the employment experience of the predecessor shall not be effective if such successor in interest, within four months of the date of such transfer of the organization, trade, assets or business, or thereafter upon good cause shown, files a written notice protesting the transfer of the employment experience of the predecessor employer.

(B) An employer who transfers part of his or its organization, trade, assets or business to a successor in interest, whether by merger, consolidation, sale, transfer, descent or otherwise, may jointly make application with such successor in interest for transfer of that portion of the employment experience of the predecessor employer relating to the portion of the organization, trade, assets or business transferred to the successor in interest, including credit for past years, contributions paid, annual payrolls, benefit charges, et cetera, applicable to such predecessor employer. The transfer of employment experience may be allowed pursuant to regulation only if it is found that the employment experience of the predecessor employer with respect to the portion of the organization, trade, assets or business which has been transferred may be considered indicative of the future employment experience of the successor in interest. Credit shall be given to the successor in interest only for the years during which contributions were paid by the predecessor employer with respect to that part of the organization, trade, assets or business transferred.

(C) A transfer of the employment experience in whole or in part having become final, the predecessor employer thereafter shall not be entitled to consideration for an adjusted rate based upon his or its experience or the part thereof, as the case may be, which has thus been transferred. A successor in interest to whom employment experience or a part thereof is transferred pursuant to this subsection shall, as of the date of the transfer of the organization, trade, assets or business, or part thereof, immediately become

an employer if not theretofore an employer subject to this chapter (R.S.43:21-1 et seq.).

(d) Contributions of workers to the unemployment compensation fund and the State disability benefits fund.

(1) (A) For periods after January 1, 1975, each worker shall contribute to the fund 1% of his wages with respect to his employment with an employer, which occurs on and after January 1, 1975, after such employer has satisfied the condition set forth in subsection (h) of R.S.43:21-19 with respect to becoming an employer; provided, however, that such contributions shall be at the rate of 1/2 of 1% of wages paid with respect to employment while the worker is in the employ of the State of New Jersey, or any governmental entity or instrumentality which is an employer as defined under R.S.43:21-19(h)(5), or is covered by an approved private plan under the "Temporary Disability Benefits Law" or while the worker is exempt from the provisions of the "Temporary Disability Benefits Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31).

(B) Effective January 1, 1978 there shall be no contributions by workers in the employ of any governmental or nongovernmental employer electing or required to make payments in lieu of contributions unless the employer is covered by the State plan under the "Temporary Disability Benefits Law" (C.43:21-37 et seq.), and in that case contributions shall be at the rate of 1/2 of 1%, except that commencing July 1, 1986, workers in the employ of any nongovernmental employer electing or required to make payments in lieu of contributions shall be required to make contributions to the fund at the same rate prescribed for workers of other nongovernmental employers.

(C) (i) Notwithstanding the above provisions of this paragraph (1), during the period starting July 1, 1986 and ending December 31, 1992, each worker shall contribute to the fund 1.125% of wages paid with respect to his employment with a governmental employer electing or required to pay contributions or nongovernmental employer, including a nonprofit organization which is an employer as defined under R.S.43:21-19(h)(6), regardless of whether that nonprofit organization elects or is required to finance its benefit costs with contributions to the fund or by payments in lieu of contributions, after that employer has satisfied the conditions set forth in subsection R.S.43:21-19(h) with respect to becoming an employer. Contributions, however, shall be at the rate of 0.625% while the worker is covered by an approved private plan under the "Temporary Disability Benefits Law" while the worker is exempt under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any other provision of that law; provided that such contributions shall be at the rate of 0.625% of wages paid with respect to employment with the State of New Jersey or any other governmental entity or instrumentality electing or required to make payments in

lieu of contributions and which is covered by the State plan under the "Temporary Disability Benefits Law," except that, while the worker is exempt from the provisions of the "Temporary Disability Benefits Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any other provision of that law, or is covered for disability benefits by an approved private plan of the employer, the contributions to the fund shall be 0.125%.

(ii) (Deleted by amendment, P.L.1995, c.422.)

(D) Notwithstanding any other provisions of this paragraph (1), during the period starting January 1, 1993 and ending June 30, 1994, each worker shall contribute to the unemployment compensation fund 0.5% of wages paid with respect to the worker's employment with a governmental employer electing or required to pay contributions or nongovernmental employer, including a nonprofit organization which is an employer as defined under paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit organization elects or is required to finance its benefit costs with contributions to the fund or by payments in lieu of contributions, after that employer has satisfied the conditions set forth in subsection (h) of R.S.43:21-19 with respect to becoming an employer. No contributions, however, shall be made by the worker while the worker is covered by an approved private plan under the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker is exempt under section 7 of P.L.1948, c.110 (C.43:21-31) or any other provision of that law; provided that the contributions shall be at the rate of 0.50% of wages paid with respect to employment with the State of New Jersey or any other governmental entity or instrumentality electing or required to make payments in lieu of contributions and which is covered by the State plan under the "Temporary Disability Benefits Law," except that, while the worker is exempt from the provisions of the "Temporary Disability Benefits Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any other provision of that law, or is covered for disability benefits by an approved private plan of the employer, no contributions shall be made to the fund.

Each worker shall, starting on January 1, 1996 and ending March 31, 1996, contribute to the unemployment compensation fund 0.60% of wages paid with respect to the worker's employment with a governmental employer electing or required to pay contributions or nongovernmental employer, including a nonprofit organization which is an employer as defined under paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit organization elects or is required to finance its benefit costs with contributions to the fund or by payments in lieu of contributions, after that employer has satisfied the conditions set forth in subsection (h) of R.S.43:21-19 with respect to becoming an employer,

provided that the contributions shall be at the rate of 0.10% of wages paid with respect to employment with the State of New Jersey or any other governmental entity or instrumentality electing or required to make payments in lieu of contributions.

Each worker shall, starting on January 1, 1998 and ending December 31, 1998, contribute to the unemployment compensation fund 0.10% of wages paid with respect to the worker's employment with a governmental employer electing or required to pay contributions or nongovernmental employer, including a nonprofit organization which is an employer as defined under paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit organization elects or is required to finance its benefit costs with contributions to the fund or by payments in lieu of contributions, after that employer has satisfied the conditions set forth in subsection (h) of R.S.43:21-19 with respect to becoming an employer, provided that the contributions shall be at the rate of 0.10% of wages paid with respect to employment with the State of New Jersey or any other governmental entity or instrumentality electing or required to make payments in lieu of contributions.

Each worker shall, starting on January 1, 1999 until December 31, 1999, contribute to the unemployment compensation fund 0.15% of wages paid with respect to the worker's employment with a governmental employer electing or required to pay contributions or nongovernmental employer, including a nonprofit organization which is an employer as defined under paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit organization elects or is required to finance its benefit costs with contributions to the fund or by payments in lieu of contributions, after that employer has satisfied the conditions set forth in subsection (h) of R.S.43:21-19 with respect to becoming an employer, provided that the contributions shall be at the rate of 0.10% of wages paid with respect to employment with the State of New Jersey or any other governmental entity or instrumentality electing or required to make payments in lieu of contributions.

Each worker shall, starting on January 1, 2000 until December 31, 2001, contribute to the unemployment compensation fund 0.20% of wages paid with respect to the worker's employment with a governmental employer electing or required to pay contributions or nongovernmental employer, including a nonprofit organization which is an employer as defined under paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit organization elects or is required to finance its benefit costs with contributions to the fund or by payments in lieu of contributions, after that employer has satisfied the conditions set forth in subsection (h) of R.S.43:21-19 with respect to becoming an employer,

provided that the contributions shall be at the rate of 0.10% of wages paid with respect to employment with the State of New Jersey or any other governmental entity or instrumentality electing or required to make payments in lieu of contributions.

Each worker shall, starting on January 1, 2002 until December 31, 2002, contribute to the unemployment compensation fund 0.1825% of wages paid with respect to the worker's employment with a governmental employer electing or required to pay contributions or a nongovernmental employer, including a nonprofit organization which is an employer as defined under paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit organization elects or is required to finance its benefit costs with contributions to the fund or by payments in lieu of contributions, after that employer has satisfied the conditions set forth in subsection (h) of R.S.43:21-19 with respect to becoming an employer, provided that the contributions shall be at the rate of 0.0825% of wages paid with respect to employment with the State of New Jersey or any other governmental entity or instrumentality electing or required to make payments in lieu of contributions.

Each worker shall, starting on and after January 1, 2003, contribute to the unemployment compensation fund 0.3825% of wages paid with respect to the worker's employment with a governmental employer electing or required to pay contributions or nongovernmental employer, including a nonprofit organization which is an employer as defined under paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit organization elects or is required to finance its benefit costs with contributions to the fund or by payments in lieu of contributions, after that employer has satisfied the conditions set forth in subsection (h) of R.S.43:21-19 with respect to becoming an employer, provided that the contributions shall be at the rate of 0.0825% of wages paid with respect to employment with the State of New Jersey or any other governmental entity or instrumentality electing or required to make payments in lieu of contributions.

(E) Each employer shall, notwithstanding any provision of law in this State to the contrary, withhold in trust the amount of his workers' contributions from their wages at the time such wages are paid, shall show such deduction on his payroll records, shall furnish such evidence thereof to his workers as the division or controller may prescribe, and shall transmit all such contributions, in addition to his own contributions, to the office of the controller in such manner and at such times as may be prescribed. If any employer fails to deduct the contributions of any of his workers at the time their wages are paid, or fails to make a deduction therefor at the time wages are paid for the next succeeding payroll period, he alone shall thereafter be

liable for such contributions, and for the purpose of R.S.43:21-14, such contributions shall be treated as employer's contributions required from him.

(F) As used in this chapter (R.S.43:21-1 et seq.), except when the context clearly requires otherwise, the term "contributions" shall include the contributions of workers pursuant to this section.

(G) Each worker shall, starting on July 1, 1994, contribute to the State disability benefits fund an amount equal to 0.50% of wages paid with respect to the worker's employment with a government employer electing or required to pay contributions to the State disability benefits fund or nongovernmental employer, including a nonprofit organization which is an employer as defined under paragraph (6) of subsection (h) of R.S.43:21-19, unless the employer is covered by an approved private disability plan or is exempt from the provisions of the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.) under section 7 of that law (C.43:21-31) or any other provision of that law.

(2) (A) (Deleted by amendment, P.L.1984, c.24.)

(B) (Deleted by amendment, P.L.1984, c.24.)

(C) (Deleted by amendment, P.L.1994, c.112.)

(D) (Deleted by amendment, P.L.1994, c.112.)

(E) (i) (Deleted by amendment, P.L.1994, c.112.)

(ii) (Deleted by amendment, P.L.1996, c.28.)

(iii) (Deleted by amendment, P.L.1994, c.112.)

(3) If an employee receives wages from more than one employer during any calendar year, and either the sum of his contributions deposited in and credited to the State disability benefits fund plus the amount of his contributions, if any, required towards the costs of benefits under one or more approved private plans under the provisions of section 9 of the "Temporary Disability Benefits Law" (C.43:21-33) and deducted from his wages, or the sum of such latter contributions, if the employee is covered during such calendar year only by two or more private plans, exceeds an amount equal to 1/2 of 1% of the "wages" determined in accordance with the provisions of R.S.43:21-7(b)(3) during the calendar years beginning on or after January 1, 1976, the employee shall be entitled to a refund of the excess if he makes a claim to the controller within two years after the end of the calendar year in which the wages are received with respect to which the refund is claimed and establishes his right to such refund. Such refund shall be made by the controller from the State disability benefits fund. No interest shall be allowed or paid with respect to any such refund. The controller shall, in accordance with prescribed regulations, determine the portion of the aggregate amount of such refunds made during any calendar year which is applicable to private plans for which deductions were made under section 9 of the "Temporary Disability Benefits Law," such determi-

nation to be based upon the ratio of the amount of such wages exempt from contributions to such fund, as provided in subparagraph (B) of paragraph (1) of this subsection with respect to coverage under private plans, to the total wages so exempt plus the amount of such wages subject to contributions to the disability benefits fund, as provided in subparagraph (G) of paragraph (1) of this subsection. The controller shall, in accordance with prescribed regulations, prorate the amount so determined among the applicable private plans in the proportion that the wages covered by each plan bear to the total private plan wages involved in such refunds, and shall assess against and recover from the employer, or the insurer if the insurer has indemnified the employer with respect thereto, the amount so prorated. The provisions of R.S.43:21-14 with respect to collection of employer contributions shall apply to such assessments. The amount so recovered by the controller shall be paid into the State disability benefits fund.

(4) If an individual does not receive any wages from the employing unit which for the purposes of this chapter (R.S.43:21-1 et seq.) is treated as his employer, or receives his wages from some other employing unit, such employer shall nevertheless be liable for such individual's contributions in the first instance; and after payment thereof such employer may deduct the amount of such contributions from any sums payable by him to such employing unit, or may recover the amount of such contributions from such employing unit, or, in the absence of such an employing unit, from such individual, in a civil action; provided proceedings therefor are instituted within three months after the date on which such contributions are payable. General rules shall be prescribed whereby such an employing unit may recover the amount of such contributions from such individuals in the same manner as if it were the employer.

(5) Every employer who has elected to become an employer subject to this chapter (R.S.43:21-1 et seq.), or to cease to be an employer subject to this chapter (R.S.43:21-1 et seq.), pursuant to the provisions of R.S.43:21-8, shall post and maintain printed notices of such election on his premises, of such design, in such numbers, and at such places as the director may determine to be necessary to give notice thereof to persons in his service.

(6) Contributions by workers, payable to the controller as herein provided, shall be exempt from garnishment, attachment, execution, or any other remedy for the collection of debts.

(e) Contributions by employers to State disability benefits fund.

(1) Except as hereinafter provided, each employer shall, in addition to the contributions required by subsections (a), (b), and (c) of this section, contribute 1/2 of 1% of the wages paid by such employer to workers with respect to employment unless he is not a covered employer as defined in section 3 of the "Temporary Disability Benefits Law" (C.43:21-27 (a)),

except that the rate for the State of New Jersey shall be 1/10 of 1% for the calendar year 1980 and for the first six months of 1981. Prior to July 1, 1981 and prior to July 1 each year thereafter, the controller shall review the experience accumulated in the account of the State of New Jersey and establish a rate for the next following fiscal year which, in combination with worker contributions, will produce sufficient revenue to keep the account in balance; except that the rate so established shall not be less than 1/10 of 1%. Such contributions shall become due and be paid by the employer to the controller for the State disability benefits fund as established by law, in accordance with such regulations as may be prescribed, and shall not be deducted, in whole or in part, from the remuneration of individuals in his employ. In the payment of any contributions, a fractional part of a cent shall be disregarded unless it amounts to \$0.005 or more, in which case it shall be increased to \$0.01.

(2) During the continuance of coverage of a worker by an approved private plan of disability benefits under the "Temporary Disability Benefits Law," the employer shall be exempt from the contributions required by subparagraph (1) above with respect to wages paid to such worker.

(3) (A) The rates of contribution as specified in subparagraph (1) above shall be subject to modification as provided herein with respect to employer contributions due on and after July 1, 1951.

(B) A separate disability benefits account shall be maintained for each employer required to contribute to the State disability benefits fund and such account shall be credited with contributions deposited in and credited to such fund with respect to employment occurring on and after January 1, 1949. Each employer's account shall be credited with all contributions paid on or before January 31 of any calendar year on his own behalf and on behalf of individuals in his service with respect to employment occurring in preceding calendar years; provided, however, that if January 31 of any calendar year falls on a Saturday or Sunday an employer's account shall be credited as of January 31 of such calendar year with all the contributions which he has paid on or before the next succeeding day which is not a Saturday or Sunday. But nothing in this act shall be construed to grant any employer or individuals in his service prior claims or rights to the amounts paid by him to the fund either on his own behalf or on behalf of such individuals. Benefits paid to any covered individual in accordance with Article III of the "Temporary Disability Benefits Law" on or before December 31 of any calendar year with respect to disability in such calendar year and in preceding calendar years shall be charged against the account of the employer by whom such individual was employed at the commencement of such disability or by whom he was last employed, if out of employment.

(C) The controller may prescribe regulations for the establishment, maintenance, and dissolution of joint accounts by two or more employers, and shall, in accordance with such regulations and upon application by two or more employers to establish such an account, or to merge their several individual accounts in a joint account, maintain such joint account as if it constituted a single employer's account.

(D) Prior to July 1 of each calendar year, the controller shall make a preliminary determination of the rate of contribution for the 12 months commencing on such July 1 for each employer subject to the contribution requirements of this subsection (e).

(1) Such preliminary rate shall be 1/2 of 1% unless on the preceding January 31 of such year such employer shall have been a covered employer who has paid contributions to the State disability benefits fund with respect to employment in the three calendar years immediately preceding such year.

(2) If the minimum requirements in (1) above have been fulfilled and the credited contributions exceed the benefits charged by more than \$500.00, such preliminary rate shall be as follows:

(i) 2/10 of 1% if such excess over \$500.00 exceeds 1% but is less than 1 1/4% of his average annual payroll (as defined in this chapter (R.S.43:21-1 et seq.));

(ii) 15/100 of 1% if such excess over \$500.00 equals or exceeds 1 1/4% but is less than 1 1/2% of his average annual payroll;

(iii) 1/10 of 1% if such excess over \$500.00 equals or exceeds 1 1/2% of his average annual payroll.

(3) If the minimum requirements in (1) above have been fulfilled and the contributions credited exceed the benefits charged but by not more than \$500.00 plus 1% of his average annual payroll, or if the benefits charged exceed the contributions credited but by not more than \$500.00, the preliminary rate shall be 1/4 of 1%.

(4) If the minimum requirements in (1) above have been fulfilled and the benefits charged exceed the contributions credited by more than \$500.00, such preliminary rate shall be as follows:

(i) 35/100 of 1% if such excess over \$500.00 is less than 1/4 of 1% of his average annual payroll;

(ii) 45/100 of 1% if such excess over \$500.00 equals or exceeds 1/4 of 1% but is less than 1/2 of 1% of his average annual payroll;

(iii) 55/100 of 1% if such excess over \$500.00 equals or exceeds 1/2 of 1% but is less than 3/4 of 1% of his average annual payroll;

(iv) 65/100 of 1% if such excess over \$500.00 equals or exceeds 3/4 of 1% but is less than 1% of his average annual payroll;

(v) 75/100 of 1% if such excess over \$500.00 equals or exceeds 1% of his average annual payroll.

(5) Determination of the preliminary rate as specified in (2), (3) and (4) above shall be subject, however, to the condition that it shall in no event be decreased by more than $1/10$ of 1% of wages or increased by more than $2/10$ of 1% of wages from the preliminary rate determined for the preceding year in accordance with (1), (2), (3) or (4), whichever shall have been applicable.

(E) (1) Prior to July 1 of each calendar year the controller shall determine the amount of the State disability benefits fund as of December 31 of the preceding calendar year, increased by the contributions paid thereto during January of the current calendar year with respect to employment occurring in the preceding calendar year. If such amount exceeds the net amount withdrawn from the unemployment trust fund pursuant to section 23 of the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-47) plus the amount at the end of such preceding calendar year of the unemployment disability account (as defined in section 22 of said law (C.43:21-46)), such excess shall be expressed as a percentage of the wages on which contributions were paid to the State disability benefits fund on or before January 31 with respect to employment in the preceding calendar year.

(2) The controller shall then make a final determination of the rates of contribution for the 12 months commencing July 1 of such year for employers whose preliminary rates are determined as provided in (D) hereof, as follows:

(i) If the percentage determined in accordance with paragraph (E)(1) of this subsection equals or exceeds $1\frac{1}{4}\%$, the final employer rates shall be the preliminary rates determined as provided in (D) hereof, except that if the employer's preliminary rate is determined as provided in (D)(2) or (D)(3) hereof, the final employer rate shall be the preliminary employer rate decreased by such percentage of excess taken to the nearest $5/100$ of 1%, but in no case shall such final rate be less than $1/10$ of 1%.

(ii) If the percentage determined in accordance with paragraph (E)(1) of this subsection equals or exceeds $3/4$ of 1% and is less than $1\frac{1}{4}$ of 1%, the final employer rates shall be the preliminary employer rates.

(iii) If the percentage determined in accordance with paragraph (E)(1) of this subsection is less than $3/4$ of 1%, but in excess of $1/4$ of 1%, the final employer rates shall be the preliminary employer rates determined as provided in (D) hereof increased by the difference between $3/4$ of 1% and such percentage taken to the nearest $5/100$ of 1%; provided, however, that no such final rate shall be more than $1/4$ of 1% in the case of an employer whose preliminary rate is determined as provided in (D)(2) hereof, more than $1/2$ of 1% in the case of an employer whose preliminary rate is determined as provided in (D)(1) and (D)(3) hereof, nor more than $3/4$ of

1% in the case of an employer whose preliminary rate is determined as provided in (D)(4) hereof.

(iv) If the amount of the State disability benefits fund determined as provided in paragraph (E)(1) of this subsection is equal to or less than 1/4 of 1%, then the final rate shall be 2/5 of 1% in the case of an employer whose preliminary rate is determined as provided in (D)(2) hereof, 7/10 of 1% in the case of an employer whose preliminary rate is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the case of an employer whose preliminary rate is determined as provided in (D)(4) hereof. Notwithstanding any other provision of law or any determination made by the controller with respect to any 12-month period commencing on July 1, 1970, the final rates for all employers for the period beginning January 1, 1971, shall be as set forth herein.

14. Section 3 of P.L.1992, c.47 (C.43:21-59) is amended to read as follows:

C.43:21-59 Counseling, Employability Development Plan.

3. Counseling shall be made available by the Department of Labor to each individual who meets the requirements indicated in subsections a. and b. of section 4 of this act. The department may provide the counseling or obtain the counseling from a service provider, if the service provider is different from and not affiliated with any service provider offering any employment and training services to the worker other than the counseling. The purpose of the counseling is to assist the individual in obtaining the employment and training services most likely to provide the worker with the greatest opportunity for long-range career advancement with high levels of productivity and earning power. The counseling shall include:

a. Testing and assessment of the individual's job skills and aptitudes, including the individual's literacy skills and other basic skills. Basic skills testing and assessment shall be provided to the individual unless information is provided regarding the individual's educational background and occupational or professional experience which clearly demonstrates that the individual's basic skill level meets the standards indicated in section 14 of P.L.1989, c.293 (C.34:15C-11) or unless the individual is already participating in a remedial education program which meets those standards;

b. An evaluation by a qualified job counselor of:

(1) Whether the individual is eligible for the additional benefits indicated in section 5 of this act; and

(2) What remedial education, if any, is determined to be necessary for the individual to advance in his current occupation or succeed in any particular vocational training which the individual would undertake in

connection with additional benefits indicated in section 4 of this act, provided that the remedial education shall be at a level not lower than that needed to meet the standards indicated in section 14 of P.L.1989, c.293 (C.34:15C-11);

c. The provision of information to the individual regarding any of the labor demand occupations for which training meets the requirements of subsection e. of section 4 of this act in the claimant's case, including information about the wage levels in those occupations, the effectiveness of any particular provider of training for any of those occupations which the claimant is considering using, and the long-term success of former trainees of the provider in obtaining permanent employment and increasing earnings;

d. The provision of information to the individual regarding the services and benefits available to the individual under the provisions of this act and employment and training programs provided or funded pursuant to the "1992 New Jersey Employment and Workforce Development Act," P.L.1992, c.43 (C.34:15D-1 et al.) and the Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C.s.2801 et seq.), and regarding the tuition waivers available pursuant to P.L.1983, c.469 (C.18A:64-13.1 et seq.) and P.L.1983, c.470 (C.18A:64A-23.1 et seq.); and

e. Discussion with the counselor of the results of the testing and evaluation and, based on those results, the development of a written Employability Development Plan, consistent with the requirements of subsections e., f. and g. of section 4 of this act, for the individual describing any remedial education and the vocational training that the individual will undertake in connection with benefits provided pursuant to the provisions of this act.

All information regarding an individual applicant or trainee which is obtained or compiled in connection with the testing, assessment and evaluation and which may be identified with the individual shall be confidential and shall be released to an entity other than the individual, the counselor or the department only if: the individual provides written permission to the department for the release of the information; or the information is used solely for program evaluation.

15. Section 4 of P.L.1992, c.47 (C.43:21-60) is amended to read as follows:

C.43:21-60 Requirements for provision of additional benefits.

4. Except as provided in section 8 of this act, the additional benefits indicated in section 5 of this act shall be provided to any individual who:

- a. Has received a notice of a permanent termination of employment by the individual's employer or has been laid off and is unlikely to return to his previous employment because work opportunities in the individual's job classification are impaired by a substantial reduction of employment at the worksite;
- b. Is, at the time of the layoff or termination, eligible, pursuant to the "unemployment compensation law," R.S.43:21-1 et seq., for unemployment benefits;
- c. Enters into the counseling made available pursuant to section 3 of this act as soon as possible following notification by the Department of Labor of its availability;
- d. (1) Notifies the department of the individual's intention to enter into the education and training identified in the Employability Development Plan developed pursuant to section 3 of this act, not later than 60 days after the date of the individual's termination or layoff, not later than 30 days after the department provides notice to the individual pursuant to section 6 of this act or not later than 30 days after the Employability Development Plan is developed, whichever occurs last;
(2) Enters into the education and training identified in the Employability Development Plan as soon as possible after giving the notice required by paragraph (1) of this subsection d.; and
(3) Maintains satisfactory progress in the education and training;
- e. Enrolls in vocational training which:
 - (1) Is training for a labor demand occupation;
 - (2) Is likely to facilitate a substantial enhancement of the individual's marketable skills and earning power;
 - (3) Is provided by a service provider approved by the Commissioner of Labor, which approval shall be made, if the "1992 New Jersey Employment and Workforce Development Act," P.L.1992, c.43 (C.34:15D-1 et al.) is enacted, pursuant to the provisions of section 8 of that act; and
(4) Does not include on the job training or other training under which the individual is paid by an employer for work performed by the individual during the time that the individual receives additional benefits pursuant to the provisions of section 5 of this act;
- f. Enrolls in vocational training, remedial education or a combination of both on a full-time basis; and
- g. Reasonably can be expected to successfully complete the vocational training and any needed remedial education, either during or after the period of additional benefits.

If the requirements of this section are met, the division shall not deny an individual unemployment benefits pursuant to the "unemployment compensation law," R.S.43:21-1 et seq., P.L.1970, c.324 (C.43:21-24.11 et

seq.) or the additional benefits indicated in section 5 of this act for any of the following reasons: the training includes remedial education needed by the individual to succeed in the vocational component of the training; the individual has identifiable vocational skills but the training services are needed to enable the individual to develop skills necessary to attain at least the level of self-sufficiency; the training is part of a program under which the individual may obtain any college degree enhancing the individual's marketable skills and earning power; the individual has previously received a training grant; the length of the training period under the program; or the lack of a prior guarantee of employment upon completion of the training. If the requirements of this section are met, the division shall regard a training program as approved for the purposes of paragraph (4) of subsection (c) of R.S.43:21-4.

16. This act shall take effect immediately.

Approved July 13, 2001.

CHAPTER 153

AN ACT concerning certain property in trust and amending R.S.25:2-1.

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

1. R.S.25:2-1 is amended to read as follows:

Conveyances of personal property in trust for use of persons making them void as to creditors; exemptions, definitions.

25:2-1. Conveyances of personal property in trust for use of persons making them void as to creditors. a. Except as provided in subsection b. of this section, every deed of gift and every conveyance, transfer and assignment of goods, chattels or things in action, made in trust for the use of the person making the same, shall be void as against creditors.

b. Notwithstanding the provisions of any other law to the contrary, any property held in a qualifying trust and any distributions from a qualifying trust, regardless of the distribution plan elected for the qualifying trust, shall be exempt from all claims of creditors and shall be excluded from an estate in bankruptcy, except that:

(1) no exemption shall be allowed for any preferences or fraudulent conveyances made in violation of the "Uniform Fraudulent Transfer Act," R.S.25:2-20 et seq., or any other State or federal law;

(2) no qualifying trust shall be exempt from the claims under any order for child support or spousal support or of an alternate payee under a qualified domestic relations order. However, the interest of any alternate payee under a qualified domestic relations order is exempt from all claims of any creditor of the alternate payee. As used in this paragraph, the terms "alternate payee" and "qualified domestic relations order" have the meanings ascribed to them in section 414(p) of the federal Internal Revenue Code of 1986 (26 U.S.C. s.414(p)); and

(3) no qualifying trust shall be exempt from any punitive damages awarded in a civil action arising from manslaughter or murder.

For purposes of this section, a "qualifying trust" means a trust created or qualified and maintained pursuant to federal law, including, but not limited to, section 401, 403, 408, 408A, 409, 529 or 530 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.401, 403, 408, 408A, 409, 529 or 530).

2. This act shall take effect immediately.

Approved July 13, 2001.

CHAPTER 154

AN ACT concerning the cleanup of contaminated property, amending and supplementing Title 58 of the Revised Statutes, and amending P.L.1991, c.387.

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

1. Section 3 of P.L.1976, c.141 (C.58:10-23.11b) is amended to read as follows:

C.58:10-23.11b Definitions.

3. Unless the context clearly indicates otherwise, the following terms shall have the following meanings:

"Act of God" means an act exclusively occasioned by an unanticipated, grave natural disaster without the interference of any human agency;

"Administrator" means the chief executive of the New Jersey Spill Compensation Fund;

"Barrel" means 42 United States gallons or 159.09 liters or an appropriate equivalent measure set by the director for hazardous substances which are other than fluid or which are not commonly measured by the barrel;

"Board" means a board of arbitration convened by the administrator to settle disputed disbursements from the fund;

"Cleanup and removal costs" means all costs associated with a discharge, incurred by the State or its political subdivisions or their agents or any person with written approval from the department in the: (1) removal or attempted removal of hazardous substances, or (2) taking of reasonable measures to prevent or mitigate damage to the public health, safety, or welfare, including, but not limited to, public and private property, shorelines, beaches, surface waters, water columns and bottom sediments, soils and other affected property, including wildlife and other natural resources, and shall include costs incurred by the State for the indemnification and legal defense of contractors pursuant to sections 1 through 11 of P.L.1991, c.373 (C.58:10-23.11f8 et seq.). For the purposes of this definition, costs incurred by the State shall not include any indirect costs for department oversight performed after the effective date of P.L.1997, c.278 (C.58:10B-1.1 et al.), but may include only those program costs directly related to the cleanup and removal of the discharge; however, where the State or the fund have expended money for the cleanup and removal of a discharge and are seeking to recover the costs incurred in that cleanup and removal action from a responsible party, costs incurred by the State shall include any indirect costs;

"Commissioner" means the Commissioner of Environmental Protection;

"Contamination" or "contaminant" means any discharged hazardous substance, hazardous waste as defined pursuant to section 1 of P.L.1976, c.99 (C.13:1E-38), or pollutant as defined pursuant to section 3 of P.L.1977, c.74 (C.58:10A-3);

"Department" means the Department of Environmental Protection;

"Director" means the Director of the Division of Taxation in the Department of the Treasury;

"Discharge" means any intentional or unintentional action or omission resulting in the releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping of hazardous substances into the waters or onto the lands of the State, or into waters outside the jurisdiction of the State when damage may result to the lands, waters or natural resources within the jurisdiction of the State;

"Emergency response action" means those activities conducted by a local unit to clean up, remove, prevent, contain, or mitigate a discharge that poses an immediate threat to the environment or to the public health, safety, or welfare;

"Fair market value" means the invoice price of the hazardous substances transferred, including transportation charges; but where no price is so fixed, "fair market value" shall mean the market price as of the close of the nearest day to the transfer, paid for similar hazardous substances, as shall be determined by the taxpayer pursuant to rules of the director;

"Fund" means the New Jersey Spill Compensation Fund;

"Hazardous substances" means the "environmental hazardous substances" on the environmental hazardous substance list adopted by the department pursuant to section 4 of P.L.1983, c.315 (C.34:5A-4); such elements and compounds, including petroleum products, which are defined as such by the department, after public hearing, and which shall be consistent to the maximum extent possible with, and which shall include, the list of hazardous substances adopted by the federal Environmental Protection Agency pursuant to section 311 of the federal Water Pollution Control Act Amendments of 1972, Pub.L.92-500, as amended by the Clean Water Act of 1977, Pub.L.95-217 (33 U.S.C. s.1251 et seq.); the list of toxic pollutants designated by Congress or the EPA pursuant to section 307 of that act; and the list of hazardous substances adopted by the federal Environmental Protection Agency pursuant to section 101 of the "Comprehensive Environmental Response, Compensation and Liability Act of 1980," Pub.L.96-510 (42 U.S.C. s.9601 et seq.); provided, however, that sewage and sewage sludge shall not be considered as hazardous substances for the purposes of P.L.1976, c.141 (C.58:10-23.11 et seq.);

"Local unit" means any county or municipality, or any agency or other instrumentality thereof, or a duly incorporated volunteer fire, ambulance, first aid, emergency, or rescue company or squad;

"Major facility" includes, but is not limited to, any refinery, storage or transfer terminal, pipeline, deep-water port, drilling platform or any appurtenance related to any of the preceding that is used or is capable of being used to refine, produce, store, handle, transfer, process or transport hazardous substances. "Major facility" shall include a vessel only when that vessel is engaged in a transfer of hazardous substances between it and another vessel, and in any event shall not include a vessel used solely for activities directly related to recovering, containing, cleaning up or removing discharges of petroleum in the surface waters of the State, including training, research, and other activities directly related to spill response.

A facility shall not be considered a major facility for the purpose of P.L.1976, c.141 unless it has total combined aboveground or buried storage capacity of:

- (1) 20,000 gallons or more for hazardous substances which are other than petroleum or petroleum products, or
- (2) 200,000 gallons or more for hazardous substances of all kinds.

In determining whether a facility is a major facility for the purposes of P.L.1976, c.141 (C.58:10-23.11 et seq.), any underground storage tank at the facility used solely to store heating oil for on-site consumption shall not be considered when determining the combined storage capacity of the facility.

For the purposes of this definition, "storage capacity" shall mean only that total combined capacity which is dedicated to, used for or intended to be used for storage of hazardous substances of all kinds. Where appropriate to the nature of the facility, storage capacity may be determined by the intended or actual use of open land or unenclosed space as well as by the capacities of tanks or other enclosed storage spaces;

"Natural resources" means all land, fish, shellfish, wildlife, biota, air, waters and other such resources owned, managed, held in trust or otherwise controlled by the State;

"Owner" or "operator" means, with respect to a vessel, any person owning, operating or chartering by demise such vessel; with respect to any major facility, any person owning such facility, or operating it by lease, contract or other form of agreement; with respect to abandoned or derelict major facilities, the person who owned or operated such facility immediately prior to such abandonment, or the owner at the time of discharge;

"Person" means public or private corporations, companies, associations, societies, firms, partnerships, joint stock companies, individuals, the United States, the State of New Jersey and any of its political subdivisions or agents;

"Petroleum" or "petroleum products" means oil or petroleum of any kind and in any form, including, but not limited to, oil, petroleum, gasoline, kerosene, fuel oil, oil sludge, oil refuse, oil mixed with other wastes, crude oils, and substances or additives to be utilized in the refining or blending of crude petroleum or petroleum stock in this State; however, any compound designated by specific chemical name on the list of hazardous substances adopted by the department pursuant to this section shall not be considered petroleum or a petroleum product for the purposes of P.L.1976, c.141, unless such compound is to be utilized in the refining or blending of crude petroleum or petroleum stock in this State;

"Preliminary assessment" means the first phase in the process of identifying areas of concern and determining whether contaminants are or

were present at a site or have migrated or are migrating from a site, and shall include the initial search for and evaluation of, existing site specific operational and environmental information, both current and historic, to determine if further investigation concerning the documented, alleged, suspected or latent discharge of any contaminant is required. The evaluation of historic information shall be conducted from 1932 to the present, except that the department may require the search for and evaluation of additional information relating to ownership and use of the site prior to 1932 if such information is available through diligent inquiry of the public records;

"Remedial action" means those actions taken at a site or offsite if a contaminant has migrated or is migrating therefrom, as may be required by the department, including the removal, treatment, containment, transportation, securing, or other engineering or treatment measures, whether to an unrestricted use or otherwise, designed to ensure that any discharged contaminant at the site or that has migrated or is migrating from the site, is remediated in compliance with the applicable health risk or environmental standards;

"Remedial investigation" means a process to determine the nature and extent of a discharge of a contaminant at a site or a discharge of a contaminant that has migrated or is migrating from the site and the problems presented by a discharge, and may include data collected, site characterization, sampling, monitoring, and the gathering of any other sufficient and relevant information necessary to determine the necessity for remedial action and to support the evaluation of remedial actions if necessary;

"Remediation" or "remediate" means all necessary actions to investigate and clean up or respond to any known, suspected, or threatened discharge, including, as necessary, the preliminary assessment, site investigation, remedial investigation, and remedial action, provided, however, that "remediation" or "remediate" shall not include the payment of compensation for damage to, or loss of, natural resources;

"Site investigation" means the collection and evaluation of data adequate to determine whether or not discharged contaminants exist at a site or have migrated or are migrating from the site at levels in excess of the applicable remediation standards. A site investigation shall be developed based upon the information collected pursuant to the preliminary assessment;

"Taxpayer" means the owner or operator of a major facility subject to the tax provisions of P.L.1976, c.141;

"Tax period" means every calendar month on the basis of which the taxpayer is required to report under P.L.1976, c.141;

"Transfer" means onloading or offloading between major facilities and vessels, or vessels and major facilities, and from vessel to vessel or major

facility to major facility, except for fueling or refueling operations and except that with regard to the movement of hazardous substances other than petroleum, it shall also include any onloading of or offloading from a major facility;

"Vessel" means every description of watercraft or other contrivance that is practically capable of being used as a means of commercial transportation of hazardous substances upon the water, whether or not self-propelled;

"Waters" means the ocean and its estuaries to the seaward limit of the State's jurisdiction, all springs, streams and bodies of surface or groundwater, whether natural or artificial, within the boundaries of this State.

2. Section 8 of P.L.1976, c.141 (C.58:10-23.11g) is amended to read as follows:

C.58:10-23.11g Liability for cleanup and removal costs.

8. a. The fund shall be strictly liable, without regard to fault, for all cleanup and removal costs and for all direct and indirect damages no matter by whom sustained, including but not limited to:

(1) The cost of restoring, repairing, or replacing any real or personal property damaged or destroyed by a discharge, any income lost from the time such property is damaged to the time such property is restored, repaired or replaced, and any reduction in value of such property caused by such discharge by comparison with its value prior thereto;

(2) The cost of restoration and replacement, where possible, of any natural resource damaged or destroyed by a discharge;

(3) Loss of income or impairment of earning capacity due to damage to real or personal property, including natural resources destroyed or damaged by a discharge; provided that such loss or impairment exceeds 10% of the amount which claimant derives, based upon income or business records, exclusive of other sources of income, from activities related to the particular real or personal property or natural resources damaged or destroyed by such discharge during the week, month or year for which the claim is filed;

(4) Loss of tax revenue by the State or local governments for a period of one year due to damage to real or personal property proximately resulting from a discharge;

(5) Interest on loans obtained or other obligations incurred by a claimant for the purpose of ameliorating the adverse effects of a discharge pending the payment of a claim in full as provided by this act.

b. The damages which may be recovered by the fund, without regard to fault, subject to the defenses enumerated in subsection d. of this section against the owner or operator of a major facility or vessel, shall not exceed \$50,000,000.00 for each major facility or \$150.00 per gross ton for each

vessel, except that such maximum limitation shall not apply and the owner or operator shall be liable, jointly and severally, for the full amount of such damages if it can be shown that such discharge was the result of (1) gross negligence or willful misconduct, within the knowledge and privity of the owner, operator or person in charge, or (2) a gross or willful violation of applicable safety, construction or operating standards or regulations. Damages which may be recovered from, or by, any other person shall be limited to those authorized by common or statutory law.

c. (1) Any person who has discharged a hazardous substance, or is in any way responsible for any hazardous substance, shall be strictly liable, jointly and severally, without regard to fault, for all cleanup and removal costs no matter by whom incurred. Such person shall also be strictly liable, jointly and severally, without regard to fault, for all cleanup and removal costs incurred by the department or a local unit pursuant to subsection b. of section 7 of P.L.1976, c.141 (C.58:10-23.11f).

(2) In addition to the persons liable pursuant to this subsection, in the case of a discharge of a hazardous substance from a vessel into the waters of the State, the owner or operator of a refinery, storage, transfer, or pipeline facility to which the vessel was en route to deliver the hazardous substance who, by contract, agreement, or otherwise, was scheduled to assume ownership of the discharged hazardous substance, and any other person who was so scheduled to assume ownership of the discharged hazardous substance, shall be strictly liable, jointly and severally, without regard to fault, for all cleanup and removal costs if the owner or operator of the vessel did not have the evidence of financial responsibility required pursuant to section 2 of P.L.1991, c.58 (C.58:10-23.11g2).

Where a person is liable for cleanup and removal costs as provided in this paragraph, any expenditures made by the administrator for that cleanup and removal shall constitute a debt of that person to the fund. The debt shall constitute a lien on all property owned by that person when a notice of lien identifying the nature of the discharge and the amount of the cleanup, removal and related costs expended from the fund is duly filed with the clerk of the Superior Court. The clerk shall promptly enter upon the civil judgment or order docket the name and address of the liable person and the amount of the lien as set forth in the notice of lien. Upon entry by the clerk, the lien, to the amount committed by the administrator for cleanup and removal, shall attach to the revenues and all real and personal property of the liable person, whether or not that person is insolvent.

For the purpose of determining priority of this lien over all other claims or liens which are or have been filed against the property of an owner or operator of a refinery, storage, transfer, or pipeline facility, the lien on the facility to which the discharged hazardous substance was en route shall have

priority over all other claims or liens which are or have been filed against the property. The notice of lien filed pursuant to this paragraph which affects any property of a person liable pursuant to this paragraph other than the property of an owner or operator of a refinery, storage, transfer, or pipeline facility to which the discharged hazardous substance was en route, shall have priority from the day of the filing of the notice of the lien over all claims and liens filed against the property, but shall not affect any valid lien, right, or interest in the property filed in accordance with established procedure prior to the filing of a notice of lien pursuant to this paragraph.

To the extent that a person liable pursuant to this paragraph is not otherwise liable pursuant to paragraph (1) of this subsection, or under any other provision of law or under common law, that person may bring an action for indemnification for costs paid pursuant to this paragraph against any other person who is strictly liable pursuant to paragraph (1) of this subsection.

Nothing in this paragraph shall be construed to extend or negate the right of any person to bring an action for contribution that may exist under P.L.1976, c.141, or any other act or under common law.

(3) In addition to the persons liable pursuant to this subsection, any person who owns real property acquired on or after September 14, 1993 on which there has been a discharge prior to the person's acquisition of that property and who knew or should have known that a hazardous substance had been discharged at the real property, shall be strictly liable, jointly and severally, without regard to fault, for all cleanup and removal costs no matter by whom incurred. Such person shall also be strictly liable, jointly and severally, without regard to fault, for all cleanup and removal costs incurred by the department or a local unit pursuant to subsection b. of section 7 of P.L.1976, c.141 (C.58:10-23.11f). Nothing in this paragraph shall be construed to alter liability of any person who acquired real property prior to September 14, 1993.

d. (1) In addition to those defenses provided in this subsection, an act or omission caused solely by war, sabotage, or God, or a combination thereof, shall be the only defenses which may be raised by any owner or operator of a major facility or vessel responsible for a discharge in any action arising under the provisions of this act.

(2) A person, including an owner or operator of a major facility, who owns real property acquired on or after September 14, 1993 on which there has been a discharge, shall not be liable for cleanup and removal costs or for any other damages to the State or to any other person for the discharged hazardous substance pursuant to subsection c. of this section or pursuant to civil common law, if that person can establish by a preponderance of the

evidence that subparagraphs (a) through (d) apply, or if applicable, subparagraphs (a) through (e) apply:

(a) the person acquired the real property after the discharge of that hazardous substance at the real property;

(b) (i) at the time the person acquired the real property, the person did not know and had no reason to know that any hazardous substance had been discharged at the real property, or (ii) the person acquired the real property by devise or succession, except that any other funds or property received by that person from the deceased real property owner who discharged a hazardous substance or was in any way responsible for a hazardous substance, shall be made available to satisfy the requirements of P.L.1976, c.141, or (iii) the person complies with the provisions of subparagraph (e) of paragraph (2) of this subsection;

(c) the person did not discharge the hazardous substance, is not in any way responsible for the hazardous substance, and is not a corporate successor to the discharger or to any person in any way responsible for the hazardous substance or to anyone liable for cleanup and removal costs pursuant to this section;

(d) the person gave notice of the discharge to the department upon actual discovery of that discharge.

To establish that a person had no reason to know that any hazardous substance had been discharged for the purposes of this paragraph (2), the person must have undertaken, at the time of acquisition, all appropriate inquiry into the previous ownership and uses of the property. For the purposes of this paragraph (2), all appropriate inquiry shall mean the performance of a preliminary assessment, and site investigation, if the preliminary assessment indicates that a site investigation is necessary, as defined in section 23 of P.L.1993, c.139 (C.58:10B-1), and performed in accordance with rules and regulations promulgated by the department defining these terms.

Nothing in this paragraph (2) shall be construed to alter liability of any person who acquired real property prior to September 14, 1993; and

(e) For the purposes of this subparagraph the person must have (i) acquired the property subsequent to a hazardous substance being discharged on the site and which discharge was discovered at the time of acquisition as a result of the appropriate inquiry, as defined in this paragraph (2), (ii) performed, following the effective date of P.L.1997, c.278, a remediation of the site or discharge consistent with the provisions of section 35 of P.L.1993, c.139 (C.58:10B-12), or, relied upon a valid no further action letter from the department for a remediation performed prior to acquisition, or obtained approval of a remedial action workplan by the department after the effective date of P.L.1997, c.278 and continued to comply with the

conditions of that workplan, and (iii) established and maintained all engineering and institutional controls as may be required pursuant to sections 35 and 36 of P.L.1993, c.139. A person who complies with the provisions of this subparagraph by actually performing a remediation of the site or discharge as set forth in (ii) above shall be issued, upon application, a no further action letter by the department. A person who complies with the provisions of this subparagraph either by receipt of a no further action letter from the department following the effective date of P.L.1997, c.278, or by relying on a previously issued no further action letter shall not be liable for any further remediation including any changes in a remediation standard or for the subsequent discovery of a hazardous substance, at the site, if the remediation was for the entire site, and the hazardous substance was discharged prior to the person acquiring the property. Notwithstanding any other provisions of this subparagraph, a person who complies with the provisions of this subparagraph only by virtue of the existence of a previously issued no further action letter shall receive no liability protections for any discharge which occurred during the time period between the issuance of the no further action letter and the property acquisition. Compliance with the provisions of this subparagraph (e) shall not relieve any person of any liability for a discharge that is off the site of the property covered by the no further action letter, for a discharge that occurs at that property after the person acquires the property, for any actions that person negligently takes that aggravates or contributes to a discharge of a hazardous substance, for failure to comply in the future with laws and regulations, or if that person fails to maintain the institutional or engineering controls on the property or to otherwise comply with the provisions of the no further action letter.

(3) Notwithstanding the provisions of paragraph (2) of this subsection to the contrary, if a person who owns real property obtains actual knowledge of a discharge of a hazardous substance at the real property during the period of that person's ownership and subsequently transfers ownership of the property to another person without disclosing that knowledge, the transferor shall be strictly liable for the cleanup and removal costs of the discharge and no defense under this subsection shall be available to that person.

(4) Any federal, State, or local governmental entity which acquires ownership of real property through bankruptcy, tax delinquency, abandonment, escheat, eminent domain, condemnation or any circumstance in which the governmental entity involuntarily acquires title by virtue of its function as sovereign, or where the governmental entity acquires the property by any means for the purpose of promoting the redevelopment of that property, shall not be liable, pursuant to subsection c. of this section or

pursuant to common law, to the State or to any other person for any discharge which occurred or began prior to that ownership. This paragraph shall not provide any liability protection to any federal, State or local governmental entity which has caused or contributed to the discharge of a hazardous substance. This paragraph shall not provide any liability protection to any federal, State, or local government entity that acquires ownership of real property by condemnation or eminent domain where the real property is being remediated in a timely manner at the time of the condemnation or eminent domain action.

(5) A person, including an owner or operator of a major facility, who owns real property acquired prior to September 14, 1993 on which there has been a discharge, shall not be liable for cleanup and removal costs or for any other damages to the State or to any other person for the discharged hazardous substance pursuant to subsection c. of this section or pursuant to civil common law, if that person can establish by a preponderance of the evidence that subparagraphs (a) through (d) apply:

(a) the person acquired the real property after the discharge of that hazardous substance at the real property;

(b) (i) at the time the person acquired the real property, the person did not know and had no reason to know that any hazardous substance had been discharged at the real property, or (ii) the person acquired the real property by devise or succession, except that any other funds or property received by that person from the deceased real property owner who discharged a hazardous substance or was in any way responsible for a hazardous substance, shall be made available to satisfy the requirements of P.L.1976, c.141;

(c) the person did not discharge the hazardous substance, is not in any way responsible for the hazardous substance, and is not a corporate successor to the discharger or to any person in any way responsible for the hazardous substance or to anyone liable for cleanup and removal costs pursuant to this section;

(d) the person gave notice of the discharge to the department upon actual discovery of that discharge.

To establish that a person had no reason to know that any hazardous substance had been discharged for the purposes of this paragraph (5), the person must have undertaken, at the time of acquisition, all appropriate inquiry on the previous ownership and uses of the property based upon generally accepted good and customary standards.

Nothing in this paragraph (5) shall be construed to alter liability of any person who acquired real property on or after September 14, 1993.

e. Neither the fund nor the Sanitary Landfill Contingency Fund established pursuant to P.L.1981, c.306 (C.13:1E-100 et seq.) shall be liable

for any damages incurred by any person who is relieved from liability pursuant to subsection d. or f. of this section for a remediation that involves the use of engineering controls but the fund and the Sanitary Landfill Contingency Fund shall be liable for any remediation that involves only the use of institutional controls if after a valid no further action letter has been issued the department orders additional remediation except that the fund and the Sanitary Landfill Contingency Fund shall not be liable for any additional remediation that is required to remove an institutional control.

f. Notwithstanding any other provision of this section, a person, who owns real property acquired on or after the effective date of P.L.1997, c.278 (C.58:10B-1.1 et al.), shall not be liable for any cleanup and removal costs or damages, under this section or pursuant to any other statutory or civil common law, to any person, other than the State and the federal government, harmed by any hazardous substance discharged on that property prior to acquisition, and any migration off that property related to that discharge, provided all the conditions of this subsection are met:

(1) the person acquired the real property after the discharge of that hazardous substance at the real property;

(2) the person did not discharge the hazardous substance, is not in any way responsible for the hazardous substance, and is not a corporate successor to the discharger or to any person in any way responsible for the hazardous substance or to anyone liable for a discharge pursuant to this section;

(3) the person gave notice of the discharge to the department upon actual discovery of that discharge;

(4) within 30 days after acquisition of the property, the person commenced a remediation of the discharge, including any migration, pursuant to a department oversight document executed prior to acquisition, and the department is satisfied that remediation was completed in a timely and appropriate fashion; and

(5) Within ten days after acquisition of the property, the person agrees in writing to provide access to the State for remediation and related activities, as determined by the State.

The provisions of this subsection shall not relieve any person of any liability:

(1) for a discharge that occurs at that property after the person acquired the property;

(2) for any actions that person negligently takes that aggravates or contributes to the harm inflicted upon any person;

(3) if that person fails to maintain the institutional or engineering controls on the property or to otherwise comply with the provisions of a no

further action letter or a remedial action workplan and a person is harmed thereby;

(4) for any liability to clean up and remove, pursuant to the department's regulations and directions, any hazardous substances that may have been discharged on the property or that may have migrated therefrom; and

(5) for that person's failure to comply in the future with laws and regulations.

g. Nothing in the amendatory provisions to this section adopted pursuant to P.L.1997, c.278 shall be construed to remove any defense to liability that a person may have had pursuant to subsection e. of this section that existed prior to the effective date of P.L.1997, c.278.

h. Nothing in this section shall limit the requirements of any person to comply with P.L.1983, c.330 (C.13:1K-6 et seq.).

3. Section 23 of P.L.1993, c.139 (C.58:10B-1) is amended to read as follows:

C.58:10B-1 Definitions.

23. As used in sections 23 through 43 and section 45 of P.L.1993, c.139 (C.58:10B-1 et seq.), as may be amended and supplemented:

"Area of concern" means any location where contaminants are or were known or suspected to have been discharged, generated, manufactured, refined, transported, stored, handled, treated, or disposed, or where contaminants have or may have migrated;

"Authority" means the New Jersey Economic Development Authority established pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.);

"Contamination" or "contaminant" means any discharged hazardous substance as defined pursuant to section 3 of P.L.1976, c.141 (C.58:10-23.11b), hazardous waste as defined pursuant to section 1 of P.L.1976, c.99 (C.13:1E-38), or pollutant as defined pursuant to section 3 of P.L.1977, c.74 (C.58:10A-3);

"Department" means the Department of Environmental Protection;

"Discharge" means an intentional or unintentional action or omission resulting in the releasing, spilling, leaking, pumping, pouring, emitting, emptying, or dumping of a contaminant onto the land or into the waters of the State;

"Engineering controls" means any mechanism to contain or stabilize contamination or ensure the effectiveness of a remedial action. Engineering controls may include, without limitation, caps, covers, dikes, trenches, leachate collection systems, signs, fences and physical access controls;

"Environmental opportunity zone" has the meaning given that term pursuant to section 3 of P.L.1995, c.413 (C.54:4-3.152);

"Financial assistance" means loans or loan guarantees;

"Institutional controls" means a mechanism used to limit human activities at or near a contaminated site, or to ensure the effectiveness of the remedial action over time, when contaminants remain at a contaminated site in levels or concentrations above the applicable remediation standard that would allow unrestricted use of that property. Institutional controls may include, without limitation, structure, land, and natural resource use restrictions, well restriction areas, and deed notices;

"Limited restricted use remedial action" means any remedial action that requires the continued use of institutional controls but does not require the use of an engineering control;

"No further action letter" means a written determination by the department that based upon an evaluation of the historical use of a particular site, or of an area of concern or areas of concern at that site, as applicable, and any other investigation or action the department deems necessary, there are no discharged contaminants present at the site, at the area of concern or areas of concern, at any other site to which a discharge originating at the site has migrated, or that any discharged contaminants present at the site or that have migrated from the site have been remediated in accordance with applicable remediation regulations;

"Preliminary assessment" means the first phase in the process of identifying areas of concern and determining whether contaminants are or were present at a site or have migrated or are migrating from a site, and shall include the initial search for and evaluation of, existing site specific operational and environmental information, both current and historic, to determine if further investigation concerning the documented, alleged, suspected or latent discharge of any contaminant is required. The evaluation of historic information shall be conducted from 1932 to the present, except that the department may require the search for and evaluation of additional information relating to ownership and use of the site prior to 1932 if such information is available through diligent inquiry of the public records;

"Remedial action" means those actions taken at a site or offsite if a contaminant has migrated or is migrating therefrom, as may be required by the department, including the removal, treatment, containment, transportation, securing, or other engineering or treatment measures, whether to an unrestricted use or otherwise, designed to ensure that any discharged contaminant at the site or that has migrated or is migrating from the site, is remediated in compliance with the applicable health risk or environmental standards;

"Remedial action workplan" means a plan for the remedial action to be undertaken at a site, or at any area to which a discharge originating at a site is migrating or has migrated; a description of the remedial action to be used

to remediate a site; a time schedule and cost estimate of the implementation of the remedial action; and any other information the department deems necessary;

"Remedial investigation" means a process to determine the nature and extent of a discharge of a contaminant at a site or a discharge of a contaminant that has migrated or is migrating from the site and the problems presented by a discharge, and may include data collected, site characterization, sampling, monitoring, and the gathering of any other sufficient and relevant information necessary to determine the necessity for remedial action and to support the evaluation of remedial actions if necessary;

"Remediation" or "remediate" means all necessary actions to investigate and clean up or respond to any known, suspected, or threatened discharge of contaminants, including, as necessary, the preliminary assessment, site investigation, remedial investigation, and remedial action, provided, however, that "remediation" or "remediate" shall not include the payment of compensation for damage to, or loss of, natural resources;

"Remediation fund" means the Hazardous Discharge Site Remediation Fund established pursuant to section 26 of P.L.1993, c.139 (C.58:10B-4);

"Remediation funding source" means the methods of financing the remediation of a discharge required to be established by a person performing the remediation pursuant to section 25 of P.L.1993, c.139 (C.58:10B-3);

"Remediation standards" means the combination of numeric standards that establish a level or concentration, and narrative standards to which contaminants must be treated, removed, or otherwise cleaned for soil, groundwater, or surface water, as provided by the department pursuant to section 35 of P.L.1993, c.139 (C.58:10B-12) in order to meet the health risk or environmental standards;

"Restricted use remedial action" means any remedial action that requires the continued use of engineering and institutional controls in order to meet the established health risk or environmental standards;

"Site investigation" means the collection and evaluation of data adequate to determine whether or not discharged contaminants exist at a site or have migrated or are migrating from the site at levels in excess of the applicable remediation standards. A site investigation shall be developed based upon the information collected pursuant to the preliminary assessment;

"Unrestricted use remedial action" means any remedial action that does not require the continued use of engineering or institutional controls in order to meet the established health risk or environmental standards;

"Voluntarily perform a remediation" means performing a remediation without having been ordered or directed to do so by the department or by a

court and without being compelled to perform a remediation pursuant to the provisions of P.L.1983, c.330 (C.13:1K-6 et al.).

4. Section 6 of P.L.1997, c.278 (C.58:10B-13.1) is amended to read as follows:

C.58:10B-13.1 No further action letter; covenant not to sue.

6. a. Whenever after the effective date of P.L.1997, c.278 (C.58:10B-1.1 et al.) the Department of Environmental Protection issues a no further action letter pursuant to a remediation, it shall also issue to the person performing the remediation a covenant not to sue with respect to the real property upon which the remediation has been conducted. A covenant not to sue shall be executed by the person performing the remediation and by the department in order to become effective. The covenant not to sue shall be consistent with any conditions and limitations contained in the no further action letter. The covenant not to sue shall be for any area of concern remediated and may apply to the entire real property if the remediation included a preliminary assessment and, if necessary, a site investigation of the entire real property, and any other necessary remedial actions. The covenant remains effective only for as long as the real property for which the covenant was issued continues to meet the conditions of the no further action letter. Upon a finding by the department that real property or a portion thereof to which a covenant not to sue pertains, no longer meets with the conditions of the no further action letter, the department shall provide notice of that fact to the person responsible for maintaining compliance with the no further action letter. The department may allow the person a reasonable time to come into compliance with the terms of the original no further action letter. If the property does not meet the conditions of the no further action letter and if the department does not allow for a period of time to come into compliance or if the person fails to come into compliance within the time period, the department may invoke the provisions of the covenant not to sue permitting revocation of the covenant not to sue.

Except as provided in subsection e. of this section, a covenant not to sue shall contain the following, as applicable:

(1) a provision releasing the person who undertook the remediation from all civil liability to the State to perform any additional remediation, to pay compensation for damage to, or loss of, natural resources, or for any cleanup and removal costs;

(2) for a remediation that involves the use of engineering or institutional controls:

(a) a provision requiring the person, or any subsequent owner, lessee, or operator during the person's period of ownership, tenancy, or operation, to maintain those controls, conduct periodic monitoring for compliance, and submit to the department, on a biennial basis, a certification that the engineering and institutional controls are being properly maintained and continue to be protective of public health and safety and of the environment. The certification shall state the underlying facts and shall include the results of any tests or procedures performed that support the certification; and

(b) a provision revoking the covenant if the engineering or institutional controls are not being maintained or are no longer in place; and

(3) for a remediation that involves the use of engineering controls but not for any remediation that involves the use of institutional controls only, a provision barring the person or persons whom the covenant not to sue benefits, from making a claim against the New Jersey Spill Compensation Fund and the Sanitary Landfill Facility Contingency Fund for any costs or damages relating to the real property and remediation covered by the covenant not to sue. The covenant not to sue shall not bar a claim by any person against the New Jersey Spill Compensation Fund and the Sanitary Landfill Contingency Fund for any remediation that involves only the use of institutional controls if, after a valid no further action letter has been issued, the department orders additional remediation, except that the covenant shall bar such a claim if the department ordered additional remediation in order to remove the institutional control.

b. Unless a covenant not to sue issued under this section is revoked by the department, the covenant shall remain effective. The covenant not to sue shall apply to all successors in ownership of the property and to all persons who lease the property or who engage in operations on the property.

c. If a covenant not to sue is revoked, liability for any additional remediation shall not be applied retroactively to any person for whom the covenant remained in effect during that person's ownership, tenancy, or operation of the property.

d. A covenant not to sue and the protections it affords shall not apply to any discharge that occurs subsequent to the issuance of the no further action letter which was the basis of the issuance of the covenant, nor shall a covenant not to sue and the protections it affords relieve any person of the obligations to comply in the future with laws and regulations.

e. The covenant not to sue may be issued to any person who obtains a no further action letter as provided in subsection a. of this section. The covenant not to sue shall not provide relief from any liability, either under statutory or common law, to any person who is liable for cleanup and removal costs pursuant to subsection c. of section 8 of P.L.1976, c.141

(C.58:10-23.11g), and who does not have a defense to liability pursuant to subsection d. of that section.

C.58:10B-17.1 Commencement of civil action within three years, limitations provision; definitions.

5. a. (1) Except where a limitations provision expressly and specifically applies to actions commenced by the State or where a longer limitations period would otherwise apply, and subject to any statutory provisions or common law rules extending limitations periods, any civil action concerning the remediation of a contaminated site or the closure of a sanitary landfill facility commenced by the State pursuant to the State's environmental laws shall be commenced within three years next after the cause of action shall have accrued.

(2) For purposes of determining whether a civil action subject to the limitations periods specified in paragraph (1) of this subsection has been commenced within time, no cause of action shall be deemed to have accrued prior to January 1, 2002 or until the contaminated site is remediated or the sanitary landfill has been properly closed, whichever is later.

b. (1) Except where a limitations provision expressly and specifically applies to actions commenced by the State or where a longer limitations period would otherwise apply, and subject to any statutory provisions or common law rules extending limitations periods, any civil action concerning the payment of compensation for damage to, or loss of, natural resources due to the discharge of a hazardous substance, commenced by the State pursuant to the State's environmental laws, shall be commenced within four years next after the cause of action shall have accrued.

(2) For purposes of determining whether a civil action subject to the limitations periods specified in paragraph (1) of this subsection has been commenced within time, no cause of action shall be deemed to have accrued prior to January 1, 2002 or until the performance of the preliminary assessment, site investigation, and remedial investigation, if necessary, of the contaminated site or the sanitary landfill facility, whichever is later.

c. As used in this section:

"State's environmental laws" means the "Spill Compensation and Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.), the "Water Pollution Control Act," P.L.1977, c.74 (C.58:10A-1 et seq.), P.L.1986, c.102 (C.58:10A-21 et seq.), the "Brownfield and Contaminated Site Remediation Act," P.L.1997, c.278 (C.58:10B-1.1 et al.), the "Industrial Site Recovery Act," P.L.1983, c.330 (C.13:1K-6 et al.), the "Solid Waste Management Act," P.L.1970, c.39 (C.13:1E-1 et seq.), the "Comprehensive Regulated Medical Waste Management Act," P.L.1989, c.34 (C.13:1E-48.1 et seq.), the "Major Hazardous Waste Facilities Siting Act," P.L.1981, c.279

(C.13:1E-49 et seq.), the "Sanitary Landfill Facility Closure and Contingency Fund Act," P.L.1981, c.306 (C.13:1E-100 et seq.), the "Regional Low-Level Radioactive Waste Disposal Facility Siting Act," P.L.1987, c.333 (C.13:1E-177 et seq.), or any other law or regulation by which the State may compel a person to perform remediation activities on contaminated property; and

"State" means the State, its political subdivisions, any office, department, division, bureau, board, commission or agency of the State or one of its political subdivisions, and any public authority or public agency, including, but not limited to, the New Jersey Transit Corporation and the University of Medicine and Dentistry of New Jersey.

C.58:10-23.11g11 Immunity from liability for certain discharges.

6. Any person who has a defense to liability pursuant to paragraphs (2) and (5) of subsection d. of section 8 of P.L.1976, c.141 (C.58:10-23.11g) shall not be liable for the payment of compensation for damage to, or loss of, natural resources due to the discharge of a hazardous substance.

7. Section 2 of P.L.1991, c.387 (C.2A:14-1.2) is amended to read as follows:

C.2A:14-1.2 Civil actions commenced by the State, 10 years; "State" defined; exceptions.

2. a. Except where a limitations provision expressly and specifically applies to actions commenced by the State or where a longer limitations period would otherwise apply, and subject to any statutory provisions or common law rules extending limitations periods, any civil action commenced by the State shall be commenced within ten years next after the cause of action shall have accrued.

b. For purposes of determining whether an action subject to the limitations period specified in subsection a. of this section has been commenced within time, no such action shall be deemed to have accrued prior to January 1, 1992.

c. As used in this act, the term "State" means the State, its political subdivisions, any office, department, division, bureau, board, commission or agency of the State or one of its political subdivisions, and any public authority or public agency, including, but not limited to, the New Jersey Transit Corporation and the University of Medicine and Dentistry of New Jersey.

The provisions of this section shall not apply to any civil action commenced by the State concerning the remediation of a contaminated site or the closure of a sanitary landfill facility, or the payment of compensation for damage to, or loss of, natural resources due to the discharge of a

hazardous substance, and subject to the limitations period specified in section 5 of P.L.2001, c.154 (C.58:10B-17.1).

8. This act shall take effect immediately.

Approved July 13, 2001.

CHAPTER 155

AN ACT concerning the abatement or exemption of taxes in certain circumstances and amending P.L.1992, c.79.

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

1. Section 14 of P.L.1992, c.79 (C.40A:12A-14) is amended to read as follows:

C.40A:12A-14 Conditions for determination of need for rehabilitation.

14. a. A delineated area may be determined to be in need of rehabilitation if the governing body of the municipality determines by resolution that there exist in that area conditions such that (1) a significant portion of structures therein are in a deteriorated or substandard condition and there is a continuing pattern of vacancy, abandonment or underutilization of properties in the area, with a persistent arrearage of property tax payments thereon or (2) more than half of the housing stock in the delineated area is at least 50 years old, or a majority of the water and sewer infrastructure in the delineated area is at least 50 years old and is in need of repair or substantial maintenance; and (3) a program of rehabilitation, as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3), may be expected to prevent further deterioration and promote the overall development of the community. Where warranted by consideration of the overall conditions and requirements of the community, a finding of need for rehabilitation may extend to the entire area of a municipality. Prior to adoption of the resolution, the governing body shall submit it to the municipal planning board for its review. Within 45 days of its receipt of the proposed resolution, the municipal planning board shall submit its recommendations regarding the proposed resolution, including any modifications which it may recommend, to the governing body for its consideration. Thereafter, or after the expiration of the 45 days if the municipal planning board does not

submit recommendations, the governing body may adopt the resolution, with or without modification.

b. A delineated area shall be deemed to have been determined to be an area in need of rehabilitation in accordance with the provisions of this act if it has heretofore been determined to be an area in need of rehabilitation pursuant to P.L.1975, c.104 (C.54:4-3.72 et seq.), P.L.1977, c.12 (C.54:4-3.95 et seq.) or P.L.1979, c.233 (C.54:4-3.121 et seq.).

2. This act shall take effect immediately.

Approved July 13, 2001.

CHAPTER 156

AN ACT requiring the licensure of athletic trainers and amending various parts of the statutory law.

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

1. Section 1 of P.L.1984, c.203 (C.45:9-37.35) is amended to read as follows:

C.45:9-37.35 Short title.

1. This act shall be known and may be cited as the "Athletic Training Licensure Act."

2. Section 3 of P.L.1984, c.203 (C.45:9-37.37) is amended to read as follows:

C.45:9-37.37 Practice of athletic training, licensure.

3. No person shall practice or hold himself out as being able to practice athletic training in this State unless licensed in accordance with the provisions of this act.

3. Section 5 of P.L.1984, c.203 (C.45:9-37.39) is amended to read as follows:

C.45:9-37.39 Athletic Training Advisory Committee.

5. There is created in the Division of Consumer Affairs of the Department of Law and Public Safety, under the State Board of Medical Examiners, an Athletic Training Advisory Committee. The committee shall

consist of six members, three of whom shall be licensed athletic trainers of this State having at least five years experience in the practice of athletic training in this State immediately prior to appointment and one of whom shall be a licensed athletic trainer of this State having at least five years experience in the practice of athletic training in a secondary school in this State immediately prior to appointment. One member of the advisory committee shall be a representative of the Department of Education and one member shall be a physician licensed in this State. The members of the committee shall be appointed by the Governor, with the advice and consent of the Senate, for terms of three years, except in making the initial appointments the Governor shall designate two members to serve three years, two members to serve two years, and two members to serve one year. In the event of death, incapacity, resignation or removal of any member, the vacancy shall be filled for the unexpired portion of the term in the same manner as the original appointment. Each member shall hold office after the expiration of the term until a successor shall be appointed and qualified. The committee shall meet at least twice a year and shall also meet upon the call of the board or Attorney General. The committee shall carry out the responsibilities assigned to it under this act and any other matter the board may require. The Attorney General shall provide the committee with facilities and personnel required for the proper conduct of its business. The board, with the approval of the Attorney General, may authorize reimbursement of the members of the committee for their actual expenses incurred in connection with the performance of their duties as members of the committee.

The licensure requirements of this section shall only apply to athletic trainers who are appointed to the committee after the effective date of P.L.2001, c156.

4. Section 6 of P.L.1984, c.203 (C.45:9-37.40) is amended to read as follows:

C.45:9-37.40 Licensure required for practice of athletic training.

6. a. Beginning on the effective date of P.L.2001, c.156, it shall be unlawful for any person, other than an athletic trainer registered pursuant to P.L.1984, c.203 (C.45:9-37.35 et seq.) whose biennial registration has not expired, to practice athletic training in this State unless licensed in accordance with the provisions of this act. Nothing in this act, however, shall prohibit any person licensed to practice in this State under any other law from engaging in the practice for which he is licensed.

b. This act shall not prohibit: a candidate for licensure as an athletic trainer from accumulating the mandated number of hours of supervised

clinical experience under the direction of a licensed athletic trainer; a student enrolled in a school or educational program of athletic training approved by the board from performing acts of athletic training incidental to the course of study, if the performance is under the direction of a licensed athletic trainer; a student in any educational program in the healing arts approved or accredited under the laws of this State from carrying out prescribed courses of study; a person employed by any agency, bureau or division of the federal government from discharging his official duties; or a person in connection with employment as an athletic trainer by a nonresident athlete, educational institution or recognized athletic organization temporarily visiting in this State, from practicing athletic training for a period not to exceed 90 days in one calendar year provided he is lawfully permitted to work as an athletic trainer in the state of residence of his employer.

c. The provisions of this act are not intended to limit the activities of persons legitimately engaged in the administration of nontherapeutic baths, massage and normal exercise.

5. Section 8 of P.L.1984, c.203 (C.45:9-37.42) is amended to read as follows:

C.45:9-37.42 Qualifications for licensure as athletic trainer.

8. An applicant for licensure as an athletic trainer shall submit evidence to the board, in the form the board may prescribe, that the applicant:

- a. Is 18 years of age or older;
- b. Is of good moral character and does not engage in the habitual use of alcohol, narcotics or other habit forming drugs;
- c. Is a graduate of a high school approved by the Department of Education or has obtained equivalent education acceptable to the board; and
- d. Has met the athletic training curriculum requirements of a college or university approved by the board and provides proof of graduation or has successfully completed a program of baccalaureate education and training and experience approved by the board and provides proof of its completion. The board, in establishing, altering or amending the standards for approving curricula and courses of study in institutions which grant baccalaureate degrees and which are accredited by a regional accreditation agency recognized by the Council on Postsecondary Accreditation or the United States Department of Education shall consult with the Department of Education and the advisory committee. The board, in establishing, altering, or amending the standards for approving programs of baccalaureate education and training and experience shall consult with the advisory

committee. Both the curriculum and the program shall include courses of study in the biophysical sciences for the use of physical agents and medical-surgical techniques as related to athletics.

6. Section 9 of P.L.1984, c.203 (C.45:9-37.43) is amended to read as follows:

C.45:9-37.43 Examination for licensing as athletic trainer.

9. An applicant who complies with the qualifications for licensure shall successfully complete the examination administered by the National Athletic Trainers' Association Board of Certification, Inc., or a substantially equivalent examination approved by the board. The examination shall test the applicant's knowledge of the basic and clinical sciences that are pertinent to athletic training, emergency care of the injured athlete and principles of injury evaluation and conditioning, including the use of various physical modalities and exercise techniques. The examination shall be administered within the State no less than once each year at a time and place the board shall designate.

7. Section 10 of P.L.1984, c.203 (C.45:9-37.44) is amended to read as follows:

C.45:9-37.44 Issuance of license.

10. On payment to the board of the application fee as provided in section 14 of this act, and upon approval of the application, the board shall issue a license to any person who successfully passes the examination provided in section 9 of this act.

8. Section 11 of P.L.1984, c.203 (C.45:9-37.45) is amended to read as follows:

C.45:9-37.45 Licensure without examination.

11. On payment to the board of the application fee as provided in section 14 of this act, and upon approval of a written application or application for renewal, as the case may be, on forms provided by the board, the board shall issue, without examination, a license to any person who:

a. (Deleted by amendment, P.L.2001, c.156).

b. Is licensed, certified or registered as an athletic trainer in any other state or territory of the United States or the District of Columbia, if the requirements for licensure, certification or registration were at the time of the applicant's licensure, certification or registration equivalent to or in excess of the requirements of this act at the date of application for the

license as shall be determined by the board in consultation with the committee; or

c. Is employed in or is a resident of this State and presents evidence of being certified by the National Athletic Trainers Association as an athletic trainer; or

d. Is registered as an athletic trainer pursuant to the provisions of P.L.1984, c.203 (C.45:9-37.35 et seq.) and makes a timely application for renewal, as determined by the board, prior to the expiration of his biennial registration.

9. Section 12 of P.L.1984, c.203 (C.45:9-37.46) is amended to read as follows:

C.45:9-37.46 License required to use certain titles, designations.

12. No person shall use the words "athletic trainer" or "licensed athletic trainer" or the letters "AT" unless licensed pursuant to this act.

10. Section 13 of P.L.1984, c.203 (C.45:9-37.47) is amended to read as follows:

C.45:9-37.47 Temporary license.

13. Upon submission of a written application on forms provided by it, the board shall issue a temporary license to a person who has applied for licensure under the provisions of section 8 of this act and who is, in the judgment of the board, eligible to take the examination provided for in section 9 of this act. The temporary license shall be available to an applicant only with respect to the first application for licensure under section 8. The temporary licensee shall take the next available examination. The temporary license shall expire on either the date of the next examination or the date of the final determination, whichever is later.

11. Section 14 of P.L.1984, c.203 (C.45:9-37.48) is amended to read as follows:

C.45:9-37.48 Application fee, expiration, renewal of license.

14. Each initial application under this act shall be accompanied by a fee as prescribed by the board. Licensure shall expire biennially on January 31 and shall be renewed upon application and payment of a fee as prescribed by the board. If the fee is not paid by that date the license shall automatically expire. A license which has expired may, within three years of its expiration date, be renewed on payment to the board of the prescribed reinstatement fee for each year or part thereof during which the license was ineffective and a restoration fee as prescribed by the board. After the three

year period, the license may be renewed only by complying with the provisions of this act regarding initial licensure.

12. Section 15 of P.L.1984, c.203 (C.45:9-37.49) is amended to read as follows:

C.45:9-37.49 Refusal to issue, suspension, revocation of license.

15. The board may refuse to issue, or may suspend or revoke the license of any person, or may impose any other disciplinary sanction pursuant to the provisions of P.L.1978, c.73 (C.45:1-14 et seq.).

13. Section 5 of P.L.1999, c.87 (C.18A:26-2.5) is amended to read as follows:

C.18A:26-2.5 Rules relative to athletic trainer licensure.

5. The State Board of Education shall promulgate rules pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) setting forth the certification and endorsement requirements of a school athletic trainer which shall include, but need not be limited to, the satisfactory completion of the requirements established by the State Board of Medical Examiners for licensure as an athletic trainer pursuant to P.L.1984, c.203 (C.45:9-37.35 et seq.).

14. N.J.S.18A:28-4 is amended to read as follows:

Requirements for certain school personnel to acquire tenure, exceptions.

18A:28-4. No teaching staff member shall acquire tenure in any position in the public schools in any school district or under any board of education, who is not the holder of an appropriate certificate for such position, issued by the State Board of Examiners, in full force and effect, except that no board of education shall terminate the employment or refuse to continue the employment or reemployment of

a. any school nurse appointed prior to May 9, 1947 for the reason that such nurse is not the holder of such a certificate and the State Board of Examiners shall make no rule or regulation which will affect adversely the rights of any such nurse under any certificate issued prior to said date; or

b. a school athletic trainer appointed prior to the effective date of P.L.1999, c.87 (C.18A:26-2.4 et al.) for the reason that the school athletic trainer is not the holder of a certificate, provided that the person is registered with or licensed by the New Jersey State Board of Medical Examiners, as applicable, as an athletic trainer. That person shall be issued the new certificate without being required to meet any additional qualifications, and any periods of employment as an athletic trainer prior to the effective date

of that act shall count toward the acquisition of tenure to the same extent as employment after the effective date of that act.

15. This act shall take effect 90 days after enactment and shall apply to applications for licensure or renewal made after that date.

Approved July 13, 2001.

CHAPTER 157

AN ACT concerning interlocal services agreements between local units and supplementing P.L.1999, c.61.

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

1. a. The Director of the Division of Local Government Services in the Department of Community Affairs shall conduct a study of all municipalities, counties, school districts and regional authorities and districts to determine the number and type of all interlocal services agreements between such local units entered into between August 2, 1973, the effective date of the "Interlocal Services Act," P.L.1973, c.208, and January 1, 2001. The study shall also include the amount of cost savings experienced by the participating municipalities, counties, school districts and regional authorities and districts as a result of the interlocal services agreements in which the local units participated.

b. The director shall provide a written copy of the study required pursuant to subsection a. of this section to the Governor and the Legislature not later than the first day of the ninth month next following enactment of P.L.2001, c.157.

c. The director may expend up to \$100,000 from the amount appropriated for the Regional Efficiency Development Incentive Program created pursuant to section 4 of P.L.1999, c.60 (C.40:8B-17) for the purpose of conducting the study required by subsection a. of this section.

2. This act shall take effect immediately.

Approved July 13, 2001.

CHAPTER 158

AN ACT concerning licensed home inspectors and amending P.L.1997, c.323.

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

1. Section 11 of P.L.1997, c.323 (C.45:8-71) is amended to read as follows:

C.45:8-71 Issuance of home inspector license.

11. a. Upon payment to the board of a fee and the submission of a written application provided by the board, the committee shall issue a home inspector license to any person who holds a valid license issued by another state or possession of the United States or the District of Columbia which has standards substantially equivalent to those of this State, as determined by the committee.

b. Notwithstanding the requirements of section 8 of P.L.1997, c.323 (C.45:8-68), upon payment to the board of a fee and the submission of a written application provided by the board, the committee shall issue a home inspector license to any person who is: (1) a licensed professional engineer deemed qualified by the board, without examination, by training, education and experience; or (2) a licensed architect deemed qualified by the New Jersey State Board of Architects, without examination, by training, education and experience.

2. Section 15 of P.L.1997, c.323 (C.45:8-75) is amended to read as follows:

C.45:8-75 Limitations upon licensees.

15. No person licensed as a home inspector pursuant to this act shall engage in the practice of architecture or the practice of professional engineering unless licensed therefor.

3. This act shall take effect immediately.

Approved July 13, 2001.

CHAPTER 159

AN ACT increasing and indexing maximum benefits under the Homestead Rebate programs and amending P.L.1990, c.61.

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

1. Section 3 of P.L.1990, c.61 (C.54:4-8.59) is amended to read as follows:

C.54:4-8.59 Homestead rebate, amount; eligibility, conditions.

3. a. A resident of this State who is 65 years of age or older at the close of the tax year, or who is allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, shall be allowed a homestead rebate for the tax year equal to the amount by which property taxes paid by the claimant in that tax year on the claimant's homestead exceed 5% of the claimant's gross income, rounded to the nearest whole dollar, up to a maximum homestead rebate of \$500 for each tax year through the 1999 tax year, \$750 for the 2000 tax year, and for each tax year thereafter the director shall recompute the maximum homestead rebate by multiplying the maximum homestead rebate allowed in the prior tax year by the cost-of-living adjustment, provided that:

(1) in the case of a married couple filing a joint New Jersey gross income tax return or an individual filing a return who determines gross income tax pursuant to subsection a. of N.J.S.54A:2-1, gross income does not exceed \$70,000 for that year;

(2) in the case of an unmarried individual who determines gross income tax pursuant to subsection b. of N.J.S.54A:2-1, gross income does not exceed \$35,000 for that year;

(3) in the case of a married individual filing a separate New Jersey gross income tax return, if the spouse of the claimant maintains the same homestead as the claimant and also files a separate gross income tax return in this State, the combined gross income of both spouses does not exceed \$70,000, but in no event shall the homestead rebate claimed under this subsection exceed one-half of the amount of the homestead rebate allowable had the spouses filed a joint return and homestead rebate application; and

(4) in the case of a married individual filing a separate gross income tax return and maintaining a homestead apart from that individual's spouse, gross income does not exceed \$35,000.

b. A homestead rebate shall be allowed pursuant to subsection a. of this section in relation to the amount of the property taxes actually paid by or allocable to a resident property taxpayer who is a claimant on more than one homestead, but the aggregate amount of the property taxes claimed shall not exceed the total of the proportionate amounts of property taxes assessed and levied against or allocable to each homestead for the portion of the tax year the claimant occupied it as the claimant's principal residence.

c. If title to a homestead is held by more than one individual as joint tenants or tenants in common, each individual shall be allowed a homestead rebate pursuant to this section only in relation to the individual's proportion-

ate share of the property taxes assessed and levied against the homestead. The individual's proportionate share of the property taxes on that homestead shall be equal to the share of that individual's interest in the title. Title shall be presumed to be held in equal shares among all co-owners, but if the claimant satisfactorily demonstrates to the director that the title provides for unequal interests, either under the conveyance under which the title is held, or as otherwise may be demonstrated, that claimant's share of the property taxes paid on that homestead shall be in proportion to the claimant's interest in the title.

d. If the homestead of a claimant is a residential property consisting of more than one unit, that claimant shall be allowed a homestead rebate pursuant to this section only in relation to the proportionate share of the property taxes assessed and levied against the residential unit occupied by that claimant, as determined by the local tax assessor.

e. Nothing in this section shall preclude a co-owner, other than a husband or wife claiming a homestead rebate on the same homestead, from receiving a homestead rebate determined pursuant to subsection f. or g. of this section if another co-owner claims a homestead rebate pursuant to subsection a. of this section, provided however, that each claim for a homestead rebate determined pursuant to subsections a. and f. of this section shall be separately subject to the provisions of subsections c. and d. of this section and each claim for a homestead rebate determined pursuant to subsection g. of this section shall be separately subject to the provisions of that subsection.

f. (1) Notwithstanding the provisions of subsection a. of this section to the contrary, a homestead rebate shall be allowed for a resident of this State who is 65 years of age or older at the close of the tax year, or who is allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, who has paid property taxes in that tax year on the claimant's homestead, which shall not be less than:

(a) \$150 for property taxes paid on one homestead for the tax year if the claimant's gross income does not exceed \$70,000 for that year; or

(b) \$100 for property taxes paid on one homestead for the tax year if the claimant's gross income exceeds \$70,000 but does not exceed \$100,000 for that year.

(2) If a claimant who is eligible to receive a homestead rebate in an amount set forth in paragraph (1) of this subsection paid property taxes on homesteads maintained as such in this State for less than the full tax year, the homestead rebate amount set forth in paragraph (1) shall be prorated in the proportion which the number of days that the homesteads were maintained during the tax year bears to 365 days. The homestead rebate amount set forth in paragraph (1) of this subsection shall be subject to any

further proportionate reduction as may be applicable pursuant to subsections c. and d. of this section. The homestead rebate amount set forth in paragraph (1) of this subsection that is subject to any proportionate reduction shall be rounded to the nearest whole dollar. The homestead rebate amount set forth in paragraph (1) of this subsection that is claimed based upon a homestead maintained by both spouses shall be determined based upon the combined gross income of both spouses regardless of whether the claimants filed a joint New Jersey gross income tax return or separate New Jersey gross income tax returns for the tax year.

g. (1) A resident of this State who is not 65 years of age or older at the close of the tax year, and who is not allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, who maintains a homestead for which property taxes have been paid for the tax year, who has gross income for the tax year not in excess of \$40,000, shall be allowed a homestead rebate pursuant to this subsection of \$90, provided however, that the homestead rebate allowed pursuant to this subsection shall be subject to the limitations and reductions as may apply pursuant to the provisions of subsections b. through d. of this section.

(2) In the case of a claimant who is a married individual filing a separate New Jersey gross income tax return, if the spouse of the claimant maintains the same homestead as the claimant and also files a separate gross income tax return in this State: (a) if the combined gross income of both spouses exceeds \$40,000 then neither spouse shall be entitled to a rebate pursuant to this subsection; or (b) if the combined gross income of both spouses does not exceed \$40,000, then the maximum homestead rebate paid pursuant to this subsection to each spouse shall not exceed one-half of the amount of the homestead rebate allowable had the spouses filed a joint return and homestead rebate application.

(3) A rebate paid pursuant to this subsection shall be subject to such proportionate reductions in amount as relate to the claimant's number of days as an owner of the homestead during the tax year.

h. (1) For the 2001 tax year and each tax year thereafter, the director shall annually recompute the maximum homestead rebate by multiplying the maximum homestead rebate allowed in the prior tax year by the cost-of-living adjustment, and recomputing the new maximum homestead rebate for the current tax year. The director shall round the recomputed maximum homestead rebate amount to the next highest multiple of \$5.

(2) "Cost-of-living adjustment" for any tax year means the factor calculated by dividing the consumer price index for all urban consumers for the nation, as prepared by the United States Department of Labor as of the close of the 12-month period ending on August 31 of the tax year, by that index as of the close of the 12-month period ending on August 31 of the

calendar year preceding the tax year in which the recomputation of the maximum homestead rebate is made.

2. Section 4 of P.L.1990, c.61 (C.54:4-8.60) is amended to read as follows:

C.54:4-8.60 Rebates for residential rental property units, amount; eligibility, conditions.

4. a. A resident of this State who is 65 years of age or older at the close of the tax year, or who is allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, whose homestead is a unit of residential rental property shall be allowed a homestead rebate for the tax year equal to the amount by which the claimant's rent constituting property taxes in that tax year exceeds 5% of the claimant's gross income, rounded to the nearest whole dollar, up to a maximum homestead rebate of \$500 for each tax year through the 1999 tax year, \$750 for the 2000 tax year, and for each tax year thereafter the director shall recompute the maximum homestead rebate by multiplying the maximum homestead rebate allowed in the prior tax year by the cost-of-living adjustment, provided that:

(1) in the case of a married couple filing a joint New Jersey gross income tax return or an individual filing a return who determines gross income tax pursuant to subsection a. of N.J.S.54A:2-1, gross income does not exceed \$70,000 for that year;

(2) in the case of an unmarried individual who determines gross income tax pursuant to subsection b. of N.J.S.54A:2-1, gross income does not exceed \$35,000 for that year;

(3) in the case of a married individual filing a separate New Jersey gross income tax return, if the spouse of the claimant maintains the same homestead as the claimant and also files a separate gross income tax return in this State, the combined gross income of both spouses does not exceed \$70,000, but in no event shall the homestead rebate claimed under this subsection exceed one-half of the amount of the homestead rebate allowable had the spouses filed a joint return and homestead rebate application; and

(4) in the case of a married individual filing a separate gross income tax return and maintaining a homestead apart from that individual's spouse, gross income does not exceed \$35,000.

b. If more than one resident, other than a husband and wife, qualify for a homestead rebate by reason of their having occupied the same unit of residential rental property as their homestead, it shall be presumed that each claimant shall be allowed a homestead rebate pursuant to this section only in relation to the individual's proportionate share of the total rent constituting property taxes paid by that claimant which homestead rebate shall be in

proportion to the percentage that the total rent paid by that claimant bears to the total rent paid by all tenants of the same unit. For the purposes of a homestead rebate claimed by an individual subject to this subsection, the names and social security numbers of each co-tenant shall be reported by the claimant and the total rent paid shall be presumed to be paid in equal parts among all co-tenants.

c. If a claimant for a homestead rebate pursuant to this section has no other homestead in this State other than a unit of residential rental property, and that claimant was not a resident of this State for the full tax year, but paid rent for the full tax year for one or more units of residential rental property in this State, the claimant's total homestead rebate otherwise calculated pursuant to this section shall be prorated in the proportion which the number of days the claimant occupied residential rental property in this State as a homestead during the tax year bears to 365 days.

d. Nothing in this section shall preclude a co-tenant, other than a husband or wife claiming a homestead rebate on the same homestead, from receiving a homestead rebate determined pursuant to subsection e. or f. of this section if another co-tenant claims a rebate pursuant to subsection a. of this section, provided however, that each such claim shall be separately subject to the provisions of subsections b. and c. of this section.

e. (1) Notwithstanding the provisions of subsection a. of this section to the contrary, a homestead rebate shall be allowed for a resident of this State who is 65 years of age or older at the close of the tax year, or who is allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, whose homestead is a unit of residential rental property which shall not be less than:

(a) the greater of either the amount determined pursuant to subsection f. of this section or \$65 for property taxes paid through rent on the homestead for the tax year if the claimant's gross income does not exceed \$70,000 for that year; or

(b) the greater of either the amount determined pursuant to subsection f. of this section or \$35 for property taxes paid through rent on the homestead for the tax year if the claimant's gross income exceeds \$70,000 but does not exceed \$100,000 for that year.

(2) If a claimant who is eligible to receive a homestead rebate in an amount set forth in paragraph (1) of this subsection paid rent for less than the full tax year on one or more homesteads in this State maintained as such for less than the full tax year, the homestead rebate amount set forth in paragraph (1) shall be prorated in the proportion which the number of days that the homestead was maintained during the tax year bears to 365 days. A claim for a homestead rebate in an amount set forth in paragraph (1) of this subsection shall be subject to such further proportionate reduction as

may be required pursuant to subsections b. and c. of this section. A homestead rebate in an amount set forth in paragraph (1) of this subsection subject to any proportionate reduction shall be rounded to the nearest whole dollar. A claim for a homestead rebate in an amount set forth in paragraph (1) of this subsection based upon a homestead maintained by both spouses shall be determined based upon the combined gross income of both spouses regardless of whether the claimants filed a joint New Jersey gross income tax return or separate New Jersey gross income tax returns for the tax year.

f. (1) A resident of this State whose homestead is a unit of residential rental property, who has gross income for the tax year not in excess of \$100,000, shall be allowed a homestead rebate pursuant to this subsection of \$30 for property taxes paid through rent during the 1998 tax year, \$40 for property taxes paid through rent during the 1999 tax year, \$100 for property taxes paid through rent during the 2000 tax year and for any tax year thereafter, provided however, that the homestead rebate allowed pursuant to this subsection shall be subject to the limitations and reductions as may apply pursuant to the provisions of subsections b. and c. of this section and such proportionate reduction as may relate to the number of days the claimant was a tenant in a unit of residential rental property maintained as a homestead in this State during the tax year.

(2) The gross income limit imposed in paragraph (1) of this subsection for a claim for a homestead rebate made pursuant to this subsection that is based upon a homestead maintained by both spouses shall be based upon the combined gross income of both spouses if the claimants filed a joint New Jersey gross income tax return for the tax year. If a claim by a married individual for a homestead rebate made pursuant to this subsection is based upon a homestead maintained by both spouses who each file separate New Jersey gross income tax returns for the tax year, no homestead rebate for the tax year shall be paid to either spouse if their combined gross income exceeds the gross income limit imposed in paragraph (1) of this subsection.

For such a claim, if the combined gross income of both spouses does not exceed the gross income limit imposed in paragraph (1) of this subsection, then each such spouse making a claim shall be allowed a homestead rebate amount equal to one-half of the homestead rebate amount otherwise allowed pursuant to this subsection.

g. (1) For the 2001 tax year and each tax year thereafter, the director shall annually recompute the maximum homestead rebate set forth in subsection a. of this section by multiplying the maximum homestead rebate allowed in the prior tax year by the cost-of-living adjustment, and recomputing the new maximum homestead rebate for the current tax year. The director shall round the recomputed maximum homestead rebate amount to the next highest multiple of \$5.

(2) "Cost-of-living adjustment" for any tax year means the factor calculated by dividing the consumer price index for all urban consumers for the nation, as prepared by the United States Department of Labor as of the close of the 12-month period ending on August 31 of the tax year, by that index as of the close of the 12-month period ending on August 31 of the calendar year preceding the tax year in which the recomputation of the maximum homestead rebate is made.

3. Section 5 of P.L.1990, c.61 (C.54:4-8.61) is amended to read as follows:

C.54:4-8.61 Rebates for property taxes and rent.

5. a. A resident of this State who is 65 years of age or older at the close of the tax year, or who is allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, who is a resident of this State for the full tax year for which a homestead rebate is claimed, whose homestead has been other than a unit of residential rental property for a part of the tax year and has been a unit of residential rental property for the remainder of that year, shall be allowed a homestead rebate for that tax year equal to the amount by which the sum of the actual property taxes paid by the claimant and the rent constituting property taxes paid by the claimant in that tax year exceeds 5% of the claimant's gross income, rounded to the nearest whole dollar, up to a maximum homestead rebate of \$500 for each tax year through the 1999 tax year, \$750 for the 2000 tax year, and for each tax year thereafter the director shall recompute the maximum homestead rebate by multiplying the maximum homestead rebate allowed in the prior tax year by the cost-of-living adjustment, provided that:

(1) in the case of a married couple filing a joint New Jersey gross income tax return or an individual filing a return who determines gross income tax pursuant to subsection a. of N.J.S.54A:2-1, gross income does not exceed \$70,000 for that year;

(2) in the case of an unmarried individual who determines gross income tax pursuant to subsection b. of N.J.S.54A:2-1, gross income does not exceed \$35,000 for that year;

(3) in the case of a married individual filing a separate New Jersey gross income tax return, if the spouse of the claimant maintains the same homestead as the claimant and also files a separate gross income tax return in this State, the combined gross income of both spouses does not exceed \$70,000, but in no event shall the homestead rebate claimed under this subsection exceed one-half of the amount of the homestead rebate allowable had the spouses filed a joint return and rebate application; and

(4) in the case of a married individual filing a separate gross income tax return and maintaining a homestead apart from that individual's spouse, gross income does not exceed \$35,000.

b. (1) Notwithstanding the provisions of subsection a. of this section to the contrary, a homestead rebate shall be allowed for a resident of this State who is 65 years of age or older at the close of the tax year, or who is allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, who is a resident of this State for the full tax year for which a homestead rebate is claimed, who has paid property taxes on a homestead other than a unit of residential rental property for a part of the tax year and has paid property taxes through rent on a unit of residential rental property for the remainder of that year, which shall not be less than:

(a) the sum of that portion of \$150 which the number of days that the claimant's homestead was other than a unit of residential rental property bears to 365 days and that portion of the amount determined pursuant to paragraph (1) of subsection e. of section 4 of P.L.1990, c.61 (C.54:4-8.60) which the number of days that the claimant's homestead was a unit of residential rental property bears to 365 days, if the claimant's gross income does not exceed \$70,000 for that year; or

(b) the sum of that portion of \$100 which the number of days that the claimant's homestead was other than a unit of residential rental property bears to 365 days and that portion of the amount determined pursuant to paragraph (1) of subsection e. of section 4 of P.L.1990, c.61 (C.54:4-8.60) which the number of days that the claimant's homestead was a unit of residential rental property bears to 365 days, if the claimant's gross income exceeds \$70,000 but does not exceed \$100,000 for that year.

(2) A claim for a homestead rebate pursuant to this subsection shall first be subject to such further proportionate reductions to the respective portions of the sums determined pursuant to subparagraph (a) or (b) of paragraph (1) of this subsection as may be required pursuant to subsections c. and d. of section 3 of P.L.1990, c.61 (C.54:4-8.59) and subsections b. and c. of section 4 of P.L.1990, c.61 (C.54:4-8.60). A homestead rebate determined pursuant to this subsection shall be rounded to the nearest whole dollar. A claim for a homestead rebate determined pursuant to this subsection based upon a homestead maintained by both spouses shall be determined based upon the combined gross income of both spouses regardless of whether the claimants filed a joint New Jersey gross income tax return or separate New Jersey gross income tax returns for the tax year.

c. A claim for a homestead rebate for a resident of this State who is not 65 years of age or older at the close of the tax year, and who is not allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, who is a resident of this State for the full tax

year for which a homestead rebate is claimed, who has paid property taxes on a homestead other than a unit of residential rental property for a part of the tax year and has paid property taxes through rent on a unit of residential rental property for the remainder of that year shall be determined based upon the sum of:

(1) a homestead rebate determined under subsection g. of section 3 of P.L.1990, c.61 (C.54:4-8.59), as may apply, subject to such proportionate reduction as relates to the number of days that the claimant's homestead was other than a unit of residential rental property bears to 365 days; and

(2) a homestead rebate determined under subsection f. of section 4 of P.L.1990, c.61 (C.54:4-8.60), as may apply, subject to such proportionate reduction as relates to the number of days that the claimant's homestead was a unit of residential rental property bears to 365 days.

d. (1) For the 2001 tax year and each tax year thereafter, the director shall annually recompute the maximum homestead rebate by multiplying the maximum homestead rebate allowed in the prior tax year by the cost-of-living adjustment, and recomputing the new maximum homestead rebate for the current tax year. The director shall round the recomputed maximum homestead rebate amount to the next highest multiple of \$5.

(2) "Cost-of-living adjustment" for any tax year means the factor calculated by dividing the consumer price index for all urban consumers for the nation, as prepared by the United States Department of Labor as of the close of the 12-month period ending on August 31 of the tax year, by that index as of the close of the 12-month period ending on August 31 of the calendar year preceding the tax year in which the recomputation of the maximum homestead rebate is made.

4. This act shall take effect immediately.

Approved July 16, 2001.

CHAPTER 160

AN ACT concerning electronic tax lien sales and supplementing chapter 5 of Title 54 of the Revised Statutes.

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

C.54:5-19.1 Electronic tax lien sales by municipalities.

1. a. Any provision of law to the contrary notwithstanding, a municipality may satisfy requirements of the "tax sale law," R.S.54:5-1 et seq., electronically through the use of any nationally recognized electronic

municipal tax lien service, including, but not limited to, electronic publication of tax lien sale notices, electronic auctions, electronic payment for purchased liens, digital signature validation, or any other matters necessary for the conduct of electronic tax lien sales in accordance with rules, regulations and procedures promulgated by the Director of the Division of Local Government Services in the Department of Community Affairs in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

b. Any tax sale notices required to be sent to a property owner or lienholder shall continue to be made by mail pursuant to the "tax sale law," R.S.54:5-1 et seq.

c. The director may authorize "electronic tax lien sale" pilot programs on a case-by-case basis upon application of individual municipalities prior to the director's promulgation of rules, regulations and procedures pursuant to subsection a. of this section.

2. This act shall take effect immediately.

Approved July 17, 2001.

CHAPTER 161

AN ACT concerning motor vehicle accidents, supplementing chapter 1A of Title 27 of the Revised Statutes and amending R.S.39:4-131.

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

C.27:1A-5.19 Report of motor vehicle accidents involving cellular telephone use.

1. The Commissioner of Transportation shall annually compile and make available to the public information submitted to the Division of Motor Vehicles, pursuant to R.S.39:4-131, concerning cellular telephones in motor vehicles involved in traffic accidents. The report shall note whether the operator of the motor vehicle was using a cellular telephone when the accident occurred.

2. R.S.39:4-131 is amended to read as follows:

Accident reports.

39:4-131. The division shall prepare and supply to police departments and other suitable agencies, forms for accident reports calling for sufficiently detailed information with reference to a motor vehicle accident,

including the cause, the conditions then existing, the persons and vehicles involved, the compliance with P.L.1984, c.179 (C.39:3-76.2e et seq.) by the operators and passengers of the vehicles involved in the accident, whether the operator of the vehicle was using a cellular telephone when the accident occurred, and such other information as the director may require.

Every law enforcement officer who investigates a vehicle accident of which report must be made as required in this Title, or who otherwise prepares a written report as a result of an accident or thereafter by interviewing the participants or witnesses, shall forward a written report of such accident to the division, on forms furnished by it, within five days after his investigation of the accident.

Such written reports required to be forwarded by law enforcement officers and the information contained therein shall not be privileged or held confidential. Every citizen of this State shall have the right, during regular business hours and under supervision, to inspect and copy such reports and shall also have the right in person to purchase copies of the reports at the same fee established by section 2 of P.L.1963, c.73 (C.47:1A-2). If copies of reports are requested other than in person, an additional fee of up to \$5.00 for the first three pages and \$1.00 per page thereafter may be added to cover the administrative costs of the report.

The provisions of any other law or regulation to the contrary notwithstanding, reports obtained pursuant to this act shall not be subject to confidentiality requirements except as provided by section 28 of P.L.1960, c.52 (C.2A:84A-28).

3. This act shall take effect on January 1, 2002

Approved July 17, 2001.

CHAPTER 162

AN ACT allowing State payroll deductions for State employee salary reduction agreements for qualified transportation fringe benefits and modifying the Travel Demand Management Program, supplementing Title 52 of the Revised Statutes and amending P.L.1993, c.108 and P.L.1993, c.150 .

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

C.52:14-15.1b Qualified transportation fringe benefits, payroll deductions.

1. Notwithstanding the provisions of any other law to the contrary, the State Treasurer, on behalf of the State, and the governing body of an independent State authority, board, commission, corporation, agency or organization may offer as an employer to an employee the option for a reduction in the employee's salary, through payroll deductions or otherwise, in exchange for the payment by the employer of a qualified transportation fringe benefit, as defined in, and otherwise consistent with the provisions and limits of, section 132 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.132. The amount of any reduction in an employee's salary for the purpose of contributing to the payment of the qualified transportation fringe benefit shall continue to be treated as regular compensation for all other purposes, including the calculation of pension contributions and the amount of any retirement allowance, but, to the extent permitted by the federal Internal Revenue Code, shall not be included in the computation of federal taxes withheld from the employee's salary.

2. Section 1 of P.L.1993, c.108 (C.54A:6-23) is amended to read as follows:

C.54A:6-23 Commuter transportation benefits not considered gross income.

1. a. For the purposes of the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., "gross income" shall not include employer provided commuter transportation benefits as defined pursuant to section 3 of P.L.1992, c.32 (C.27:26A-3), up to and including the limit per taxable year per employee pursuant to subsection b. of this section. Should an employee receive commuter transportation benefits in excess of those limits in a taxable year, only the amount in excess of those limits shall be included in gross income. If an employee receives money towards commuter transportation benefits from the employee's employer, as an advance, a reimbursement, or both, the employee shall furnish suitable proof to the employer in the form of receipts, ticket stubs or the like that the employee used the employer provided money for alternative means of commuting as defined pursuant to section 3 of P.L.1992, c.32 (C.27:26A-3).

b. (1) The limit per taxable year per employee shall be \$720 for the taxable years beginning on and after January 1, 1993 but before January 1, 1997.

(2) The limit per taxable year per employee shall be \$1,000 for the taxable years beginning on and after January 1, 1997 but before January 1, 2002. For taxable years beginning on or after January 1, 1994 but before January 1, 2002, the director shall adjust the limit, rounded down to the nearest \$5, in proportion to the change in the average consumer price index

for all urban consumers in the New York and Northeastern New Jersey and the Philadelphia areas, as reported by the United States Department of Labor, from calendar year 1993 to the calendar year ending immediately before the taxable year.

(3) The limit per taxable year per employee shall be \$1,200 for the taxable years beginning on or after January 1, 2002, provided however that in the case of any taxable year beginning in a calendar year after 2002 the director shall adjust the limit for inflation in parallel with the adjustment pursuant to paragraph (6) of subsection (f) of section 132 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.132, so that the taxable year limit pursuant to this paragraph is equal to 12 times the adjusted federal monthly limit pursuant to subparagraph (A) of paragraph (2) of subsection (f) of section 132 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.132.

c. The exclusion provided by subsection a. of this section shall not apply to any commuter transportation benefit unless such benefit is provided in addition to and not in lieu of any compensation otherwise payable to the employee.

d. Acceptance of the cash value of qualified parking, pursuant to section 132 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.132, on the part of one employee of an employer in place of qualified parking fringe benefits provided to the other employees of the employer in addition to and not in lieu of compensation, shall not cause the qualified parking fringe to become a taxable benefit for employees who do not accept the cash value.

3. Section 1 of P.L.1993, c.150 (C.27:26A-15) is amended to read as follows:

C.27:26A-15 Tax credit for providing commuter transportation benefits.

1. a. An employer that is a taxpayer subject to the provisions of the Corporation Business Tax Act (1945), P.L.1945, c.162 (C.54:10A-1 et seq.), the "Financial Business Tax Law (1946)," P.L.1946, c.174 (C.54:10B-1 et seq.), "The Savings Institution Tax Act," P.L.1973, c.31 (C.54:10D-1 et seq.), the tax imposed on marine insurance companies pursuant to R.S.54:16-1 et seq., the tax imposed on fire insurance companies pursuant to R.S.54:17-4 et al., the tax imposed on insurers generally, pursuant to P.L.1945, c.132 (C.54:18A-1 et seq.), the public utility franchise tax, public utilities gross receipts tax and public utility excise tax imposed pursuant to P.L.1940, c.5 (C.54:30A-49 et seq.), or that is a taxpayer in respect of a distributive share of partnership income under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., which provides commuter

transportation benefits as defined in section 3 of P.L.1992, c.32 (C.27:26A-3) shall be allowed a credit against that tax equal to 5% of the cost of commuter transportation benefits for the accounting or privilege period, beginning on or after January 1, 1994 and ending not later than January 1, 1995 subject to the limitations of subsection b. of this section. For accounting or privilege periods beginning on or after January 1, 1995, but ending not later than December 31, 2007, the credit allowed under this section shall be 10% of the cost of commuter transportation benefits for the relevant accounting or privilege period, as appropriate, subject to the limitations of subsection b. of this section. Notwithstanding the provisions of this section to the contrary, a taxpayer which filed a certified compliance plan with the Department of Transportation required by section 5 of P.L.1992, c.32 (C.27:26A-5) on or before May 31, 1996, shall be allowed a credit against that tax equal to 15% of the cost of commuter transportation benefits for the accounting or privilege periods ending on and after July 31, 1996 but ending not later than June 30, 1997, for the relevant accounting or privilege period, as appropriate, subject to the limitations of subsection b. of this section. In the case of a taxpayer receiving partnership income, an offset against that income subject to the limitations in paragraph (5) of subsection b. of this section shall be considered the credit.

b. (1) The credit granted a taxpayer for an accounting or privilege period shall not exceed the per employee limit multiplied by the number of employees participating in alternative means of commuting at the work location. The per employee limit shall be \$36 for the accounting or privilege periods beginning on and after January 1, 1994 but before January 1, 1995, \$72 for the accounting or privilege period beginning on or after January 1, 1995 but before January 1, 1997, \$100 for accounting or privilege periods beginning on or after January 1, 1997 but before January 1, 2002, and \$120 for those periods thereafter. Notwithstanding the provisions of this section to the contrary, the per employee limit for a taxpayer which filed a certified compliance plan with the Department of Transportation required by section 5 of P.L.1992, c.32 (C.27:26A-5) on or before the plan submittal date established by the department and which was filed on or before May 31, 1996, shall be \$150 for the accounting or privilege periods ending on or after July 31, 1996 but ending not later than June 30, 1997. For those periods beginning on or after January 1, 1995, the Director of the Division of Taxation, in the Department of the Treasury, shall adjust the limit, rounded down to the nearest dollar, in proportion to the change in the average consumer price index for all urban consumers in the New York and Northeastern New Jersey and the Philadelphia areas, as reported by the United States Department of Labor, from calendar year 1994 to the calendar year ending immediately before the appropriate period.

(2) The taxpayer may only claim a credit for providing commuter transportation benefits if those benefits are provided in addition to and not in lieu of compensation and those benefits are based upon a direct expenditure made after the taxpayer has registered with the Department of Transportation and the taxpayer's employer trip reduction program has been certified for providing commuter transportation benefits by the Department of Transportation as prescribed in section 3 of P.L.1996, c.121 (C.27:26A-4.3). Notwithstanding any provisions of P.L.1996, c.121 (C.27:26A-4.1 et al.) to the contrary, the tax credit eligibility and reporting requirements found at N.J.A.C.16:50-15 shall remain in effect until such time as the Department of Transportation adopts new regulations pursuant to section 3 of P.L.1996, c.121 (C.27:26A-4.3).

(3) The amount of the credit allowed under this section for an accounting or privilege period shall not exceed 50% of the tax liability which would be otherwise due for any one of the taxes enumerated in subsection a. of this section after first applying the credits, if any, allowed under any other law and shall not reduce the amount of tax liability to less than the statutory minimum provided in subsection (e) of section 5 of P.L.1945, c.162 (C.54:10A-5), section 3 of P.L.1946, c.174 (C.54:10B-3) or section 3 of P.L.1973, c.31 (C.54:10D-3), as may be applicable.

(4) A taxpayer having liability for more than one of the taxes enumerated in subsection a. of this section for an accounting or privilege period shall allocate the credit amount available for that period to the liabilities for that period in the proportion that each liability bears to the total of the liabilities for that period, and each apportioned amount of credit shall be applied to only one amount of liability.

(5) A partnership shall not be allowed a credit under this section directly. A partnership shall be entitled to reduce total partnership income distributed to the partners and subject to tax under subsection k. of N.J.S.54A:5-1 by the lesser of 71.5 percent of the amount of commuter transportation benefits provided pursuant to law or \$515 for each employee receiving such benefits. For accounting and privilege periods beginning on or after January 1, 1995, but ending no later than December 31, 2001, the reduction to partnership income allowed under this section shall be the lesser of 143 percent of the cost of commuter transportation benefits provided or \$1,030, and for accounting and privilege periods beginning on or after January 1, 2002 the reduction to partnership income allowed under this section shall be the lesser of 157 percent of the cost of commuter transportation benefits provided or \$1,884, for each employee receiving such benefits for the relevant accounting or privilege period, as appropriate, subject to the limitations of subsection b. of this section.

c. Each employee who receives money towards commuter transportation benefits from the employee's employer as an advance, a reimbursement, or both, shall furnish suitable proof to the employer, in the form of receipts, ticket stubs or the like, that the employee utilized monies provided by the employer for an alternative means of commuting, as defined pursuant to section 3 of P.L.1992, c.32 (C.27:26A-3).

d. For the purposes of verifying eligibility for the credit, the Commissioner of Transportation shall certify to the Director of the Division of Taxation a list of those employers which have registered with the department and have a certified voluntary employer trip reduction program. An employer trip reduction program of an employer who is a member of a TMA shall be considered certified by the department. "A member of a TMA" shall be defined in regulations promulgated by the department pursuant to section 3 of P.L.1996, c.121 (C.27:26A-4.3). The list shall be provided to the Director of the Division of Taxation within 90 days of registration.

e. The taxpayer shall file with the department a schedule of the expenditures for which the taxpayer has claimed a credit pursuant to this section on any tax return filed with the Director of the Division of Taxation, in such form and pursuant to such rules as shall be prescribed by the commissioner in consultation with the Director of the Division of Taxation.

4. Section 2 of P.L.1993, c.150 is amended to read as follows:

2. This act shall take effect immediately and be applicable to accounting and privilege periods beginning on and after January 1, 1994.

5. This act shall take effect immediately.

Approved July 17, 2001.

CHAPTER 163

AN ACT concerning participation in the Oakland Flood Protection Project by the North Jersey district water supply commission, and supplementing P.L.1962, c.167 (C.58:5-31 et seq.).

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

C.58:5-36.1 Participation in Oakland Flood Protection Project.

1. The North Jersey district water supply commission shall have the authority to participate in the Oakland Flood Protection Project at the

Pompton Lake Dam, under the direction and supervision of the Department of Environmental Protection and other governmental entities.

C.58:5-36.2 Defense, indemnification of North Jersey district water supply commission.

2. The State of New Jersey shall defend and indemnify the North Jersey district water supply commission and any of its members, officers, or employees for any act or omission with respect to any claims or any cause of action arising out of its participation in the Oakland Flood Protection Project. Nothing in this section shall diminish or limit in any way any procedural or substantive protection or defense available to the North Jersey district water supply commission or to the State, or to any officer, agent, or employee of the commission or the State pursuant to the "New Jersey Tort Claims Act," N.J.S.59:1-1 et seq., or any other law.

3. This act shall take effect immediately.

Approved July 17, 2001.

CHAPTER 164

AN ACT concerning special license plates, amending P.L.1999, c.386 and supplementing chapter 3 of Title 39 of the Revised Statutes.

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

C.39:3-27.127 Issuance of "Be An Organ Donor" license plates; application; fees.

1. a. The Director of the Division of Motor Vehicles may issue for a motor vehicle owned or leased and registered in the State special license plates bearing, in addition to the marking or identification otherwise required by law, the slogan "Be An Organ Donor." These plates shall be designed by the director, in consultation with the New Jersey Transplant Association, to educate the public about the urgent need for organ donation and the life saving benefits of organ transplants. Opportunity for comment on the design of the plates shall be afforded to the organ procurement organizations designated by the federal government to provide services in this State.

b. Application for issuance of "Be An Organ Donor" license plates shall be made to the director on such forms and in such manner as may be prescribed by the director. The director shall collect for each set of plates issued an application fee of \$50 and an annual renewal fee of \$10, in addition to the fees otherwise prescribed by law for the registration of motor vehicles.

c. Monies collected from the additional application and renewal fees for organ donor license plates shall be deposited in the Organ and Tissue Donor Awareness Education Fund established by P.L.1999, c.386 (C.54A:9-25.17 et seq.).

These monies shall be allocated from the fund in the following order of priority:

(1) to reimburse the amount of contributions provided pursuant to section 2 of this act;

(2) to reimburse the Division of Motor Vehicles for any additional costs, including computer programming changes, incurred in producing, issuing, reviewing and publicizing the availability of organ donor license plates; and

(3) for the purposes of the fund as designated in section 2 of P.L.1999, c.386 (C.54A:9-25.18).

C.39:3-27.128 Contribution from New Jersey Transplant Association.

2. The New Jersey Transplant Association shall contribute an amount to be determined by the director, not to exceed a total of \$50,000, to be used to offset the initial costs incurred by the division for producing, issuing, renewing, and publicizing the availability of special organ donor license plates. To help offset the initial costs incurred by the division for the special license plates authorized by this act, other concerned organizations and individual donors may assist by contributing monies to the association for this purpose. Any amount remaining after the payment of the initial costs shall be returned to the contributors.

C.39:3-27.129 Notification of availability to motorists.

3. a. The director shall notify eligible motorists of the opportunity to obtain organ donor license plates by including a notice with all motor vehicle registration renewals, and by posting appropriate posters or signs in all division facilities and offices. The notices, posters and signs shall be designed by the director after consulting with the New Jersey Transplant Association.

b. The Commissioner of Transportation, the State Treasurer, and the director shall develop and enter into an interagency memorandum of agreement setting forth the procedures to be followed by the departments and the division in carrying out their respective responsibilities under this act.

C.39:3-27.130 Annual certification of cost per license plate.

4. a. The director shall annually certify to the Commissioner of Transportation the average cost per license plate incurred in the immediately preceding year by the Division of Motor Vehicles in producing, issuing,

renewing and publicizing the availability of organ donor license plates. The annual certification of the average cost per license plate shall be approved by the Joint Budget Oversight Committee.

b. In the event that the average cost per license plate, as certified by the director and approved by the Joint Budget Oversight Committee, or its successor, is greater than the \$50 application fee established in section 1 of this act in two consecutive fiscal years, the director may discontinue the issuance of the organ donor license plates.

5. Section 1 of P.L.1999, c.386 (C.54A:9-25.17) is amended to read as follows:

C.54A:9-25.17 "Organ and Tissue Donor Awareness Education Fund."

1. a. There is established in the Department of the Treasury a special fund to be known as the "Organ and Tissue Donor Awareness Education Fund."

b. Each taxpayer shall have the opportunity to indicate on the taxpayer's New Jersey gross income tax return that a portion of the taxpayer's tax refund or an enclosed contribution shall be deposited in the special fund.

c. Any costs incurred by the Division of Taxation for collection or administration attributable to this act may be deducted from receipts collected pursuant to this act, as determined by the Director of the Division of Budget and Accounting. The State Treasurer shall deposit net contributions collected pursuant to this act into the "Organ and Tissue Donor Awareness Education Fund."

d. Revenues derived from the issuance of special "Be An Organ Donor" license plates, pursuant to P.L.2001, c.164 (C.39:3-27.127 et al.), shall be deposited in the fund and shall be allocated as provided in subsection c. of section 1 of P.L.2001, c.164 (C.39:3-27.127).

6. Section 2 of P.L.1999, c.386 (C.54A:9-25.18) is amended to read as follows:

C.54A:9-25.18 Appropriation of funds in Organ and Tissue Donor Awareness Education Fund.

2. Except for those funds deposited and allocated pursuant to paragraphs (1) and (2) of subsection c. of section 1 of P.L.2001, c.164 (C.39:3-27.127), the Legislature shall annually appropriate all funds deposited in the "Organ and Tissue Donor Awareness Education Fund" established pursuant to this act to the organ procurement organizations designated by the federal government to provide services in this State. These funds shall be proportionally distributed to the organ procurement organizations, based upon the adjusted population base specified by the federal

Health Care Financing Administration for these organizations, for expenses and educational materials concerning organ donor and tissue sharing Statewide.

7. This act shall take effect on the first day of the third month after enactment; except the Director of the Division of Budget and Accounting, the State Treasurer, the Commissioner of Transportation and the Director of the Division of Motor Vehicles may take such action in advance of the effective date as may be necessary for the timely implementation of this act.

Approved July 17, 2001.

CHAPTER 165

AN ACT requiring the conducting of certain studies and assessments of water resources in the pinelands area and in Cape May county, and making appropriations therefor.

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

1. The Pinelands Commission shall, in cooperation with the Department of Environmental Protection, Rutgers, the State University, the United States Fish and Wildlife Service and the United States Geological Survey, assess and prepare a report on the key hydrologic and ecological information necessary to determine how the current and future water supply needs within the pinelands area may be met while protecting the Kirkwood-Cohansey aquifer system and while avoiding any adverse ecological impact on the pinelands area.

2. There is appropriated to the Department of Environmental Protection from the "Water Supply Fund" created pursuant to the "Water Supply Bond Act of 1981," P.L.1981, c.261, as amended by P.L.1983, c.355 and P.L.1997, c.223, the sum of \$5,500,000, which constitutes a portion of the moneys repaid to the "Water Supply Fund" as repayments of principal on loans for local projects funded under the "Water Supply Bond Act of 1981," P.L.1981, c.261, as amended by P.L.1983, c.355, for the preparation by the Pinelands Commission of the aquifer assessment and report required pursuant to section 1 of this act.

3. a. The Department of Environmental Protection shall, in cooperation with the United States Fish and Wildlife Service, the National Marine Fisheries Service and the United States Geological Survey, assess and prepare a report on sustainable water supply alternatives within Cape May county, but outside of the pinelands area, necessary to meet the current and future water supply needs of Cape May county while avoiding any adverse ground water or ecological impact on Cape May county.

b. The assessment and report required pursuant to subsection a. of this section shall incorporate a county-wide ground water hydrological assessment, a county-wide water supply cost effectiveness study, and a county-wide water supply design, which shall include, but need not be limited to, the following:

(1) Cape May County-wide alternative water supply cost effectiveness study;

(2) Cape May County-wide ground water hydrologic survey; and

(3) Cape May County-wide alternative water supply design.

c. The assessment and report required pursuant to subsection a. of this section shall also identify water conservation and re-use methods to protect the water supply of Cape May County. The studies, surveys and assessments authorized by this section shall include analyses of potential future water supply demands based on future development potential and environmental constraints within Cape May County.

d. During the assessment and the preparation of the report authorized pursuant to this section, the Department of Environmental Protection may issue approvals or allocations for increased ground water withdrawals in Cape May County only upon a finding that such new withdrawals will not accelerate salt water intrusion, lower existing stream base flow or harm ecological functions or wildlife.

4. There is appropriated to the Department of Environmental Protection from the "Water Supply Fund" created pursuant to the "Water Supply Bond Act of 1981," P.L.1981, c.261, as amended by P.L.1983, c.355 and P.L.1997, c.223, the sum of \$2,000,000, which constitutes a portion of the moneys repaid to the "Water Supply Fund" as repayments of principal on loans for local projects funded under the "Water Supply Bond Act of 1981," P.L.1981, c.261, as amended by P.L.1983, c.355, for the preparation of the sustainable water supply alternative assessment and report required pursuant to section 3 of this act.

5. The Department of Environmental Protection and other agencies charged with performing the assessments authorized by this act shall hold one or more public hearings to explain and receive comments upon the

scope of the work and research work plans for each of the studies authorized by this act. The Department of Environmental Protection and other agencies shall consider such public comments in framing the final scope of work and research plans authorized by this act.

6. This act shall take effect immediately.

Approved July 20, 2001.

CHAPTER 166

AN ACT concerning carnival-amusement ride safety and amending and supplementing P.L.1975, c.105.

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

1. Section 2 of P.L.1975, c.105 (C.5:3-32) is amended to read as follows:

C.5:3-32 Definitions relative to carnival-amusement rides.

2. As used in this act, except where a different meaning is clearly implied by the context:

a. "Carnival-amusement ride" or "ride" means any mechanical device or devices, including but not limited to water slides exceeding 15 feet in height, which carry or convey passengers along, around, or over a fixed or restricted route or course for the purpose of giving its passengers amusement, pleasure, thrills or excitement; and any passenger or gravity propelled ride when located in an amusement area or park in which there are other rides covered by P.L.1975, c. 105 (C. 5:3-31 et seq.); provided, however, that this shall not include locomotives weighing more than seven tons, operating on a track the length of which is one-half mile or greater, the gauge of which is three feet or greater, and the weight of which is at least 60 pounds per yard. Any facility exempted pursuant to this subsection shall be under the jurisdiction of the Department of Transportation for the purpose of safety inspection.

b. "Owner" means a person who owns, leases, controls, or manages the operations of a carnival-amusement ride, including the State or any of its subdivisions.

c. "Ride operator" means any person or persons actually engaged in or directly controlling the operations of a carnival-amusement ride.

- d. "Commissioner" means the Commissioner of Community Affairs.
- e. "Department" means the Department of Community Affairs.
- f. "Advisory board" means the Advisory Board on Carnival-Amusement Ride Safety.
- g. "Modification" means any material change to a load-bearing structural member, a mechanical, electrical or hydraulic drive or control feature, or a restraint or other protective feature. "Modify" means to make a modification, as defined in this subsection g.
- h. "Amusement ride manufacturer" or "manufacturer" means a person who obtains type certification for a carnival-amusement ride and who has responsibility for the design and manufacture of any carnival-amusement ride to be used or installed in this State, or sold for use in the State, and includes any entity controlled by the manufacturer.
- i. "New ride" means a ride of a type that has not previously been assigned a type certification by the department.
- j. "Type certification" means a certification that is granted to a manufacturer by the department after review of a new ride application and that is applicable to all rides of essentially the same design and manufacture with regard to structural, mechanical, electrical, hydraulic drive and control features, and restraint and other protective features.
- k. "Individual approval" means an approval that is granted to an owner or operator of an individual ride that is not type certified, which is granted by the department after review of a ride application and is applicable only to that individual ride.
- l. "New Jersey serial number" means a unique identifying number assigned to each individual ride at the time that a permit is first issued for it, which remains with the ride so long as it exists in this State.
- m. "Supplemental modification certification" means a certification that is granted to a person other than the manufacturer by the department after review of an application for modification.
- n. "Safety bulletin" means a supplemental notification delivered by the manufacturer or the holder of a supplemental modification certification to the owner or operator that contains new information or new recommendations for inspections, testing, operation or training.
- o. "Time tested" means a type of amusement ride which is found by the department to be simple in operation and impose insignificant forces on riders, or which is found by the department to have a long history of safe operation.

2. Section 3 of P.L.1975, c.105 (C.5:3-33) is amended to read as follows:

C.5:3-33 Advisory Board on Carnival-Amusement Ride Safety.

3. a. There is hereby established within the Department of Community Affairs an Advisory Board on Carnival-Amusement Ride Safety to consist of 13 members, of whom two shall be representatives of the carnival-amusement ride manufacturers, one shall be a representative of the owners and operators of mobile carnival-amusement rides, one shall be a representative of the owners and operators of carnival-amusement rides that are at a fixed location, one shall be a representative of the owners and operators of water parks, one shall be an owner or operator of an amusement park or enterprise, one shall be a representative of the insurance underwriters, one shall be a licensed professional engineer, four shall be public members, and one shall be a representative of the Department of Community Affairs who shall be appointed by the commissioner. The 12 citizen members shall be appointed by the Governor, with the advice and consent of the Senate. The Governor shall designate the chairman and vice-chairman of the advisory board.

b. Of the nine members first to be appointed by the Governor, three shall be appointed for terms of two years, three for terms of three years, and three for terms of four years. All appointments thereafter, including but not limited to the members added by P.L.2001, c.166, shall be made for terms of four years. All members so appointed shall serve until their respective successors are appointed and shall qualify, and any vacancy occurring among the appointed members of the board shall be filled in the same manner as the original appointment for the unexpired term and the appointee shall serve until a successor is appointed and shall qualify. For the purposes of this section, the member representing owners and operators of water parks shall be the successor to the member who is the owner or operator of a registered fair and shall be appointed only upon the expiration of the term of that member, unless a vacancy in that seat occurs sooner, in which case a representative of the owners and operators of water parks shall be appointed to fill the vacancy.

3. Section 6 of P.L.1975, c.105 (C.5:3-36) is amended to read as follows:

C.5:3-36 Rules, regulations.

6. a. The Commissioner of Community Affairs, pursuant to the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt and promulgate rules and regulations for the safe design, manufacture, installation, repair, maintenance, use, operation and inspection of all carnival-amusement rides as the department may find necessary for the protection of the general public, including, but

not limited to, regulations concerning written warnings and directions regarding the use of carnival-amusement rides. The commissioner is authorized to adopt by reference, with or without amendment, any code or standard issued by a nationally recognized organization, upon a finding that adoption of the code or standard would promote the purposes of P.L.1975, c.105 (C.5:3-31 et seq.); and is further authorized to recognize any code or standard issued by an internationally recognized organization upon a finding that its provisions are equivalent to codes or standards adopted pursuant to P.L.1975, c.105 (C.5:3-31 et seq.).

b. The commissioner shall prepare, and make available, a plain language summary of the requirements of P.L.1975, c.105 (C.5:3-31 et seq.) and the rules and regulations adopted pursuant to P.L.1975, c.105 (C.5:3-31 et seq.) which shall delineate the responsibilities of all parties for rides which are type certified, rides which have a supplemental modification certification, rides which have individual approvals, and rides which have been accepted pursuant to a previously issued New Jersey serial number.

4. Section 6 of P.L.1998, c.10 (C.5:3-36.2) is amended to read as follows:

C.5:3-36.2 Posting of warning notices; contents.

6. Each person who operates a carnival-amusement ride shall post a written notice which complies with the provisions of this section. The notice shall be posted in a conspicuous public place on or near the ride in a manner consistent with standards set by the Commissioner of Community Affairs and shall include:

a. The prominently displayed statement: "State law requires that each rider must obey all written warnings and directions regarding this ride and refrain from behaving in a reckless manner which may cause or contribute to injury of the rider or others. Failure to comply is a violation of law and subject to a penalty under the New Jersey Code of Criminal Justice."; and

b. All applicable written warnings and directions regarding the use of the ride which are consistent with regulations adopted by the department based upon standards of nationally recognized technical or scientific authorities that research the proper use of the ride and the potential injuries in connection with improper use of the ride.

5. Section 9 of P.L.1975, c.105 (C.5:3-39) is amended to read as follows:

C.5:3-39 Schedule of fees.

9. The department shall determine a schedule of inspection, carnival-amusement ride type certification, individual approval and carnival-

amusement ride permit fees. The department shall, from time to time, make further adjustments in the schedule to bring it, as nearly as practicable and within the limits of reasonableness, into line with the costs of implementing the provisions of this act. The fees shall be applied toward enforcement and administration costs of the Division of Codes and Standards in the Department of Community Affairs.

6. Section 11 of P.L.1975, c.105 (C.5:3-41) is amended to read as follows:

C.5:3-41 Annual issuance of permit, inspection.

11. a. No carnival-amusement ride may be operated without a permit issued by the department. Before commencing operations and annually thereafter, an owner shall apply for a permit to the department on a form furnished by the department and containing such information as the department may require. All carnival-amusement rides shall be inspected before they are put into operation for the public's use and thereafter at least once every year. If, after inspection, a carnival-amusement ride is found to comply with the rules and regulations of the department, the department shall issue a permit authorizing the ride for use by the public. Permits shall be issued for a period of one year unless extended by the commissioner or suspended or revoked in accordance with section 7 of P.L.1998, c.10 (C.5:3-41.1). Carnival-amusement rides shall be tested, maintained and inspected periodically by the owner, in accordance with standards promulgated by the department.

b. The permit application for any carnival-amusement ride for which type certification has been approved shall refer to the carnival-amusement ride type certification number issued to the manufacturer by the department.

c. The permit application for any carnival-amusement ride not having a type certification shall include the information required to be provided pursuant to section 15 of P.L.1975, c.105 (C.5:3-45).

d. No person shall modify a carnival-amusement ride which has a type certification unless the modification is pursuant to an amended type certification issued to the manufacturer or is pursuant to a supplemental modification certification.

e. No person shall modify a carnival-amusement ride for which no type certification exists unless the modification is pursuant to a supplemental modification certification or the permit holder or applicant has submitted to the department the information required under section 12 of P.L.1975, c.105 (C.5:3-42).

7. Section 12 of P.L.1975, c.105 (C.5:3-42) is amended to read as follows:

C.5:3-42 Certification of type required for operation of ride; exceptions.

12. a. Except as permitted by this section and sections 13 and 15 of P.L.1975, c.105 (C.5:3-43 and 5:3-45), no carnival-amusement ride, including a modified carnival-amusement ride, shall be operated, installed or used in the State unless the manufacturer has obtained a carnival-amusement ride type certification from the department. Except as permitted by this section and sections 13 and 15 of P.L.1975, c.105 (C.5:3-43 and 5:3-45), no ride shall be modified unless the manufacturer has provided the information required by this section and the manufacturer has obtained type certification for the ride as modified. The following information, prepared by a licensed professional engineer or other qualified person acceptable to the department, together with such additional information as the department may require, shall be provided to the department for review:

(1) A safety analysis of the ride and ride equipment, which identifies, recognizes and mitigates any reasonably foreseeable safety hazards in the ride, identifies its accommodation of riders and users, and identifies its operation and maintenance. The analysis shall be a comprehensive, thorough review and assessment of the ride that utilizes an organized, step-by-step, feature-by-feature process. The analysis shall be documented in detail, listing those reasonably foreseeable safety hazards that are identified and describing the means used to mitigate each hazard;

(2) A detailed load and stress analysis, including fatigue life protections where appropriate, and recommendations for those nondestructive tests as may be reasonably necessary to prevent failure under load;

(3) A detailed set of installation and erection instructions indicating loads to be carried by site-built foundation or support structures;

(4) A periodic maintenance and inspection schedule required to be carried out by owners and operators and necessary to ensure continued safety; and

(5) Operation procedures and training requirements for ride operators and attendants, including training regarding any safety-based limitations on who may ride.

The department may waive the requirements of paragraphs (1) and (2) of this subsection a. for a ride which has previously received a New Jersey serial number or is determined to be time-tested.

b. Each manufacturer of a new carnival-amusement ride, including, without limitation, a modified ride, to be erected, used or installed in this State, shall have a written quality assurance program used or to be used in conjunction with the design, manufacture, construction, modification or reconditioning of the ride. Quality assurance documents, including material certifications, test reports and inspection reports, shall be provided to the

department upon request by the department and shall be retained by the manufacturer for such periods of times as the department may by rule require.

c. A type certification shall continue to be valid only so long as the manufacturer continues to provide technical support for the ride and shall, in any event, be valid for a period of three years or whatever shorter period the commissioner approves and shall thereafter be subject to renewal.

d. No information submitted in support of a type certification application that is designated by the manufacturer as being of a proprietary nature shall be considered a public record. All type certification applications shall be reviewed in accordance with rules in effect as of the date that the design for the ride was first contracted for; except that any safety bulletin that is applicable to rides of that type shall govern, regardless of the date of the contract.

e. A person, other than the manufacturer, may obtain a supplemental modification certification from the department upon submission of all of the information required of a manufacturer and upon review by the department for conformity with the codes and standards adopted pursuant to P.L.1975, c.105 (C.5:3-31 et seq.).

f. A complete application for type certification or supplemental modification certification shall be either approved or denied within 30 days of the date of filing. In the event of a denial, a written statement of the reasons for the denial shall be provided to the applicant.

8. Section 13 of P.L.1975, c.105 (C.5:3-43) is amended to read as follows:

C.5:3-43 Individual approval of ride, required; conditions.

13. If a carnival-amusement ride was manufactured prior to the effective date of P.L.2001, c.166 or the type certification for the ride is not renewed by the manufacturer or is revoked by the department, then the ride shall not be operated, installed or used in this State unless the owner or operator has obtained a carnival-amusement ride individual approval from the department. No ride not having a type certification or supplemental modification certification shall be modified unless the owner or operator has provided the information required by section 12 of P.L.1975, c.105 (C.5:3-42) and the owner or operator of the ride has obtained an individual approval for the ride as modified. Information required by the department regarding any ride shall be provided by a licensed professional engineer or other qualified person acceptable to the department.

9. Section 14 of P.L.1975, c.105 (C.5:3-44) is amended to read as follows:

C.5:3-44 Order of temporary cessation of operation, suspension of permit; reconsideration hearing.

14. a. The department may order, in writing, a temporary cessation of operation of a carnival-amusement ride or suspend the permit issued for that ride if it has been determined after inspection, in accordance with standards promulgated by the department, to be hazardous or unsafe or that there has been a violation of P.L.1975, c.105 (C.5:3-31 et seq.) or any rule or regulation promulgated pursuant to that act. Operation shall not resume until such conditions are corrected to the satisfaction of the department.

b. The commissioner shall reinspect a carnival-amusement ride for which a permit has been suspended within 48 hours of receiving written notice from the owner of the ride stating that the condition or violation for which the permit was suspended has been corrected. If, upon reinspection, the commissioner determines that the condition or violation has been corrected, the commissioner shall reinstate the permit immediately.

c. If a person whose permit has been suspended or revoked, or whose application for a permit has been denied, believes that the violation or condition justifying suspension, revocation or denial of the permit does not exist, the person may apply to the commissioner for a reconsideration hearing in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). The reconsideration hearing shall be conducted, and a final decision issued by the commissioner, within 48 hours of the receipt of the request, except as extended with the consent of both parties. Failure to issue a decision shall constitute denial of the requester's appeal. The decision of the commissioner shall be final, subject to the right of the parties to appeal to the Superior Court of New Jersey, Appellate Division.

10. Section 15 of P.L.1975, c.105 (C.5:3-45) is amended to read as follows:

C.5:3-45 Use of rides not prohibited; conditions.

15. a. This act shall not be construed as to prevent the use of any carnival-amusement ride if the ride has a New Jersey serial number and is maintained in a safe condition and in conformance with the rules and regulations of the department, and the owner or operator of the ride provides to the department a manual prepared by a licensed professional engineer or other qualified person acceptable to the department which contains the following information:

(1) A schedule of periodic inspections and maintenance required to be carried out by owners and operators as needed to ensure continued safety;

(2) A schedule of nondestructive testing that is necessary to ensure the continuing safety and soundness of the ride;

(3) Operation procedures and training requirements for ride operators and attendants, including training regarding safety-based limitations on who may ride;

(4) For mobile rides, a detailed set of erection instructions including any necessary support requirements; and

(5) Any other information as the commissioner may prescribe by regulation.

b. No carnival amusement ride which has a New Jersey serial number shall be modified unless:

(1) All of the requirements of subsection a. of this section are met; and

(2) The modification is pursuant to a supplemental modification certification or the owner or operator of the ride obtains individual approval of the modification in accordance with the provisions of section 12 of P.L.1975, c.105 (C.5:3-42).

11. Section 16 of P.L.1975, c.105 (C.5:3-46) is amended to read as follows:

C.5:3-46 Maintenance, inspection records.

16. a. The owner and ride operator shall retain at all times up-to-date maintenance and inspection records for each carnival-amusement ride in accordance with such rules and regulations as the department may prescribe. Among other things, such records shall contain information of the date and nature of all inspections, whether by a departmental inspector or a person in the employment of the owner or of any insurer of the carnival-amusement ride, as well as of any violations and the types of actions taken to rectify the violations. All breakdowns or repairs of any mechanical part shall be duly noted. The department may also require a full safety inspection of any ride whose operation results in any injury or death before operation of that ride can be resumed.

b. The department shall conduct an investigation of each carnival-amusement ride incident in which one or more persons suffer death or serious injury and shall identify those measures which may be required to prevent the future occurrence of death or serious injury under similar circumstances and, in furtherance of any investigation pursuant to this subsection, the department may issue and enforce subpoenas to compel the testimony of any person who may have knowledge of any relevant matters and the production of any relevant documents.

12. Section 17 of P.L.1975, c.105 (C.5:3-47) is amended to read as follows:

C.5:3-47 Report of accidents, injuries, fatalities.

17. It shall be the duty of every owner and ride operator to report immediately, on a form to be provided by the department, any accidents and resulting injuries or fatalities incurred during the operation of any carnival-amusement ride, other than minor incidents, as defined by rule, or any mechanical malfunction of any ride while in use necessitating suspension of operation for diagnostic or corrective work, and to cease operation of any ride whose breakdown or malfunction causes a fatality or serious injury to any person, subject to rules and regulations promulgated by the department.

Each owner and operator shall maintain, and make available for inspection by the commissioner, records of all minor incidents incurred in the operation of a carnival-amusement ride. As used in this section, "minor incidents" means those incidents designated by rule of the commissioner to be minor in nature.

As used in this section, "mechanical malfunction" means and includes structural failure of a load-bearing element, mechanical or electrical failure of a drive or control system component, or failure of a restraint system, which materially compromises ride safety.

13. Section 20 of P.L.1975, c.105 (C.5:3-50) is amended to read as follows:

C.5:3-50 Insurance or bond required for operation of ride.

20. No persons shall operate a carnival-amusement ride unless at the time there is in existence (a) a policy of insurance written on a per occurrence basis in an amount of not less than \$1,000,000 per occurrence insuring the owner or operator against liability for injury suffered by any person riding the carnival-amusement ride, or (b) a bond in a like amount; provided, however, that the aggregate liability of the surety under such bond shall not exceed the face amount thereof. The policy shall be procured from one or more insurers acceptable to the State Commissioner of Banking and Insurance and either (a) licensed to transact insurance in the State of New Jersey, or (b) approved as surplus line insurers pursuant to section 11 of P.L.1960, c.32 (C.17:22-6.45).

C.5:3-42.1 Information provided by manufacturers; evaluation of incidents; engineering analyses.

14. a. All persons manufacturing carnival-amusement rides to be erected, used or installed in this State shall provide to the department, on a

form provided by the department, the information that the commissioner shall prescribe by rule.

b. Upon notification from an owner or operator of an incident, whether in this State or elsewhere, involving a critical component of a ride, the manufacturer of the ride shall promptly evaluate the information in the notification and, if necessary, provide, in the form of a safety bulletin, the results of that evaluation, together with any recommendations, to the department and to all known owners and operators of the ride in this State.

c. The department shall also have the authority to prohibit the sale, erection, use or installation of any carnival-amusement ride in this State upon a final determination, following exhaustion of all available remedies at law, that the manufacturer of the ride has repeatedly failed to comply with orders requiring engineering analyses to be prepared and submitted to the department or safety bulletins to be issued for individual carnival-amusement rides or classes of carnival-amusement rides or upon a final determination, following exhaustion of all available remedies at law, that the manufacturer has refused, on a repeated and egregious basis, to comply with orders to carry out the duties and obligations imposed by P.L.1975, c.105 (C.5:3-31 et seq.).

d. The requirements imposed by this section on a manufacturer shall apply equally to any person who obtains a supplemental modification certification.

15. This act shall take effect on the October 1 next occurring after the 150th day after enactment, but the Commissioner of Community Affairs may take any anticipatory administrative action in advance of that date as necessary for implementation of the act.

Approved July 20, 2001.

CHAPTER 167

AN ACT concerning sex offender registration and community notification, supplementing P.L.1994, c.128, and making an appropriation.

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

C.2C:7-12 Findings, declarations relative to sex offender central registry on the Internet.

1. The Legislature finds and declares that the public safety will be enhanced by making information about certain sex offenders contained in

the sex offender central registry established pursuant to section 4 of P.L.1994, c.133 (C.2C:7-4) available to the public through the Internet. Knowledge of whether a person is a convicted sex offender at risk of re-offense could be a significant factor in protecting oneself and one's family members, or those in care of a group or community organization, from recidivist acts by the offender. The technology afforded by the Internet would make this information readily accessible to parents and private entities, enabling them to undertake appropriate remedial precautions to prevent or avoid placing potential victims at risk. Public access to registry information is intended solely for the protection of the public, and is not intended to impose additional criminal punishment upon any convicted sex offender.

The Legislature further finds and declares that, in some instances, countervailing interests support a legislative determination to exclude from the Internet registry the registration information of certain sex offenders. For example, the interest in facilitating rehabilitation of juveniles who have been adjudicated delinquent for the commission of one sex offense, but who do not present a relatively high risk of re-offense, justifies the decision to limit public access to information about such juveniles through the Internet. Other instances where the Legislature has determined that making sex offender registry information available to the general public through the Internet would not necessarily serve the public safety purposes of the law include moderate risk offenders whose sole sex offense involved incest or consensual sex. However, in such cases, the legislature deems it appropriate and consistent with the public safety purposes of the law to provide a process that permits inclusion of information about these individuals in the Internet registry where public access would be warranted, based on the relative risk posed by the particular offender.

C.2C:7-13 Development, maintenance of system on the Internet registry.

2. a. Pursuant to the provisions of this section, the Superintendent of State Police shall develop and maintain a system for making certain information in the central registry established pursuant to subsection d. of section 4 of P.L.1994, c.133 (C.2C:7-4) publicly available by means of electronic Internet technology.

b. The public may, without limitation, obtain access to the Internet registry to view an individual registration record, any part of, or the entire Internet registry concerning all offenders whose risk of re-offense is high or for whom the court has ordered notification in accordance with paragraph (3) of subsection c. of section 3 of P.L.1994, c.128 (C.2C:7-8), regardless of the age of the offender.

c. Except as provided in subsection d. of this section, the public may, without limitation, obtain access to the Internet registry to view an individual registration record, any part of, or the entire Internet registry concerning offenders whose risk of re-offense is moderate and for whom the court has ordered notification in accordance with paragraph (2) of subsection c. of section 3 of P.L.1994, c.128 (C.2C:7-8).

d. The individual registration record of an offender whose risk of re-offense has been determined to be moderate and for whom the court has ordered notification in accordance with paragraph (2) of subsection c. of section 3 of P.L.1994, c.128 (C.2C:7-8) shall not be made available to the public on the Internet registry if the sole sex offense committed by the offender which renders him subject to the requirements of P.L.1994, c.133 (C.2C:7-1 et seq.) is one of the following:

(1) An adjudication of delinquency for any sex offense as defined in subsection b. of section 2 of P.L.1994, c.133 (C.2C:7-2);

(2) A conviction or acquittal by reason of insanity for a violation of N.J.S.2C:14-2 or N.J.S.2C:14-3 under circumstances in which the offender was related to the victim by blood or affinity to the third degree or was a foster parent, a guardian, or stood in loco parentis within the household; or

(3) A conviction or acquittal by reason of insanity for a violation of N.J.S.2C:14-2 or N.J.S.2C:14-3 in any case in which the victim assented to the commission of the offense but by reason of age was not capable of giving lawful consent.

e. Notwithstanding the provisions of paragraph d. of this subsection, the individual registration record of an offender to whom an exception enumerated in paragraph (1), (2) or (3) of subsection d. of this section applies shall be made available to the public on the Internet registry if the State establishes by clear and convincing evidence that, given the particular facts and circumstances of the offense and the characteristics and propensities of the offender, the risk to the general public posed by the offender is substantially similar to that posed by offenders whose risk of re-offense is moderate and who do not qualify under the enumerated exceptions.

f. The individual registration records of offenders whose risk of re-offense is low or of offenders whose risk of re-offense is moderate but for whom the court has not ordered notification in accordance with paragraph (2) of subsection c. of section 3 of P.L.1994, c.128 (C.2C:7-8) shall not be available to the public on the Internet registry.

g. The information concerning a registered offender to be made publicly available on the Internet shall include: the offender's name and any aliases the offender has used or under which the offender may be or may have been known; any sex offense as defined in subsection b. of section 2 of P.L.1994, c.133 (C.2C:7-2) for which the offender was convicted,

adjudicated delinquent or acquitted by reason of insanity, as the case may be; the date and location of disposition; a brief description of any such offense, including the victim's gender and indication of whether the victim was less than 18 years old or less than 13 years old; a general description of the offender's modus operandi, if any; the determination of whether the risk of re-offense by the offender is moderate or high; the offender's age, race, sex, date of birth, height, weight, hair, eye color and any distinguishing scars or tattoos; a photograph of the offender and the date on which the photograph was entered into the registry; the make, model, color, year and license plate number of any vehicle operated by the offender; and the street address, zip code, municipality and county in which the offender resides.

C.2C:7-14 Responsibilities of Attorney General.

3. The Attorney General shall:

a. Ensure that the Internet registry contains warnings that any person who uses the information contained therein to threaten, intimidate or harass another, or who otherwise misuses that information may be criminally prosecuted;

b. Ensure that the Internet registry contains an explanation of its limitations, including statements advising that a positive identification of an offender whose registration record has been made available may be confirmed only by fingerprints; that some information contained in the registry may be outdated or inaccurate; and that the Internet registry is not a comprehensive listing of every person who has ever committed a sex offense in New Jersey;

c. Strive to ensure the information contained in the Internet registry is accurate, and that the data therein is revised and updated as appropriate in a timely and efficient manner; and

d. Provide in the Internet registry information designed to inform and educate the public about sex offenders and the operation of Megan's Law, as well as pertinent and appropriate information concerning crime prevention and personal safety, with appropriate links to relevant web sites operated by the State of New Jersey.

C.2C:7-15 Immunity for failure to investigate, disclose information.

4. No action shall be brought against any person for failure to investigate or disclose any information from the registry that is compiled or made available to the citizens of this State pursuant to P.L.2001, c.167 (C.2C:7-12 et seq.).

C.2C:7-16 Authorized use of disclosed information; prohibited uses.

5. a. Any information disclosed pursuant to this act may be used in any manner by any person or by any public, governmental or private entity,

organization or official, or any agent thereof, for any lawful purpose consistent with the enhancement of public safety.

b. Any person who uses information disclosed pursuant to this act to commit a crime shall be guilty of a crime of the third degree. Any person who uses information disclosed pursuant to this act to commit a disorderly persons or petty disorderly persons offense shall be guilty of a disorderly persons offense and shall be fined not less than \$500 or more than \$1,000, in addition to any other penalty or fine imposed.

c. Except as authorized under any other provision of law, use of any of the information disclosed pursuant to this act for the purpose of applying for, obtaining, or denying any of the following, is prohibited:

- (1) Health insurance;
 - (2) Insurance;
 - (3) Loans;
 - (4) Credit;
 - (5) Education, scholarships, or fellowships;
 - (6) Benefits, privileges, or services provided by any business establishment, unless for a purpose consistent with the enhancement of public safety;
- or
- (7) Housing or accommodations.

d. Whenever there is reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of misuse of the information disclosed pursuant to this act, the Attorney General, or any county or municipal prosecutor having jurisdiction, or any person aggrieved by the misuse of that information is authorized to bring a civil action in the appropriate court requesting preventive relief, including an application for a permanent or temporary injunction, restraining order, or other order against the person or group of persons responsible for the pattern or practice of misuse. The foregoing remedies shall be independent of and in addition to any other remedies or procedures that may be available under other provisions of law.

e. Evidence that a person obtained information about an offender from the Internet registry within one year prior to committing a criminal offense against that offender shall give rise to an inference that the person used information in violation of subsection b. of this section.

C.2C:7-17 Severability.

6. The provisions of this act shall be deemed to be severable, and if any phrase, clause, sentence, word or provision of this act is declared to be unconstitutional, invalid or inoperative in whole or in part, or the applicability thereof to any person is held invalid, by a court of competent jurisdiction, the remainder of this act shall not thereby be deemed to be unconstitutional,

invalid or inoperative and, to the extent it is not declared unconstitutional, invalid or inoperative, shall be effectuated and enforced.

C.2C:7-18 Internet Registry Advisory Council.

7. An Internet Registry Advisory Council is established to consult with and provide recommendations to the Attorney General concerning the making of sex offender registration records available to the public on the Internet. The council shall consist of nine persons who, by experience or training, have a personal interest or professional expertise in law enforcement, crime prevention, victim advocacy, criminology, psychology, parole, public education or community relations. The members of the council shall be appointed in the following manner: three shall be appointed by the Governor, of whom no more than two shall be of the same political party; three shall be appointed by the President of the Senate, of whom no more than two shall be of the same political party; and three shall be appointed by the Speaker of the General Assembly, of whom no more than two shall be of the same political party. Any vacancies occurring in the membership shall be filled in the same manner as the original appointments. The council shall hold at least two meetings per year to review the implementation and operations of the Internet registry.

C.2C:7-19 Citation of acts, system as "Megan's Law."

8. This act and the system of registration and community notification provided pursuant to P.L.1994, c.133 and P.L.1994, c.128 (C.2C:7-1 through 11) shall be known and may be cited as "Megan's Law."

9. There is hereby appropriated from the General Fund to the Department of Law and Public Safety \$500,000 for the implementation of this act; of this amount, \$200,000 shall be provided to the Division of State Police, and \$300,000 shall be provided to the counties in the form of grants.

10. This act shall take effect immediately, but shall remain inoperative until the first day of the sixth month after enactment

Approved July 23, 2001.

CHAPTER 168

AN ACT concerning unfair insurance claim settlement practices and amending P.L.1947, c.379.

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

1. Section 4 of P.L.1947, c.379 (C.17:29B-4) is amended to read as follows:

C.17:29B-4 Unfair methods of competition, unfair, deceptive acts, practices, defined.

4. The following are hereby defined as unfair methods of competition and unfair and deceptive acts or practices in the business of insurance:

(1) Misrepresentations and false advertising of policy contracts. Making, issuing, circulating, or causing to be made, issued or circulated, any estimate, illustration, circular or statement misrepresenting the terms of any policy issued or to be issued or the benefits or advantages promised thereby or the dividends or share of the surplus to be received thereon, or making any false or misleading statement as to the dividends or share of surplus previously paid on similar policies, or making any misleading representation or any misrepresentation as to the financial condition of any insurer, or as to the legal reserve system upon which any life insurer operates, or using any name or title of any policy or class of policies misrepresenting the true nature thereof, or making any misrepresentation to any policyholder insured in any company for the purpose of inducing or tending to induce such policyholder to lapse, forfeit, or surrender his insurance.

(2) False information and advertising generally. Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio station, or in any other way, an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance or with respect to any person in the conduct of his insurance business, which is untrue, deceptive or misleading.

(3) Defamation. Making, publishing, disseminating, or circulating, directly or indirectly, or aiding, abetting or encouraging the making, publishing, disseminating or circulating of any oral or written statement or any pamphlet, circular, article or literature which is false, or maliciously critical of or derogatory to the financial condition of an insurer, and which is calculated to injure any person engaged in the business of insurance.

(4) Boycott, coercion and intimidation. Entering into any agreement to commit, or by any concerted action committing, any act of boycott, coercion or intimidation resulting in or tending to result in unreasonable restraint of, or monopoly in, the business of insurance, or resulting in or tending to result in unreasonable influence being exerted upon any producer that has an

in-force contract as of the effective date of P.L.1997, c.151 (C.17:33B-64 et al.) for the purpose of replacing the in-force contract with a UEZ agent contract pursuant to section 22 of P.L.1997, c.151 (C.17:33C-4).

(5) False financial statements. Filing with any supervisory or other public official, or making, publishing, disseminating, circulating or delivering to any person, or placing before the public, or causing directly or indirectly, to be made, published, disseminated, circulated, delivered to any person, or placed before the public, any false statement of financial condition of an insurer with intent to deceive.

Making any false entry in any book, report or statement of any insurer with intent to deceive any agent or examiner lawfully appointed to examine into its condition or into any of its affairs, or any public official to whom such insurer is required by law to report, or who was authorized by law to examine into its condition or into any of its affairs, or, with like intent, willfully omitting to make a true entry of any material fact pertaining to the business of such insurer in any book, report or statement of such insurer.

(6) Stock operations and advisory board contracts. Issuing or delivering or permitting agents, officers, or employees to issue or deliver, agency company stock or other capital stock, or benefit certificates or shares in any common-law corporation, or securities or any special or advisory board contracts or other contracts of any kind promising returns and profits as an inducement to insurance.

(7) Unfair discrimination. (a) Making or permitting any unfair discrimination between individuals of the same class and equal expectation of life in the rates charged for any contract of life insurance or of life annuity or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such contract.

(b) Making or permitting any unfair discrimination between individuals of the same class and of essentially the same hazard in the amount of premium, policy fees, or rates charged for any policy or contract of accident or health insurance or in the benefits payable thereunder, or in any of the terms or conditions of such contract, or in any other manner whatsoever.

(c) Making or permitting any discrimination against any person or group of persons because of race, creed, color, national origin or ancestry of such person or group of persons in the issuance, withholding, extension or renewal of any policy of insurance, or in the fixing of the rates, terms or conditions therefor, or in the issuance or acceptance of any application therefor.

(d) Making or permitting discrimination in the use of any form of policy of insurance which expresses, directly or indirectly, any limitation or discrimination as to race, creed, color, national origin or ancestry or any intent to make any such limitation or discrimination.

(e) Making or permitting any unfair discrimination solely because of age in the issuance, withholding, extension or renewal of any policy or contract of automobile liability insurance or in the fixing of the rates, terms or conditions therefor, or in the issuance or acceptance of any application therefor, provided, that nothing herein shall be construed to interfere with the application of any applicable rate classification filed with and approved by the commissioner pursuant to P.L.1944, c. 27 (C.17:29A-1 to 17:29A-28), or any amendment or supplement thereof, which is in effect with respect to such policy or contract of insurance.

(8) Rebates. (a) Except as otherwise expressly provided by law, knowingly permitting or offering to make or making any contract of life insurance, life annuity or accident and health insurance, or agreement as to such contract other than as plainly expressed in the contract issued thereon, or paying or allowing, or giving or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatsoever not specified in the contract; or giving, or selling, or purchasing or offering to give, sell, or purchase as inducement to such insurance or annuity or in connection therewith, any stocks, bonds, or other securities of any insurance company or other corporation, association, or partnership, or any dividends or profits accrued thereon, or anything of value whatsoever not specified in the contract.

(b) Nothing in clause 7 or paragraph (a) of this clause 8 shall be construed as including within the definition of discrimination or rebates any of the following practices: (i) in the case of any contract of life insurance or life annuity, paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance; provided, that any such bonuses or abatement of premiums shall be fair and equitable to policyholders and for the best interests of the company and its policyholders; (ii) in the case of life insurance policies issued on the industrial debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount which fairly represents the saving in collection expense; (iii) readjustment of the rate of premium for a group policy based on the loss or expense experience thereunder, at the end of the first or any subsequent policy year of insurance thereunder, which may be made retroactive only for such policy year.

(9) Unfair claim settlement practices. Committing or performing with such frequency as to indicate a general business practice any of the following:

- (a) Misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue;
- (b) Failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies;
- (c) Failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies;
- (d) Refusing to pay claims without conducting a reasonable investigation based upon all available information;
- (e) Failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed;
- (f) Not attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear;
- (g) Compelling insureds to institute litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by such insureds;
- (h) Attempting to settle a claim for less than the amount to which a reasonable man would have believed he was entitled by reference to written or printed advertising material accompanying or made part of an application;
- (i) Attempting to settle claims on the basis of an application which was altered without notice to, or knowledge or consent of the insured;
- (j) Making claims payments to insureds or beneficiaries not accompanied by a statement setting forth the coverage under which the payments are being made;
- (k) Making known to insureds or claimants a policy of appealing from arbitration awards in favor of insureds or claimants for the purpose of compelling them to accept settlements or compromises less than the amount awarded in arbitration;
- (l) Delaying the investigation or payment of claims by requiring an insured, claimant or the physician of either to submit a preliminary claim report and then requiring the subsequent submission of formal proof of loss forms, both of which submissions contain substantially the same information;
- (m) Failing to promptly settle claims, where liability has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage;
- (n) Failing to promptly provide a reasonable explanation of the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement;

(o) Requiring insureds or claimants to institute or prosecute complaints regarding motor vehicle violations in the municipal court as a condition of paying private passenger automobile insurance claims.

(10) Failure to maintain complaint handling procedures. Failure of any person to maintain a complete record of all the complaints which it has received since the date of its last examination. This record shall indicate the total number of complaints, their classification by line of insurance, the nature of each complaint, the disposition of these complaints, and the time it took to process each complaint. For purposes of this subsection, "complaint" shall mean any written communication primarily expressing a grievance.

(11) The enumeration of this act of specific unfair methods of competition and unfair or deceptive acts and practices in the business of insurance is not exclusive or restrictive or intended to limit the powers of the commissioner or any court of review under the provisions of section 9 of this act.

2. This act shall take effect on the 90th day after the date of enactment.

Approved July 26, 2001.

CHAPTER 169

AN ACT concerning the retention of records by certain financial institutions and amending P.L.1999, c.257.

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

1. Section 2 of P.L.1999, c.257 (C.17:16W-2) is amended to read as follows:

C.17:16W-2 Definitions regarding records retention.

2. As used in this act:

"Commissioner" means the Commissioner of Banking and Insurance.

"Date of the passbook" means the date of the last entry by the financial institution of a transaction with respect to the passbook account, or if the form of the passbook is such that it does not provide for entry of transactions, the last date for which the financial institution has a record of an account transaction. If there is no record of activity with respect to a

passbook account subsequent to the issuance of the passbook, the date of issuance shall be the date of the passbook.

"Financial institution" means a State chartered bank, savings bank or savings and loan association.

"Owner" means the person or persons in whose name the account was opened.

"Passbook" means a document or record issued by a financial institution, which document or record represents an obligation of the financial institution, which obligation either has no fixed maturity or due date or which by its term is subject to automatic renewal or renewals for an indefinite time or indefinite number of times. Neither a periodic account statement nor any obligation for which applicable law provides a time by which the payment is due is a passbook for the purposes of this act.

"Passbook account" means an account which is evidenced by a passbook, certificate of deposit or similar document.

"Statement account" means an account which is not a passbook account and for which a financial institution supplies a periodic statement of the account's activity, balance or both, or supplies any other statement of the account as the owner and financial institution may agree.

"Termination of the loan account" means: (1) with respect to a closed-end loan, the date on which the loan is paid; or (2) with respect to an open-end loan, the date on which the outstanding balance on the account is brought to zero and the account is closed so that the borrower has no right to borrow additional funds under the loan agreement; or (3) the date upon which, pursuant to action or policy of the governing board of a financial institution or committee thereof, a loan is charged-off or the loan file is otherwise closed by the financial institution.

2. Section 5 of P.L.1999, c.257 (C.17:16W-5) is amended to read as follows:

C.17:16W-5 Loan, collateralized loans; records.

5. A financial institution shall retain records relating to the making, collection and administration of loans as follows:

a. For all loans:

(1) Records of dispositive or final judgments in bankruptcies or other litigation involving a loan, and termination of loan accounts shall be retained for at least six years after the termination of the loan account.

(2) (Deleted by amendment, P.L.2001, c.169.)

(3) Records of approval of loans or credit shall be retained for not less than six years after the closing of the loan or credit files.

(4) Records of denials of loan applications shall be retained for not less than 25 months after the date of the denial.

(5) Loan files, including copies of records regarding collateral and the perfection of security interests, guarantees and other records from time to time specified for retention by regulation adopted by the commissioner, shall be retained for not less than six years after the termination of the loan account. For lines of credit and open-end loans, records of transactions shall be retained for six years after the date of a transaction.

(6) Loan committee minutes shall be retained for not less than six years after the date of the committee meeting.

(7) Record of compliance with all applicable State and federal regulatory requirements shall be retained for the period specified in the applicable State or federal law or regulation. If no record retention period is specified in the law or regulation, the financial institution shall retain the records necessary to show compliance for not less than six years.

b. Collateralized loans:

(1) Records identifying the collateral perfection of the financial institution's security interest in the collateral and, for tangible personal property, the place and method of possession of the collateral shall be retained for not less than six years after the termination of the loan account.

(2) Records of the disposition by a financial institution of collateral that is personal property shall be retained for not less than six years after the date of disposition.

(3) For collateral that is real estate, records regarding the transfer of title by the financial institution shall be retained for at least six years after the date of transfer of title. Records of dispositive or final judgments or orders in foreclosure proceedings shall be retained for not less than six years after the date of the judgment of foreclosure or if no judgment, from the date of the termination of those proceedings.

(4) Records of escrow analyses and statements and of transactions in escrow accounts shall be retained for not less than six years.

3. Section 10 of P.L.1999, c.257 (C.17:16W-10) is amended to read as follows:

C.17:16W-10 Claims where records not required to be retained, statutes of limitations not affected; requirements.

10. a. In the event of any claim against a financial institution where the claimant relies in any way on records of the financial institution, which records are not required to be retained by the financial institution by the terms of this act or by other applicable State or federal record retention statutes or regulations and the records have not been retained by the

financial institution, the fact that the financial institution does not have the records shall not give rise to any inference or presumption against the financial institution as to the content of the records nor shall the lack of the records shift any burden of proof from the claimant to the financial institution.

b. Nothing in this act shall be deemed to amend or alter any statute of limitations.

c. Nothing in P.L.1999, c.257 (C.17:16W-1 et seq.) shall be interpreted to require a financial institution to create any data or, except as specifically provided in that act, to retain any records that would not otherwise be created or retained. Records required to be retained by P.L.1999, c.257 (C.17:16W-1 et seq.) may be preserved in any form permitted by section 247 of P.L.1948, c.67 (C.17:9A-247).

4. Section 11 of P.L.1999, c.257 (C.17:16W-11) is amended to read as follows:

C.17:16W-11 Applicability.

11. The provisions of this act shall apply to all financial institutions chartered by this State and to the records of out-of-State banks, savings banks and savings and loan associations which relate to accounts, loans or other transactions which are made or located in this State. The provisions of section 4 of P.L.1999, c.257 (C.17:16W-4) shall apply to federally chartered banks and savings banks in this State to the extent that they are not inconsistent with applicable federal law.

5. This act shall take effect immediately.

Approved July 26, 2001.

CHAPTER 170

AN ACT appropriating moneys from the "Garden State Green Acres Preservation Trust Fund," and appropriating and reappropriating certain other moneys, to assist local government units to acquire or develop lands for recreation and conservation purposes; and approving projects of certain local government units as eligible for funding from the State to acquire lands for recreation and conservation purposes.

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

1. There is appropriated to the Department of Environmental Protection from the "Garden State Green Acres Preservation Trust Fund," established pursuant to section 19 of P.L.1999, c.152 (C.13:8C-19), the sum of \$38,000,000 to provide grants or loans, or both, to assist local government units to acquire or develop lands for recreation and conservation purposes, for projects approved as eligible for such funding pursuant to section 3 of this act, section 1 of P.L.2001, c.171, section 1 of P.L.2001, c.172, or section 1 of P.L.2001, c.173.

2. a. There is reappropriated to the Department of Environmental Protection the unexpended balances, due to project withdrawals, cancellations, or cost savings, of the amounts appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund to assist local government units to acquire or develop lands for recreation and conservation purposes, for the purposes of providing:

(1) grants or loans, or both, to assist local government units to acquire or develop lands for recreation and conservation purposes, for projects approved as eligible for such funding pursuant to section 3 of this act, section 1 of P.L.2001, c.171, section 1 of P.L.2001, c.172, or section 1 of P.L.2001, c.173; and

(2) additional funding, as determined by the Department of Environmental Protection, to any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes or that receives funding approved pursuant to section 3 of this act, section 1 of P.L.2001, c.171, section 1 of P.L.2001, c.172, or section 1 of P.L.2001, c.173, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

b. There is appropriated to the Department of Environmental Protection such sums as may be, or may become available, on or before June 30, 2002, due to interest earnings or loan repayments in any "Green Trust Fund" established pursuant to a Green Acres bond act, for the purpose of providing:

(1) grants or loans, or both, to assist local government units to acquire or develop lands for recreation and conservation purposes, for projects approved as eligible for such funding pursuant to section 3 of this act, section 1 of P.L.2001, c.171, section 1 of P.L.2001, c.172, or section 1 of P.L.2001, c.173; and

(2) additional funding, as determined by the Department of Environmental Protection, to any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes or that receives funding approved pursuant to section 3 of this act, section 1 of P.L.2001, c.171, section 1 of P.L.2001, c.172, or section 1 of P.L.2001, c.173, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

c. For the purposes of this section, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

3. a. The following projects to acquire lands for recreation and conservation purposes are eligible for funding with moneys appropriated or reappropriated pursuant to sections 1 and 2 of this act:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Egg Harbor Twp	Atlantic	Egg Harbor Twp Regional Park	\$500,000
Cherry Hill Twp	Camden	Springhouse Farm Acq	500,000
Avalon Boro	Cape May	Beachfront Acquisition	500,000
Lower Twp	Cape May	Bayshore Acquisition	270,000
Ocean City	Cape May	Park Acquisition	500,000
High Bridge Boro	Hunterdon	Spring Side Woodlands	500,000
Monroe Twp	Middlesex	Thompson Park III	500,000
Hazlet Twp	Monmouth	Union Ave Acquisition	70,000
Sea Girt Boro	Monmouth	Wreck Pond Brook Greenway	460,000
Spring Lake Heights Boro	Monmouth	Wreck Pond Brook Greenway Acq	460,000
Wall Twp	Monmouth	Wreck Pond Brook Greenway	460,000
Point Pleasant Boro	Ocean	Canal Acq	212,500
Stafford Twp	Ocean	Doc Cramer Exp Acq Phase 2	500,000
Frelinghuysen Twp	Warren	Bear Creek Greenway Acq	175,000

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Hackettstown Town	Warren	Hackettstown River Front Park	440,000
TOTAL			\$6,047,500

b. Any transfer of funds, or change in project sponsor, site, or type, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes, or that receives funding approved pursuant to section 1 of P.L.2001, c.171, section 1 of P.L.2001, c.172, or section 1 of P.L.2001, c.173, shall be eligible to receive additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

For the purposes of this subsection, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

4. This act shall take effect July 1, 2001 or on the date of enactment, whichever is later.

Approved July 26, 2001.

CHAPTER 171

AN ACT approving projects of certain local government units in southern New Jersey as eligible for funding from the State to acquire lands for recreation and conservation purposes.

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

1. a. The following projects to acquire lands for recreation and conservation purposes are eligible for funding with moneys appropriated or reappropriated pursuant to sections 1 and 2 of P.L.2001, c.170:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Atlantic County	Atlantic	Atlantic County Open Space Acq	\$1,500,000
Bordentown Twp	Burlington	Bordentown Twp Open Space Acq	750,000
Burlington County	Burlington	Burlington Planning Incentive	1,500,000
Eastampton Twp	Burlington	Eastampton Twp Planning Incentive	750,000
Edgewater Park Twp	Burlington	Edgewater Park Twp Open Space	750,000
Evesham Twp	Burlington	Evesham Twp Planning Incentive	750,000
Medford Twp	Burlington	Medford Twp Open Space	750,000
Moorestown Twp	Burlington	Moorestown Twp Incentive	750,000
Mount Laurel Twp	Burlington	Mount Laurel Plan Preservation Plan	750,000
Camden County	Camden	Camden County Mt Laurel Acquisition Plan	1,500,000
Voorhees Twp	Camden	Voorhees Twp Open Space Plan	750,000
Hopewell Twp	Mercer	Hopewell Twp Planning Incentive Grant	750,000
Lawrence Twp	Mercer	Lawrence Twp Hopewell Open Space Acq	750,000
Princeton Twp	Mercer	Princeton Twp Open Space Plan	750,000
West Windsor Twp	Mercer	West Windsor Princeton Open Space Acquisition	750,000
Atlantic Highlands Boro	Monmouth	Atlantic Highlands Boro Planning Inc.	750,000
Freehold Twp	Monmouth	Freehold Township Atlantic Highlands Boro Open Space Acq	750,000
Holmdel Twp	Monmouth	Holmdel Township Township Open Space Acq	750,000
Howell Twp	Monmouth	Howell Twp Holmdel Planning Incentive Acq	750,000
Manalapan Twp	Monmouth	Manalapan Twp Howell Twp Planning Incentive	750,000
Middletown Twp	Monmouth	Middletown Twp Manalapan Twp Planning Incentive	750,000
Millstone Twp	Monmouth	Millstone Middletown Twp Planning Incentive	750,000
Monmouth County	Monmouth	Monmouth County Millstone Planning Incentive	1,500,000
Oceanport Boro	Monmouth	Oceanport Boro Planning Incentive Acq	750,000
		Oceanport Boro Open Space Acquisition	750,000

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Tinton Falls Boro	Monmouth	Open Space Acquisition	750,000
Ocean County	Ocean	Planning Incentive Grant	1,500,000
Plumsted Twp	Ocean	Planning Incentive	750,000
TOTAL			\$24,000,000

b. Any transfer of any funds, or change in project sponsor, site, or type, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the "Garden State Green Acres Preservation Trust Fund," established pursuant to section 19 of P.L.1999, c.152 (C.13:8C-19), for recreation and conservation purposes, or that receives funding approved pursuant to section 3 of P.L.2001, c.170, section 1 of P.L.2001, c.172, or section 1 of P.L.2001, c.173, shall be eligible to receive additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

For the purposes of this subsection, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

2. This act shall take effect on the effective date of P.L.2001, c.170.

Approved July 26, 2001.

 CHAPTER 172

AN ACT approving projects of certain local government units in northern New Jersey as eligible for funding from the State to acquire lands for recreation and conservation purposes.

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

1. a. The following projects to acquire lands for recreation and conservation purposes are eligible for funding with moneys appropriated or reappropriated pursuant to sections 1 and 2 of P.L.2001, c.170:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Closter Boro	Bergen	Brook's Farm Plan Acquisition	\$302,000
Mahwah Twp	Bergen	Open Space Acquisition	250,000
Old Tappan Boro	Bergen	Old Tappan Acq	500,000
Woodcliff Lake Boro	Bergen	Woodcliff Lake Historic Park	600,000
South Orange Village Twp	Essex	Village Open Space Acquisition	750,000
Bethlehem Twp	Hunterdon	Open Space Plan Implementation	750,000
Clinton Twp	Hunterdon	Open Space Acq Plan	500,000
Franklin Twp	Hunterdon	Franklin Open Space Plan	750,000
Lebanon Twp	Hunterdon	Open Space Acq Plan	500,000
Raritan Twp	Hunterdon	Land Acquisition Plan	750,000
Readington Twp	Hunterdon	Greenway Incentive Plan	750,000
West Amwell Twp	Hunterdon	Sourlands/ Open Space Acq	750,000
East Brunswick Twp	Middlesex	Open Space Plan	750,000
Edison Twp	Middlesex	Edison Acquisition Plan	750,000
Middlesex County	Middlesex	Middlesex County Open Space Acq	1,500,000
North Brunswick Twp	Middlesex	North Brunswick Plan	750,000
Chatham Twp	Morris	Chatham Open Space Acq	500,000
Chester Twp	Morris	Chester Twp Open Space Acq	750,000
Hanover Twp	Morris	Open Space Acq	750,000
Mendham Twp	Morris	Mendham Twp Open Space Acq	750,000
Morris County	Morris	Morris County Planning Incentive	1,500,000
Mount Olive Twp	Morris	Mt. Olive Greenway Acq	750,000
Parsippany-Troy Hills Twp	Morris	Parsippany-Troy Hills Open Space Acq	750,000

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Randolph Twp	Morris	Randolph Acq Program	750,000
Roxbury Twp	Morris	Roxbury Open Space Plan	750,000
Wharton Boro	Morris	Wharton Open Space Acq	507,500
Bedminster Twp	Somerset	Bedminster Parks Exp	750,000
Bridgewater Twp	Somerset	Bridgewater Open Space Plan	750,000
Franklin Twp	Somerset	Open Space Plan Acq	750,000
Montgomery Twp	Somerset	Open Space Acq 5	750,000
Peapack-Gladstone Boro	Somerset	Open Space Acq	750,000
Somerset County	Somerset	County Open Space Acq	1,500,000
Warren Twp	Somerset	Warren Twp Planning Incentive	750,000
Byram Twp	Sussex	Byram Open Space Plan	750,000
Vernon Twp	Sussex	Vernon Twp Open Space Acq	500,000
Union County	Union	Union Co. Open Space & Rec Plan	1,500,000
Allamuchy Twp	Warren	Allamuchy Twp Open Space Acq	750,000
Lopatcong Twp	Warren	Lopatcong Twp	400,000
Warren County	Warren	Warren County Open Space Plan	1,500,000
Washington Twp	Warren	Washington Twp Open Space Acq	750,000
TOTAL			\$30,809,500

b. Any transfer of any funds, or change in project sponsor, site, or type, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the "Garden State Green Acres Preservation Trust Fund," established pursuant to section 19 of P.L.1999, c.152 (C.13:8C-19), for recreation and conservation purposes, or that receives funding approved pursuant to section 3 of P.L.2001, c.170, section 1 of P.L.2001, c.171, or section 1 of P.L.2001, c.173, shall be eligible to receive additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor. Any

such additional funding provided from a Green Acres bond act may include administrative costs.

For the purposes of this subsection, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

2. This act shall take effect on the effective date of P.L.2001, c.170.

Approved July 26, 2001.

CHAPTER 173

AN ACT approving projects of certain local government units as eligible for funding from the State to acquire lands for recreation and conservation purposes.

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

1. a. The following projects to acquire lands for recreation and conservation purposes are eligible for funding with moneys appropriated or reappropriated pursuant to sections 1 and 2 of P.L.2001, c.170:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Gloucester City	Camden	Riverfront Acq	\$166,000
Weehawken Twp	Hudson	Waterfront Park Acq	1,000,000
Old Bridge Twp	Middlesex	Cedar Ridge II Acq	1,000,000
Perth Amboy City	Middlesex	Waterfront Acq	1,000,000
Long Branch City	Monmouth	Manahasset Creek Acq	1,000,000
Neptune Twp	Monmouth	Open Space Acq	275,000
Brick Twp	Ocean	Open Space & Recreation Plan	1,000,000
TOTAL			\$5,441,000

b. Any transfer of any funds, or change in project sponsor, site, or type, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the "Garden State Green Acres Preservation Trust Fund," established pursuant to section 19 of P.L.1999, c.152 (C.13:8C-19), for recreation and conservation purposes, or that receives funding approved pursuant to section 3 of P.L.2001, c.170, section 1 of P.L.2001, c.171, or section 1 of P.L.2001, c.172, shall be eligible to receive additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

For the purposes of this subsection, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

2. This act shall take effect on the effective date of P.L.2001, c.170.

Approved July 26, 2001.

CHAPTER 174

AN ACT appropriating \$58,000,000 from the "Garden State Green Acres Preservation Trust Fund," and reappropriating certain other moneys, for the acquisition of lands by the State for recreation and conservation purposes.

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

1. a. There is appropriated from the "Garden State Green Acres Preservation Trust Fund," established pursuant to section 19 of P.L.1999, c.152 (C.13:8C-19), to the Department of Environmental Protection the sum of \$58,000,000 for the acquisition of lands by the State for recreation and conservation purposes. This sum shall be allocated as follows:

Project	County	Municipality	Amount
(1) BARNEGAT BAY WATERSHED GREENWAY <i>Barneгат Bay Greenway</i>	Monmouth	Freehold Twp	\$1,000,000

	Ocean	Howell Twp Barnegat Light Boro Barnegat Twp Berkeley Twp Brick Twp Dover Twp Eagleswood Twp Jackson Twp Lacey Twp Lakewood Twp Little Egg Harbor Twp Ocean Twp Stafford Twp	
(2)	CAPE MAY PENINSULA		2,000,000
	<i>Cape May Peninsula</i>		
	Cape May	Cape May City Cape May Point Boro Dennis Twp Lower Twp Middle Twp Sea Isle City Upper Twp West Cape May Boro Woodbine Boro	
(3)	CROSSROADS OF AMERICAN REVOLUTION		5,000,000
	<i>Princeton Battlefield to Monmouth</i>		
	Burlington	Bordentown City Bordentown Twp Chesterfield Twp New Hanover Twp	
	Mercer	East Windsor Twp Hamilton Twp Lawrence Twp Washington Twp West Windsor Twp	
	Middlesex	Cranbury Twp Monroe Twp Plainsboro Twp	
	Monmouth	Allentown Boro Englishtown Boro Freehold Twp Manalapan Twp Marlboro Twp Millstone Twp Roosevelt Boro Upper Freehold Twp	
	<i>Washington Crossing to Princeton Battlefield</i>		
	Hunterdon	East Amwell Twp West Amwell Twp	
	Mercer	Hopewell Twp	

	Somerset	Princeton Twp Montgomery Twp	
(4) DELAWARE & RARITAN CANAL WATERSHED GREENWAY			2,000,000
	Hunterdon	Lambertville City Stockton Boro	
	Mercer	Ewing Twp Hamilton Twp Hopewell Twp Lawrence Twp Princeton Twp Trenton City	
	Middlesex	New Brunswick City Plainsboro Twp	
	Somerset	Franklin Twp	
(5) DELAWARE BAY WATERSHED GREENWAY			4,000,000
	<i>Alloways Creek Greenway</i>		
	Salem	Alloway Twp Elsinboro Twp Lower Alloways Creek Twp Pilesgrove Twp Quinton Twp Upper Pittsgrove Twp	
	<i>Cape May Tributaries</i>		
	Cape May	Lower Twp Middle Twp Upper Twp	
	<i>Cohansey River Greenway</i>		
	Cumberland	Bridgeton City Fairfield Twp Greenwich Twp Hopewell Twp Lawrence Twp Upper Deerfield Twp	
	Salem	Alloway Twp	
	<i>Dividing/ Nantuxent/ Cedar/ Back Creeks Greenway</i>		
	Cumberland	Commercial Twp Downe Twp Fairfield Twp Lawrence Twp	
	<i>Maurice River Greenway</i>		
	Atlantic	Buena Boro Buena Vista Twp	
	Cape May	Dennis Twp	
	Cumberland	Commercial Twp Deerfield Twp Maurice River Twp Millville City Vineland City	
	Gloucester	Clayton Boro	

	Salem	Elk Twp Franklin Twp Glassboro Boro Monroe Twp Newfield Boro Pittsgrove Twp Upper Pittsgrove Twp	
	<i>Salem River/ Mannington Greenway</i>		
	Salem	Carneys Point Twp Elsinboro Twp Mannington Twp Pilesgrove Twp Upper Pittsgrove Twp Woodstown Boro	
	<i>Stow Creek Greenway</i>		
	Cumberland	Greenwich Twp Stow Creek Twp	
	Salem	Alloway Twp Lower Alloways Creek Twp Quinton Twp	
(6)	DELAWARE RIVER WATERSHED GREENWAY		2,500,000
	<i>Assiscunk Creek Watershed</i>		
	Burlington	Mansfield Twp	
	<i>Big Timber Creek</i>		
	Camden	Gloucester Twp Lindenwold Boro	
	Gloucester	Deptford Twp Westville Boro	
	<i>Delaware River Bluffs</i>		
	Hunterdon	Alexandria Twp Delaware Twp Frenchtown Boro Holland Twp Kingwood Twp Lambertville City Milford Boro Stockton Boro West Amwell Twp	
	Mercer	Hopewell Twp	
	Warren	Belvidere Town Harmony Twp Knowlton Twp Lopatcong Twp Phillipsburg Town Pohatcong Twp White Twp	

<i>Nishisakawick Greenway</i> Hunterdon	Alexandria Twp Delaware Twp Frenchtown Boro Kingwood Twp	
<i>Oldsman Creek Greenway</i> Gloucester	Logan Twp South Harrison Twp Woolwich Twp Oldmans Twp Pilesgrove Twp Upper Pittsgrove Twp	
Salem		
<i>Raccoon Creek Greenway</i> Gloucester	Elk Twp Harrison Twp Logan Twp Woolwich Twp	
<i>Rancocas Creek Greenway</i> Burlington	Delran Twp Eastampton Twp Hainesport Twp Lumberton Twp Medford Twp Moorestown Twp Mount Holly Twp Mount Laurel Twp Pemberton Twp Southampton Twp Springfield Twp Westampton Twp Willingboro Twp	
<i>Trenton/ Hamilton Marsh</i> Burlington	Bordentown Twp Chesterfield Twp Hamilton Twp Trenton City	
Mercer		
<i>Woodbury Creek Watershed</i> Gloucester	National Park Boro West Deptford Twp	
(7) HARBOR ESTUARY Bergen	Carlstadt Boro East Rutherford Boro Emerson Boro Haworth Boro Lyndhurst Twp North Arlington Boro Old Tappan Boro	1,000,000

	Hudson	Oradell Boro Ridgefield Boro Ridgefield Park Village River Vale Twp Westwood Boro	
	Middlesex	Jersey City Kearny Town North Bergen Twp Secaucus Town Carteret Boro Edison Twp Old Bridge Twp Sayreville Boro South Amboy City Woodbridge Twp	
	Monmouth	Aberdeen Twp Hazlet Twp Keansburg Boro Keyport Boro Matawan Boro Middletown Twp Union Beach Boro	
	Union	Clark Twp Linden City Rahway City	
(8) HIGHLANDS GREENWAY			4,000,000
	Bergen	Mahwah Twp Oakland Boro	
	Morris	Boonton Twp Denville Twp Jefferson Twp Montville Twp Rockaway Twp Roxbury Twp	
	Passaic	Ringwood Boro Wanaque Boro West Milford Twp	
(9) HISTORIC RESOURCES			2,000,000
	<i>Allaire State Park</i>		
	Monmouth	Howell Twp Wall Twp	
	<i>Battlefields/ Encampments</i>		
	Middlesex	Edison Twp	
	<i>Monmouth Battlefield</i>		
	Monmouth	Freehold Twp Manalapan Twp	
	<i>New Bridge Landing</i>		
	Bergen	New Milford Boro River Edge Boro	

<i>Princeton Battlefield</i>			
	Mercer	Princeton Twp	
<i>Proprietary House</i>			
	Middlesex	Perth Amboy City	
<i>Register Eligible Sites</i>			
	Cape May	Lower Twp	
<i>Twin Lights</i>			
	Monmouth	Highlands Boro	
<i>Washington Crossing State Park</i>			
	Mercer	Ewing Twp Hopewell Twp	
(10) JENNY JUMP STATE PARK			1,500,000
	Warren	Allamuchy Twp Frelinghuysen Twp Hope Twp Independence Twp Knowlton Twp Liberty Twp White Twp	
(11) MUSCONETCONG WATERSHED GREENWAY			2,000,000
	Hunterdon	Alexandria Twp Bethlehem Twp Bloomsbury Boro Franklin Twp Hampton Boro Holland Twp Lebanon Boro	
	Morris	Mount Olive Twp Roxbury Twp Washington Twp	
	Warren	Allamuchy Twp Franklin Twp Greenwich Twp Hackettstown Town Lopatcong Twp Mansfield Twp Pohatcong Twp Washington Boro Washington Twp	
(12) NATURAL AREAS			1,500,000
<i>Bill Henry Pond</i>			
	Atlantic	Egg Harbor Twp	
<i>Budd Lake Bog</i>			
	Morris	Mount Olive Twp	

<i>Campus Swamp</i> Camden	Gloucester Twp
<i>Cheesequake State Park</i> Middlesex	Old Bridge Twp
<i>Crossley Preserve</i> Ocean	Berkeley Twp Manchester Twp
<i>Five Acre Pond</i> Atlantic	Estell Manor City
<i>Great Piece Meadows</i> Essex Morris	Fairfield Twp East Hanover Twp Lincoln Park Boro
<i>Hidden Lake</i> Camden	Gloucester Twp
<i>High Mountain</i> Passaic	North Haledon Boro Wayne Twp
<i>Limestone Ridge</i> Warren	Blairstown Twp
<i>Long-A-Coming Branch</i> Camden	Winslow Twp
<i>Milford Bluffs</i> Hunterdon	Holland Twp
<i>Mountain Lake Bog</i> Warren	White Twp
<i>Oswego River Natural Area</i> Burlington	Washington Twp
<i>Phone-In-Fen</i> Warren	Hardwick Twp
<i>Ramapo Lake Natural Area</i> Bergen Passaic	Oakland Boro Ringwood Boro Wanaque Boro
<i>Ramapo Mountain State Park</i> Bergen Passaic	Mahwah Twp Oakland Boro Pompton Lakes Boro Ringwood Boro Wanaque Boro

<i>Strawberry Hill</i>			
	Mercer	Hopewell Twp	
<i>Sunfish Pond</i>			
	Warren	Hardwick Twp	
<i>Troy Meadows</i>			
	Morris	Parsippany - Troy Hills Twp	
<i>Utertown Bog</i>			
	Passaic	West Milford Twp	
<i>Washington Crossing State Park</i>			
	Mercer	Hopewell Twp	
<i>Woodbine Bogs</i>			
	Cape May	Upper Twp	
(13) NON-PROFIT CAMPS			500,000
<i>Youth Camps</i>			
	Bergen	Mahwah Twp	
	Burlington	Evesham Twp	
		Medford Twp	
		Tabernacle Twp	
	Hunterdon	East Amwell Twp	
	Morris	Rockaway Boro	
	Ocean	Ocean Twp	
	Passaic	Ringwood Boro	
	Salem	Alloway Twp	
	Somerset	Franklin Twp	
	Warren	Hardwick Twp	
		Independence Twp	
		Mansfield Twp	
(14) PAULINSKILL RIVER WATERSHED GREENWAY			3,000,000
	Warren	Blairstown Twp	
		Frelinghuysen Twp	
		Hardwick Twp	
		Knowlton Twp	
(15) PEQUEST RIVER WATERSHED GREENWAY			2,000,000
	Warren	Allamuchy Twp	
		Belvidere Town	
		Hackettstown Town	
		Independence Twp	
		Liberty Twp	
		Mansfield Twp	
		White Twp	
(16) PINELANDS			9,000,000
	Atlantic	Brigantine City	
		Buena Boro	
		Buena Vista Twp	

	Corbin City
	Egg Harbor City
	Egg Harbor Twp
	Estell Manor City
	Folsom Boro
	Galloway Twp
	Hamilton Twp
	Hammonton Town
	Mullica Twp
	Port Republic City
	Weymouth Twp
Burlington	Bass River Twp
	Evesham Twp
	Medford Lakes Boro
	Medford Twp
	New Hanover Twp
	North Hanover Twp
	Pemberton Twp
	Shamong Twp
	Southampton Twp
	Springfield Twp
	Tabernacle Twp
	Washington Twp
	Woodland Twp
	Wrightstown Boro
Camden	Berlin Boro
	Berlin Twp
	Chesilhurst Boro
	Waterford Twp
	Winslow Twp
Cape May	Dennis Twp
	Middle Twp
	Upper Twp
	Woodbine Boro
Cumberland	Maurice River Twp
	Vineland City
Gloucester	Franklin Twp
	Monroe Twp
Ocean	Barnegat Twp
	Beachwood Boro
	Berkeley Twp
	Dover Twp
	Eagleswood Twp
	Jackson Twp
	Lacey Twp
	Lakehurst Boro
	Little Egg Harbor Twp
	Manchester Twp
	Ocean Twp
	Plumsted Twp
	South Toms River Boro
	Stafford Twp
	Tuckerton Boro

(17) RARITAN RIVER WATERSHED GREENWAY		5,000,000
	Hunterdon	Bethlehem Twp Clinton Twp East Amwell Twp Franklin Twp High Bridge Boro Lebanon Twp Raritan Twp Readington Twp Tewksbury Twp Union Twp
	Morris	Chester Twp Harding Twp Long Hill Twp Mendham Boro Mendham Twp Washington Twp
	Somerset	Bernards Twp Branchburg Twp Bridgewater Twp Franklin Twp Hillsborough Twp Manville Boro Montgomery Twp Peapack-Gladstone Boro Somerville Boro Warren Twp
(18) TRAILS		5,000,000
	<i>Appalachian Trail Easements</i>	
	Passaic	West Milford Twp
	<i>Capitol to the Coast</i>	
	Mercer	Hamilton Twp Trenton City Washington Twp West Windsor Twp
	Monmouth	Freehold Twp Howell Twp Manasquan Boro Millstone Twp Roosevelt Boro Spring Lake Boro Spring Lake Heights Boro Upper Freehold Twp
	Ocean	Wall Twp Jackson Twp
	<i>Rails to Trails</i>	
	Burlington	Burlington City Burlington Twp Chesterfield Twp Mansfield Twp

		North Hanover Twp	
		Pemberton Boro	
		Pemberton Twp	
		Southampton Twp	
		Springfield Twp	
		Westampton Twp	
		Willingboro Twp	
	Mercer	East Windsor Twp	
		Hightstown Boro	
		Washington Twp	
	Ocean	West Windsor Twp	
	Warren	Plumsted Twp	
		Allamuchy Twp	
		Franklin Twp	
		Independence Twp	
		Washington Twp	
		White Twp	
	<i>Warren County Trail</i>		
	Warren	Franklin Twp	
		Harmony Twp	
		Lopatcong Twp	
		Oxford Twp	
		Phillipsburg Town	
		Washington Twp	
	(19) WATERSHED LANDS/ RESERVOIRS		5,000,000
	Hunterdon	Bethlehem Twp	
		Clinton Town	
		Clinton Twp	
		Glen Gardner Boro	
		High Bridge Boro	
		Lebanon Twp	
		Readington Twp	
		Union Twp	
	Monmouth	Howell Twp	
	Morris	Jefferson Twp	
		Kinnelon Boro	
		Rockaway Twp	
	Passaic	Bloomington Boro	
		Ringwood Boro	
		Wanaque Boro	
		West Milford Twp	
	TOTAL		\$58,000,000

b. Any transfer of any funds, or change in project site, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any State project that previously received funding appropriated or reappropri-

ated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes shall be eligible to receive additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor.

d. There is reappropriated to the Department of Environmental Protection the unexpended balances, due to project cancellations or cost savings, of the amounts appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for State projects to acquire lands for recreation and conservation purposes, for the purpose of providing additional funding, as determined by the Department of Environmental Protection, to any State project that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

e. For the purposes of this section, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, and P.L.1989, c.183.

2. This act shall take effect July 1, 2001 or on the date of enactment, whichever is later.

Approved July 26, 2001.

CHAPTER 175

AN ACT appropriating moneys from the "Garden State Green Acres Preservation Trust Fund" to provide grants to assist qualifying tax exempt nonprofit organizations to acquire or develop lands for recreation and conservation purposes.

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

1. a. (1) There is appropriated from the "Garden State Green Acres Preservation Trust Fund," established pursuant to section 19 of P.L.1999, c.152 (C.13:8C-19), to the Department of Environmental Protection the sum of \$11,300,000 for the purpose of providing grants to assist qualifying tax exempt nonprofit organizations to acquire lands for recreation and

conservation purposes. The following projects are eligible for funding with the moneys appropriated pursuant to this paragraph:

Nonprofit Organization	Project	County	Municipality	Approved Amount
(a) Boy Scouts Monmouth Council	Quail Hill Addition	Monmouth	Manalapan Twp	\$500,000
(b) Delaware and Raritan Greenway, Inc.	Central Stony Brook Greenway Delaware River Tributaries Acq	Mercer	Hopewell Twp	1,400,000
		Middlesex	Cranbury Twp	
		Mercer	Hamilton Twp	
			Hopewell Twp	
			Lawrence Twp	
			West Windsor Twp	
	Griggstown Canal	Somerset	Franklin Twp	
	Sourlands Mountain Acq	Hunterdon	Rocky Hill Boro	
			East Amwell Twp	
		Mercer Somerset	West Amwell Twp	
	Stony Brook Greenway Acq	Hunterdon	Hopewell Twp	
			Hillsborough Twp	
			Montgomery Twp	
		Mercer	East Amwell Twp	
			Hopewell Twp	
			Lawrence Twp	
			Princeton Twp	
	Upper Millstone Greenway	Middlesex	Cranbury Twp	
(c) Edison Wetlands Association	Triple C Ranch and Nature Center	Middlesex	Plainsboro Twp Edison Twp	500,000
(d) Friends of Hopewell Open Space	Hopewell Valley Park Acq	Mercer	Hopewell Boro Hopewell Twp	500,000
(e) Great Swamp Watershed Assoc.	Jockey Hollow Acq	Morris	Morris Twp	500,000
(f) Hunterdon Land Trust Alliance	Musconetcong Highlands Acq	Hunterdon	Bethlehem Twp Glen Gardner Boro Lebanon Twp	500,000
(g) Kenilworth Historical Society	Historic Nitschke House	Union	Kenilworth Boro	150,000

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(h) Monmouth Conservation Foundation	Open Space Plans 4	Monmouth	All Municipalities	500,000
(i) Morris Land Conservancy	Open Space Plans	Morris	Hanover Twp Kinnelon Boro Montville Twp Mount Olive Twp Rockaway Twp Roxbury Twp	500,000
(j) New Jersey Conservation Foundation				1,400,000
	Arcadia Lake Acq	Passaic	West Milford Twp	
	Arthur Kill Greenways Acq	Middlesex	Edison Twp	
		Union	Linden City Springfield Twp Union Twp	
	Burden Hill Forest Protection Initiative	Cumberland	Stow Creek Twp	
		Salem	Alloway Twp Lower Alloways Creek Twp Quinton Twp	
	Forked River Mountain Add Highlands Preservation Acq	Ocean	Lacey Twp	
	Pequannock Watershed Inholdings	Passaic	West Milford Twp	
	Wickecheoke Creek Acq	Passaic	West Milford Twp	
		Hunterdon	Delaware Twp	
(k) Ridge and Valley Conservancy	Open Space Plan	Warren	Allamuchy Twp Blairstown Twp Frelinghuysen Twp Hardwick Twp Hope Twp Knowlton Twp Mansfield Twp White Twp	500,000
(l) Schiff Natural Lands Trust, Inc	Schiff - Mount Paul Greenway	Morris	Chester Twp Mendham Boro Mendham Twp	500,000
(m) South Branch Watershed Assoc.	Springside Woodlands	Hunterdon	Clinton Twp	500,000

(n) South Jersey Land Trust	Raccoon & Oldmans Creek Watersheds	Gloucester	Elk Twp Glassboro Boro Harrison Twp Logan Twp South Harrison Twp Swedesboro Boro Woolwich Twp Salem Carneys Point Twp Pilesgrove Twp Upper Pittsgrove Twp	500,000
(o) The Nature Conservancy	Cape May Project Area	Cape May	Cape May City Cape May Point Boro Dennis Twp Lower Twp Middle Twp West Cape May Boro Maurice River Twp Cumberland Commercial Twp Downe Twp Fairfield Twp Lawrence Twp Maurice River Twp Millville City Wayne Twp	1,400,000
	Delaware Bay Greenway	Cumberland Cumberland		
	High Mt. Project Area Limestone Forest Acq	Passaic Warren		
(p) Trust For Public Land	Balanced Communities Acq Balanced Communities Acq	Atlantic Camden	Egg Harbor Twp Galloway Twp Hamilton Twp Berlin Boro Cherry Hill Twp Clementon Boro Gloucester Twp Haddon Twp Lindenwold Boro Voorhees Twp Freehold Twp	1,400,000
	Century Plan Acquisition	Monmouth Ocean	Berkeley Twp Jackson Twp Stafford Twp	
	Delaware River Inland	Burlington	Mansfield Twp Mount Laurel Twp	

	Hunterdon Co. Open Space Partnership	Hunterdon	Springfield Twp Alexandria Twp Bethlehem Twp Califon Boro Clinton Town Clinton Twp Glen Gardner Boro Hampton Boro High Bridge Boro Holland Twp Lebanon Boro Lebanon Twp Tewksbury Twp Union Twp Washington Twp	
	Long Valley Open Space Acq	Morris		
	Morris Open Space Acq	Morris	Mount Olive Twp Rockaway Twp Roxbury Twp	
	Wanaque Gap	Bergen Passaic	Mahwah Twp Ringwood Boro	
(q) Washington Twp Land Trust	Schooley's Mountain Corridor	Morris	Washington Twp	50,000
TOTAL				\$11,300,000

(2) There is appropriated from the Garden State Green Acres Preservation Trust Fund to the Department of Environmental Protection the sum of \$700,000 to provide grants to assist qualifying tax exempt nonprofit organizations to develop lands for recreation and conservation purposes. The following project is eligible for funding with the moneys appropriated pursuant to this paragraph:

Nonprofit Organization	Project	County	Municipality	Approved Amount
Cooper's Ferry Development Assoc.	Camden Waterfront Promenade Development	Camden	Camden City	\$700,000
TOTAL				\$700,000

(3) Any transfer of any funds, or change in project sponsor, site, or type, listed in this subsection shall require the approval of the Joint Budget Oversight Committee or its successor.

b. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any

project of a qualifying tax exempt nonprofit organization that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes shall be eligible to receive additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor.

c. There is reappropriated to the Department of Environmental Protection the unexpended balances, due to project withdrawals, cancellations, or cost savings, of the amounts appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund to assist qualifying tax exempt nonprofit organizations to acquire or develop lands for recreation and conservation purposes, for the purpose of providing additional funding, as determined by the Department of Environmental Protection, to any project of a qualifying tax exempt nonprofit organization that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

d. For the purposes of this section, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, and P.L.1989, c.183.

2. This act shall take effect July 1, 2001 or on the date of enactment, whichever is later.

Approved July 26, 2001.

CHAPTER 176

AN ACT concerning the acquisition of lands for recreation and conservation purposes by the State and by certain qualifying tax exempt nonprofit organizations, supplementing P.L.2001, c.174 and P.L.2001, c.175, and making an appropriation.

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

1. a. The following locations are added to the locations for the project listed in paragraph (6) of subsection a. of section 1 of P.L.2001, c.174:

<i>Delaware River Bluffs</i>	
Sussex	Montague Twp

b. The following locations are added to the locations for the project listed in paragraph (8) of subsection a. of section 1 of P.L.2001, c.174:

Sussex	Sparta Twp
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c. The following locations are added to the locations for the project listed in paragraph (9) of subsection a. of section 1 of P.L.2001, c.174:

<i>Waterloo Village</i>	
Sussex	Byram Twp Stanhope Boro

d. The following locations are added to the locations for the project listed in paragraph (11) of subsection a. of section 1 of P.L.2001, c.174:

Sussex	Byram Twp Green Twp Hopatcong Boro Stanhope Boro
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e. The following locations are added to the locations for the project listed in paragraph (12) of subsection a. of section 1 of P.L.2001, c.174:

<i>Ogdensburg Fen</i>	
Sussex	Ogdensburg Boro

<i>Wetlands Habitat/Bog Turtle</i>	
Sussex	Frankford Twp Wantage Twp

f. The following locations are added to the locations for the project listed in paragraph (13) of subsection a. of section 1 of P.L.2001, c.174:

<i>Youth Camps</i>	
Sussex	Byram Twp Hampton Twp Sandyston Twp Sparta Twp Stillwater Twp Vernon Twp Wantage Twp

g. The following locations are added to the locations for the project listed in paragraph (14) of subsection a. of section 1 of P.L.2001, c.174:

Sussex	Branchville Boro Fredon Twp Hampton Twp Lafayette Twp Sparta Twp Stillwater Twp
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h. The following locations are added to the locations for the project listed in paragraph (15) of subsection a. of section 1 of P.L.2001, c.174:

Sussex	Andover Boro Andover Twp Fredon Twp Green Twp
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i. The following locations are added to the locations for the project listed in paragraph (18) of subsection a. of section 1 of P.L.2001, c.174:

<i>Appalachian Trail Easements</i>	
Sussex	Vernon Twp

<i>Rails to Trails</i>	
Sussex	Andover Boro Andover Twp Franklin Boro Green Twp Hamburg Boro Newton Town Ogdensburg Boro Sparta Twp Sussex Boro Vernon Twp

j. The following locations are added to the locations for the project listed in paragraph (19) of subsection a. of section 1 of P.L.2001, c.174:

Sussex	Vernon Twp
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2. a. There is appropriated from the "Garden State Green Acres Preservation Trust Fund," established pursuant to section 19 of P.L.1999, c.152 (C.13:8C-19), to the Department of Environmental Protection the sum of \$2,000,000 for the acquisition of lands by the State for recreation and conservation purposes. This sum shall be allocated as follows:

Project	County	Municipality	Amount
STOKES/HIGH POINT ADDITIONS			2,000,000
	Sussex	Frankford Twp Hampton Twp Montague Twp Sandyston Twp Wantage Twp	

b. Any transfer of any funds, or change in project site, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any State project that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes shall be eligible to receive additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor.

d. For the purposes of this section, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, and P.L.1989, c.183.

3. a. The following projects or locations of projects are added to the projects or locations of projects listed in subparagraph (k) of paragraph (1) of subsection a. of section 1 of P.L.2001, c.175:

Sussex	Andover Boro Andover Twp Frankford Twp Fredon Twp Green Twp Hampton Twp Lafayette Twp Sandyston Twp Stillwater Twp Wantage Twp
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b. The following projects or locations of projects are added to the projects or locations of projects listed in subparagraph (o) of paragraph (1) of subsection a. of section 1 of P.L.2001, c.175:

Limestone Forest Acq	Sussex	Andover Boro Andover Twp Fredon Twp Green Twp
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Hampton Twp
Lafayette Twp
Newton Town
Stillwater Twp

c. The following projects or locations of projects are added to the projects or locations of projects listed in subparagraph (p) of paragraph (1) of subsection a. of section 1 of P.L.2001, c.175:

Sparta Open Space	Sussex	Sparta Twp
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4. This act shall take effect July 1, 2001 or on the date of enactment, whichever is later, except that section 1 of this act shall take effect upon the effective date of P.L.2001, c.174 and section 3 of this act shall take effect upon the effective date of P.L.2001, c.175.

Approved July 26, 2001.

CHAPTER 177

AN ACT allowing certain victims of stalking to register to vote without disclosing a street address and amending the title and body of P.L.1994, c.148.

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

1. The title of P.L.1994, c.148 is amended to read as follows:

Title amended.

AN ACT allowing certain victims of crime to register to vote without disclosing a street address and supplementing chapter 31 of Title 19 of the Revised Statutes.

2. Section 1 of P.L.1994, c.148 (C.19:31-3.2) is amended to read as follows:

C.19:31-3.2 Voter registration; nondisclosure of street address for domestic violence, stalking victims.

1. a. A person who is (1) a victim of domestic violence who has obtained a permanent restraining order against a defendant pursuant to section 13 of the "Prevention of Domestic Violence Act of 1991," P.L.1991,

c.261 (C.2C:25-29) and fears further violent acts by the defendant, or (2) a victim of stalking, or member of the immediate family of such a victim as defined by paragraph (3) of subsection a. of section 1 of P.L.1992, c.209 (C.2C:12-10), who is protected under the terms of a permanent restraining order issued pursuant to section 3 of P.L.1996, c.39 (C.2C:12-10.1) and who fears death or bodily injury from the defendant against whom that order was issued, shall be allowed to register to vote without disclosing the person's street address. Such a person shall leave the space for a street address on the original permanent registration form blank and shall, instead, attach to the form a copy of the permanent restraining order and a note which indicates that the person fears future violent acts by the defendant and which contains a mailing address, post office box or other contact point where mail can be received by the person. Upon receipt of the person's voter registration form, the commissioner of registration in all counties having a superintendent of elections, and the county board of elections in all other counties, shall provide the person with a map of the municipality in which the person resides which shows the various voting districts. The person shall indicate to the commissioner or board, as appropriate, the voting district in which the person resides and shall be permitted to vote at the polling place for that district. If such a person thereafter changes residences, the person shall so inform the commissioner or board by completing a new permanent registration form in the manner described above.

b. Any person who makes public any information which has been provided by a victim of domestic violence, or by a victim of stalking or the family member of such a victim, pursuant to subsection a. of this section concerning the mailing address, post office box or other contact point of the victim or family member or the election district in which the victim or family member resides is guilty of a crime of the fourth degree.

3. This act shall take effect immediately.

Approved July 26, 2001.

CHAPTER 178

AN ACT concerning school board members and employees, amending N.J.S.18A:12-20, N.J.S.18A:16-6, and N.J.S.18A:16-6.1 and amending and supplementing P.L.1991, c.393.

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

1. N.J.S.18A:12-20 is amended to read as follows:

Indemnity of members of boards of education against cost of defense.

18A:12-20. Whenever a civil, administrative, criminal or quasi-criminal action or other legal proceeding has been or shall be brought against any person for any act or omission arising out of and in the course of the performance of his duties as a member of a board of education, and in the case of a criminal or quasi-criminal action such action results in final disposition in favor of such person, the board of education shall defray all costs of defending such action, including reasonable counsel fees and expenses, together with costs of appeal, if any, and shall save harmless and protect such person from any financial loss resulting therefrom. Indemnification for exemplary or punitive damages shall not be mandated and shall be governed by the standards and procedures set forth in N.J.S.59:10-4. Any board of education may arrange for and maintain appropriate insurance to cover all such damages, losses and expenses.

2. N.J.S.18A:16-6 is amended to read as follows:

Indemnity of officers and employees against action, proceeding; exceptions.

18A:16-6. Whenever any civil or administrative action or other legal proceeding has been or shall be brought against any person holding any office, position or employment under the jurisdiction of any board of education, including any student teacher or person assigned to other professional pre-teaching field experience, for any act or omission arising out of and in the course of the performance of the duties of such office, position, employment or student teaching or other assignment to professional field experience, the board shall defray all costs of defending such action, including reasonable counsel fees and expenses, together with costs of appeal, if any, and shall save harmless and protect such person from any financial loss resulting therefrom; provided that

- a. no employee shall be entitled to be held harmless or have his defense costs defrayed in a disciplinary proceeding instituted against him by the board or when the employee is appealing an action taken by the board; and

- b. indemnification for exemplary or punitive damages shall not be mandated and shall be governed by the standards and procedures set forth in N.J.S.59:10-4.

Any board of education may arrange for and maintain appropriate insurance to cover all such damages, losses and expenses.

3. N.J.S.18A:16-6.1 is amended to read as follows:

Indemnity of officers and employees in certain criminal, quasi-criminal actions.

18A:16-6.1. Should any criminal or quasi-criminal action be instituted against any such person for any such act or omission and should such proceeding be dismissed or result in a final disposition in favor of such person, the board of education shall reimburse him for the cost of defending such proceeding, including reasonable counsel fees and expenses of the original hearing or trial and all appeals. No employee shall be entitled to be held harmless or have his defense costs defrayed as a result of a criminal or quasi-criminal complaint filed against the employee by or on behalf of the board of education.

Any board of education may arrange for and maintain appropriate insurance to cover all such damages, losses and expenses.

4. Section 9 of P.L.1991, c.393 (C.18A:12-29) is amended to read as follows:

C.18A:12-29 Complaint procedures.

9. a. Any person, including a member of the commission, may file a complaint alleging a violation of the provisions of this act or the Code of Ethics for School Board Members as set forth in section 5 of P.L.2001, c.178 (C.18A:12-24.1), by submitting it, on a form prescribed by the commission, to the commission. No complaint shall be accepted by the commission unless it has been signed under oath by the complainant. If a member of the commission submits the complaint, the member shall not participate in any subsequent proceedings on that complaint in the capacity of a commission member. If a commission member serves on the school board of, or is employed by, the school district which employs or on whose board the school official named in the complaint serves, the commission member shall not participate in any subsequent proceedings on that complaint.

b. Upon receipt of a complaint, the commission shall serve a copy of the complaint on each school official named therein and shall provide each named school official with the opportunity to submit a written statement under oath. The commission shall thereafter decide by majority vote whether probable cause exists to credit the allegations in the complaint. If the commission decides that probable cause does not exist, it shall dismiss the complaint and shall so notify the complainant and any school official named in the complaint. The dismissal shall constitute final agency action. If the commission determines that probable cause exists, it shall refer the matter to the Office of Administrative Law for a hearing to be conducted in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), and shall so notify the complainant and each school official named in the complaint.

In making a determination regarding an alleged violation of the Code of Ethics for School Board Members, the burden of proof shall be on the accusing party to establish factually a violation of the code. A decision regarding a complaint alleging violations of the code shall be rendered by the commission within 90 days of the receipt of the complaint by the commission.

c. Upon completion of the hearing, the commission, by majority vote, shall determine whether the conduct complained of constitutes a violation of this act, or in the case of a board member, this act or the code of ethics, or whether the complaint should be dismissed. If a violation is found, the commission shall, by majority vote, recommend to the commissioner the reprimand, censure, suspension, or removal of the school official found to have violated this act, or in the case of a board member, this act or the code of ethics. The commission shall state in writing its findings of fact and conclusions of law. The commissioner shall then act on the commission's recommendation regarding the sanction.

d. Any appeal of the commission's determination regarding a violation of this act, or in the case of a board member, this act or the code of ethics, and of the commissioner's decision regarding the sanction shall be to the State Board of Education in accordance with Title 18A of the New Jersey Statutes.

e. If prior to the hearing the commission determines, by majority vote, that the complaint is frivolous, the commission may impose on the complainant a fine not to exceed \$500. The standard for determining whether a complaint is frivolous shall be the same as that provided in subsection b. of section 1 of P.L.1988, c.46 (C.2A:15-59.1).

f. Notwithstanding the provisions of subsections c. and d. of this section, the commission shall be authorized to determine and impose the appropriate sanction including reprimand, censure, suspension or removal of any school official found to have violated this act who is an officer or employee of the New Jersey School Boards Association. Any action of the commission regarding a violation of P.L.1991, c.393 (C.18A:12-21 et seq.) or the sanction to be imposed in the event that the school official involved is an officer or employee of the New Jersey School Boards Association shall be considered final agency action and an appeal of that action shall be directly to the Appellate Division of the Superior Court.

C.18A:12-24.1 Code of Ethics for School Board Members.

5. A school board member shall abide by the following Code of Ethics for School Board Members:

- a. I will uphold and enforce all laws, rules and regulations of the State Board of Education, and court orders pertaining to schools. Desired changes shall be brought about only through legal and ethical procedures.
 - b. I will make decisions in terms of the educational welfare of children and will seek to develop and maintain public schools that meet the individual needs of all children regardless of their ability, race, creed, sex, or social standing.
 - c. I will confine my board action to policy making, planning, and appraisal, and I will help to frame policies and plans only after the board has consulted those who will be affected by them.
 - d. I will carry out my responsibility, not to administer the schools, but, together with my fellow board members, to see that they are well run.
 - e. I will recognize that authority rests with the board of education and will make no personal promises nor take any private action that may compromise the board.
 - f. I will refuse to surrender my independent judgment to special interest or partisan political groups or to use the schools for personal gain or for the gain of friends.
 - g. I will hold confidential all matters pertaining to the schools which, if disclosed, would needlessly injure individuals or the schools. In all other matters, I will provide accurate information and, in concert with my fellow board members, interpret to the staff the aspirations of the community for its school.
 - h. I will vote to appoint the best qualified personnel available after consideration of the recommendation of the chief administrative officer.
 - i. I will support and protect school personnel in proper performance of their duties.
 - j. I will refer all complaints to the chief administrative officer and will act on the complaints at public meetings only after failure of an administrative solution.
6. This act shall take effect immediately and shall also apply to any claim for reimbursement, defrayal or indemnity made in writing to a board in the two years preceding the effective date.

Approved July 26, 2001.

CHAPTER 179

AN ACT concerning municipal regulation of contaminated site remediation and supplementing Title 40 of the Revised Statutes.

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

C.40:48-2.57 Municipal remediation ordinances, inapplicability to sites under DEP oversight.

1. No ordinance governing the investigation or cleanup of historic pesticide contamination adopted by the governing body of a municipality shall apply to any property for which any person is conducting actions related to historic pesticide contamination under the oversight of the Department of Environmental Protection, provided that such person, as a condition of any development approval by the municipality, obtains a full site no further action letter from the department.

2. This act shall take effect immediately.

Approved July 26, 2001.

CHAPTER 180

AN ACT appropriating moneys from the "Garden State Green Acres Preservation Trust Fund," and appropriating and reappropriating certain other moneys, to assist local government units to develop lands for recreation and conservation purposes.

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

1. There is appropriated to the Department of Environmental Protection from the "Garden State Green Acres Preservation Trust Fund," established pursuant to section 19 of P.L.1999, c.152 (C.13:8C-19), the sum of \$10,000,000 to provide grants or loans, or both, to assist local government units to develop lands for recreation and conservation purposes, for projects approved as eligible for such funding pursuant to section 3 or section 4 of this act.

2. a. There is reappropriated to the Department of Environmental Protection the unexpended balances, due to project withdrawals, cancellations, or cost savings, of the amounts appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund to assist local government units to acquire or develop lands for recreation and conservation purposes, for the purposes of providing:

(1) grants or loans, or both, to assist local government units to develop lands for recreation and conservation purposes, for projects approved as eligible for such funding pursuant to section 3 or section 4 of this act; and

(2) additional funding, as determined by the Department of Environmental Protection, to any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes or that receives funding approved pursuant to section 3 or section 4 of this act, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

b. There is appropriated to the Department of Environmental Protection such sums as may be, or may become available, on or before June 30, 2002, due to interest earnings or loan repayments in any "Green Trust Fund" established pursuant to a Green Acres bond act, for the purpose of providing:

(1) grants or loans, or both, to assist local government units to develop lands for recreation and conservation purposes, for projects approved as eligible for such funding pursuant to section 3 or section 4 of this act; and

(2) additional funding, as determined by the Department of Environmental Protection, to any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes or that receives funding approved pursuant to section 3 or section 4 of this act, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

c. For the purposes of this section, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

3. a. The following projects to develop lands for recreation and conservation purposes located in municipalities eligible to receive State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.) are eligible for funding with moneys appropriated or reappropriated pursuant to sections 1 and 2 of this act:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Camden City	Camden	Camden Multi Parks	\$ 500,000

Camden County	Camden	Camden Multi Parks	500,000
Gloucester City	Camden	Gloucester Point Riverfront	500,000
Gloucester Twp	Camden	Hickstown Road Dev	500,000
Bridgeton City	Cumberland	Cohansey Riverfront Ph.3	240,000
Millville City	Cumberland	Ware Avenue Public Marina Facility	500,000
Vineland City	Cumberland	Maple Ave: Multi-Use Recreation Area	500,000
Bloomfield Twp	Essex	Halcyon Park Redevelopment	210,000
Essex County	Essex	Multi-Parks Improvements	500,000
Irvington Twp	Essex	Township Playground Improvements	500,000
Montclair Twp	Essex	Multi-Park Improvements	500,000
Glassboro Boro	Gloucester	Multi-Park Improvements	500,000
Hudson County	Hudson	Multi-Park Sports Areas	500,000
Union City	Hudson	17th St. Playground Improvements	500,000
Trenton City	Mercer	Agabiti Square Renovation	500,000
Asbury Park City	Monmouth	Boardwalk Restoration	500,000
Paterson City	Passaic	Haines Park Riverwalk Ext.	500,000
Penns Grove Boro	Salem	Riverwalk Development	500,000
TOTAL			\$ 8,450,000

b. Any transfer of funds, or change in project sponsor, site, or type, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes, or that receives funding approved

pursuant to section 4 of this act, shall be eligible to receive additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

For the purposes of this subsection, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

4. a. The following projects to develop lands for recreation and conservation purposes are eligible for funding with moneys appropriated or reappropriated pursuant to sections 1 and 2 of this act:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Margate City	Atlantic	Amherst Ave. Waterfront Park III	\$ 150,000
Hainesport Twp	Burlington	Recreational Complex	500,000
Waterford Twp	Camden	Burnt Mill Road Dev	500,000
Wildwood City	Cape May	Multi Park Improvement - Phase II	189,000
Bloomsbury Boro	Hunterdon	Church Street Park Dev	250,000
East Amwell Twp	Hunterdon	Marion F. Clawson Memorial Park	500,000
Sayreville Boro	Middlesex	River Road Waterfront Park	500,000
Matawan Boro	Monmouth	Gravelly Brook Park Dev	500,000
Island Heights Boro	Ocean	Waterfront Beautification Proj.	300,000
Franklin Twp	Somerset	Williams Park	500,000
Wantage Twp	Sussex	Wantage-Woodbourne Park III	450,000
TOTAL			\$ 4,339,000

b. Any transfer of funds, or change in project sponsor, site, or type, listed in subsection a. of this section shall require the approval of the Joint Budget Oversight Committee or its successor.

c. To the extent that moneys remain available after the projects listed in subsection a. of this section are offered funding pursuant thereto, any project of a local government unit that previously received funding appropriated or reappropriated from any Green Acres bond act, any annual appropriations act, or the Garden State Green Acres Preservation Trust Fund for recreation and conservation purposes, or that receives funding approved pursuant to section 3 of this act, shall be eligible to receive additional funding, as determined by the Department of Environmental Protection, subject to the approval of the Joint Budget Oversight Committee or its successor. Any such additional funding provided from a Green Acres bond act may include administrative costs.

For the purposes of this subsection, "Green Acres bond act" means P.L.1995, c.204, P.L.1992, c.88, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

5. This act shall take effect July 1, 2001 or on the date of enactment, whichever is later.

Approved July 26, 2001.

CHAPTER 181

AN ACT appropriating \$26,500,000 from the "Garden State Farmland Preservation Trust Fund" for farmland preservation projects in northern New Jersey.

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

1. a. There is appropriated from the "Garden State Farmland Preservation Trust Fund," established pursuant to section 20 of P.L.1999, c.152 (C.13:8C-20), to the State Agriculture Development Committee the sum of \$26,500,000 for the purpose of providing grants to counties and municipalities for up to 80% of the cost of acquisition of development easements on farmland, provided that any funds received for the transfer of a development easement shall be dedicated to the future purchase of development easements, for projects approved as eligible for such funding pursuant to subsection b. of this section. The total expenditure by the State Agriculture Development Committee from the list of eligible projects in subsection b. of this section totaling \$30,075,000 shall not exceed \$26,500,000.

b. The following projects are eligible for funding with the monies appropriated pursuant to subsection a. of this section:

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Project (Farm)	County	Municipality	Acres (+/-)	Amount of Grant Not to Exceed
Estate of F.L. Wehran, Sr.	Bergen	Mahwah Twp	218	\$3,050,000
Alexandria Twp/ Lyness	Hunterdon	Alexandria Twp	106	425,000
Alexandria Twp/ Swift	Hunterdon	Alexandria Twp	93	450,000
Kelly, R. & E.	Hunterdon	Alexandria Twp	16	75,000
Foley, E.	Hunterdon	Delaware Twp	217	1,125,000
Schenck, R. & M.	Hunterdon	Delaware Twp	63	325,000
Hunterdon County /Kanach	Hunterdon	East Amwell Twp	106	550,000
Nielsen K. & Galloway, P.	Hunterdon	East Amwell Twp	88	450,000
Russell, N.	Hunterdon	East Amwell Twp	97	525,000
Volk, L.	Hunterdon	Franklin Twp	177	700,000
Chawat, S.	Hunterdon	Raritan Twp	110	400,000
Raritan Twp/Adda	Hunterdon	Raritan Twp	104	675,000
Raritan Twp/Everitt	Hunterdon	Raritan Twp	96	825,000
Raritan Twp/ Maraspin	Hunterdon	Raritan Twp	72	625,000
Zanetti, E.	Hunterdon	Raritan Twp	52	425,000
Readington Twp/ Bartles	Hunterdon	Readington Twp	75	275,000
Readington Twp/ Burjan	Hunterdon	Readington Twp	137	1,200,000
Readington Twp/ Reno	Hunterdon	Readington Twp	50	275,000
Readington Twp /Schley	Hunterdon	Readington Twp	87	600,000
Union Twp/Geiler	Hunterdon	Union Twp	57	450,000
Amwell Valley Conservancy	Hunterdon	West Amwell Twp	605	2,675,000
Cranbury Twp/ Jamieson	Middlesex	Cranbury Twp	189	1,850,000
White, D.	Middlesex	Plainsboro Twp	24	225,000
Morris County/ Wightman	Morris	Harding Twp	41	2,125,000
Morris County/Clapp	Morris	Washington Twp	61	475,000
Morris County/ Lindaberry B	Morris	Washington Twp	95	575,000
Morris County/ Lindaberry C	Morris	Washington Twp	107	750,000
Morris County/ Peppas	Morris	Washington Twp	28	150,000
Washington Twp/ Burd	Morris	Washington Twp	77	625,000
Staats, W. P.	Somerset	Bedminster Twp/ Bridgewater Twp	54	900,000

Dressler, H. & B.	Somerset	Montgomery Twp	29	225,000
Jaeger, A.	Sussex	Frankford Twp	119	200,000
Hoitsma, J. & A.	Sussex	Green Twp	75	300,000
Fairclough, A.	Sussex	Hampton Twp	66	200,000
Fairclough, J. L.	Sussex	Hampton Twp	45	125,000
Scott, E. & J.	Sussex	Lafayette Twp/ Sparta Twp	128	425,000
Ardeljan, P. & D.	Sussex	Wantage Twp	108	200,000
Brooks, H. & H.	Sussex	Wantage Twp	71	150,000
Cagno, L. & A.	Sussex	Wantage Twp	100	200,000
Steinetz, B. & J.	Sussex	Wantage Twp	159	250,000
Ulrich, A. & J.	Sussex	Wantage Twp	28	100,000
Wallerius, M.	Sussex	Wantage Twp	35	100,000
Warren County/ Bockbrader, K.	Warren	Allamuchy Twp	86	175,000
Warren County/ Bockbrader, R.	Warren	Allamuchy Twp	139	200,000
Warren County/ Handel	Warren	Blairstown Twp	98	350,000
Warren County/ Pehowski	Warren	Blairstown Twp	170	550,000
Warren County/ Arvystas	Warren	Franklin Twp	49	200,000
Natyzak, B. & H.	Warren	Frelinghuysen Twp	131	325,000
Warren County/ Oberly, C. & M.	Warren	Greenwich Twp	124	525,000
Warren County/ Nykun	Warren	Independence Twp	94	250,000
Warren County/ Flitcroft	Warren	Knowlton Twp	174	425,000
Warren County/ Munniksmas	Warren	Mansfield Twp	95	400,000
Warren County/ Horizon Associates	Warren	Pohatcong Twp	117	425,000

2. The expenditure of the sums appropriated by this act is subject to the provisions and conditions of P.L.1999, c.152 (C.13:8C-1 et seq.), and P.L.1983, c.32 (C.4:1C-11 et seq.), as appropriate.

3. This act shall take effect July 1, 2001 or on the date of enactment, whichever is later.

Approved July 26, 2001.

CHAPTER 182

AN ACT appropriating \$10,600,000 from the "Garden State Farmland Preservation Trust Fund" for farmland preservation projects in southern New Jersey.

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

1. a. There is appropriated from the "Garden State Farmland Preservation Trust Fund," established pursuant to section 20 of P.L.1999, c.152 (C.13:8C-20), to the State Agriculture Development Committee the sum of \$10,600,000 for the purpose of providing grants to counties and municipalities for up to 80% of the cost of acquisition of development easements on farmland, provided that any funds received for the transfer of a development easement shall be dedicated to the future purchase of development easements, for projects approved as eligible for such funding pursuant to subsection b. of this section. The total expenditure by the State Agriculture Development Committee from the list of eligible projects in subsection b. of this section totaling \$12,225,000 shall not exceed \$10,600,000.

b. The following projects are eligible for funding with the monies appropriated pursuant to subsection a. of this section:

Project (Farm)	County	Municipality	Acres (+/-)	Amount of Grant Not to Exceed
Burlington County/ Scattergood	Burlington	Bordentown Twp	70	\$300,000
Burlington County/ Howard	Burlington	Mansfield Twp	80	400,000
Burlington County/ Preidel	Burlington	Mansfield Twp	151	700,000
Burlington County/ Croshaw, G. & S.	Burlington	North Hanover Twp	26	125,000
Burlington County/ Croshaw, H. & J.	Burlington	North Hanover Twp	135	350,000
Burlington County/ Hancock	Burlington	Springfield Twp	102	350,000
Burlington County/ Monmouth Road Assoc., LLC	Burlington	Springfield Twp	54	200,000
Burlington County/ Shulman	Burlington	Springfield Twp	40	200,000
Burlington County/ Yang	Burlington	Springfield Twp	51	200,000
Cape May County/ Rea Farms	Cape May	West Cape May Boro	71	750,000
Cape May County/ Rea Farms	Cape May	West Cape May Boro	14	225,000
Rook, D.	Cumberland	Greenwich Twp	69	125,000
Richie, L.	Cumberland	Hopewell Twp	63	175,000
Dilks, L.	Cumberland	Stow Creek Twp	131	200,000
Estate of Geneva Kernan	Cumberland	Stow Creek Twp	72	150,000

Chiari, B.	Cumberland	Upper Deerfield Twp	15	50,000
Chiari, D.	Cumberland	Upper Deerfield Twp	36	75,000
Campregher, J.	Cumberland	Vineland City	32	175,000
Estate of Arthur Rutecki	Gloucester	Deptford Twp	44	350,000
Leone, J.	Gloucester	East Greenwich Twp	75	325,000
Simon, R.	Gloucester	East Greenwich Twp	20	100,000
Estate of Margaret Mood	Gloucester	Elk Twp	248	575,000
Colton, J. & C.	Gloucester	Franklin Twp	67	150,000
Emerson, R. & G.	Gloucester	Franklin Twp	28	75,000
Magliocco, F.	Gloucester	Franklin Twp	23	75,000
Totoro, J.	Gloucester	Franklin Twp	13	50,000
Estate of D. G. Previterra	Gloucester	Logan Twp	101	300,000
Placendo, J.	Gloucester	Newfield Boro	20	50,000
Constantino, T. & D.	Gloucester	South Harrison Twp	32	150,000
Horner, W. & S.	Gloucester	South Harrison Twp	288	800,000
McCall, W. & A.	Gloucester	South Harrison Twp	25	100,000
McCann, H.	Gloucester	South Harrison Twp	89	325,000
Duffield, D. & M.	Gloucester	Washington Twp	9	100,000
Borrie, C. & L.	Gloucester	Woolwich Twp	29	125,000
Princeton Research Lands, Inc. A	Mercer	Hopewell Twp	82	475,000
Princeton Research Lands, Inc. B	Mercer	Hopewell Twp	49	250,000
Lanwin Development Corp.	Mercer	Hopewell Twp	106	525,000
Skolnick, M. & Freeman, E.	Mercer	Hopewell Twp	64	625,000
Weidel, R. A., Jr.	Mercer	Hopewell Twp.	70	400,000
Weidel, R. A., Jr. & A.	Mercer	Hopewell Twp	44	325,000
Knapp, A. & J.	Mercer	Washington Twp	67	200,000
West Windsor Twp/Levy	Mercer	West Windsor Twp	25	250,000
Estate of Edith Carl	Monmouth	Millstone Twp	80	500,000
Tracy, R.	Ocean	Jackson Twp	16	75,000
Hammarstrom, W. & C.	Ocean	Ocean Twp	7	200,000

2. The expenditure of the sums appropriated by this act is subject to the provisions and conditions of P.L.1999, c.152 (C.13:8C-1 et seq.), and P.L.1983, c.32 (C.4:1C-11 et seq.), as appropriate.

3. This act shall take effect July 1, 2001 or on the date of enactment, whichever is later.

Approved July 26, 2001.

CHAPTER 183

AN ACT appropriating \$9,000,000 from the "Garden State Farmland Preservation Trust Fund" for farmland preservation purposes in the pinelands area.

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

1. a. There is appropriated from the "Garden State Farmland Preservation Trust Fund," established pursuant to section 20 of P.L.1999, c.152 (C.13:8C-20), to the State Agriculture Development Committee the sum of \$9,000,000 for the purpose of providing for the cost of acquisition by the committee of development easements on farmland in the pinelands area for projects approved as eligible for such funding pursuant to subsection b. of this section. The total expenditure by the State Agriculture Development Committee from the list of eligible projects in subsection b. of this section totaling \$9,500,000 shall not exceed \$9,000,000.

b. The following projects are eligible for funding with the monies appropriated pursuant to subsection a. of this section:

Project (Farm)	County	Municipality	Acres (+/-)	Amount Not to Exceed
Donato, D.	Atlantic	Buena Boro	73	\$200,000
Donato, R.	Atlantic	Buena Boro	93	300,000
Badaracco, W. & D.	Atlantic	Buena Vista	106	225,000
Macrie, P. & J.	Atlantic	Hamilton	143	250,000
Bartner, H. & G.	Atlantic	Hammonton	70	225,000
Bertino Brothers	Atlantic	Hammonton	124	300,000
Columbia Fruit Farm	Atlantic	Hammonton	456	1,400,000
Del Rossi, D.	Atlantic	Hammonton	116	275,000
Del Rossi, T. & W.	Atlantic	Hammonton	179	500,000
Glossy Fruit Farms Inc.	Atlantic	Hammonton	34	125,000
LaManna, W.	Atlantic	Hammonton	97	325,000
Macrie, P. & M.	Atlantic	Hammonton	80	300,000
Martinelli, G. & K.	Atlantic	Hammonton	26	100,000
Martinelli, J.	Atlantic	Hammonton	58	150,000
Siligato, J.	Atlantic	Hammonton	25	75,000
Trust of Frances Rizzotte	Atlantic	Hammonton	91	325,000
Bertino Brothers	Atlantic	Mullica	100	200,000
Caruso, E.	Atlantic	Mullica	63	200,000
DeMarco, A.	Atlantic	Mullica	26	75,000
Alloway, S.	Burlington	Southampton	49	150,000
Alloway, S.	Burlington	Southampton	55	200,000

Borko, V. & Downs-Borko, S.	Burlington	Southampton	148	475,000
Estate of Gulielma Riebel	Burlington	Southampton	129	225,000
Gerickont, G., J. & R.	Burlington	Southampton	140	425,000
Kirkbride, M. & E.	Burlington	Southampton	156	500,000
Kumpel, R.	Burlington	Southampton	72	275,000
Reid, J.	Burlington	Southampton	68	250,000
Scott, M.	Burlington	Southampton	135	425,000
Curcio, A.	Camden	Winslow	129	375,000
DiMeglio Enterprises, LLC	Camden	Winslow	90	300,000
Graiff, D.	Gloucester	Franklin	109	250,000
Peterson, R. & C.	Gloucester	Franklin	29	100,000

2. The expenditure of the sums appropriated by this act is subject to the provisions and conditions of P.L.1999, c.152 (C.13:8C-1 et seq.), and P.L.1983, c.32 (C.4:1C-11 et seq.), as appropriate.

3. This act shall take effect July 1, 2001 or on the date of enactment, whichever is later.

Approved July 26, 2001.

CHAPTER 184

AN ACT appropriating \$12,886,000 from the "Garden State Farmland Preservation Trust Fund" for farmland preservation purposes.

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

1. a. There is appropriated from the "Garden State Farmland Preservation Trust Fund," established pursuant to section 20 of P.L.1999, c.152 (C.13:8C-20), to the State Agriculture Development Committee the sum of \$12,886,000 for the purpose of providing for the cost of acquisition by the committee of development easements on farmland for projects approved as eligible for such funding pursuant to subsection b. of this section. The total expenditure by the State Agriculture Development Committee from the list of eligible projects in subsection b. of this section totaling \$14,050,000 shall not exceed \$12,886,000.

b. The following projects are eligible for funding with the monies appropriated pursuant to subsection a. of this section:

Project (Farm)	County	Municipality	Acres (+/-)	Amount Not to Exceed
Wainwright, C. & C.	Burlington	Mansfield	114	\$750,000
Wainwright, C.	Burlington	Mansfield	113	750,000
Sheppard, A.	Cumberland	Greenwich	72	200,000
Felmev, A.	Cumberland	Hopewell	144	475,000
Estate of Arthur S. Cronce, Jr.	Hunterdon	Alexandria	120	650,000
Jelliffe, W. III	Hunterdon	Bethlehem	49	300,000
Horner, G.	Hunterdon	Delaware	81	625,000
Marion, W. & Van Doren, A.	Hunterdon	Delaware	46	375,000
Newbaker, L. & B.	Hunterdon	Delaware	18	150,000
Pyskaty, L.	Hunterdon	Delaware	75	450,000
DeSapio, A.	Hunterdon	Kingwood	80	475,000
Colts Neck Twp/ Five Points	Monmouth	Colts Neck	36	725,000
Booth, E. & D.	Monmouth	Upper Freehold	42	300,000
Cauzan, W.	Salem	Mannington	40	125,000
Harrell, E.	Salem	Upper Pittsgrove	122	325,000
Harrell, R. & N.	Salem	Upper Pittsgrove	13	75,000
Humphreys, C. & J.	Salem	Upper Pittsgrove	47	125,000
Jess, S. & D.	Salem	Upper Pittsgrove	10	50,000
Nelson, A.	Salem	Upper Pittsgrove	178	450,000
Ware, L. & J.	Salem	Upper Pittsgrove	79	200,000
Williams, R.	Salem	Upper Pittsgrove	122	225,000
Mill House Associates	Somerset/ Hunterdon	Bedminster/ Tewksbury	197	6,250,000

2. The expenditure of the sums appropriated by this act is subject to the provisions and conditions of P.L.1999, c.152 (C.13:8C-1 et seq.), and P.L.1983, c.32 (C.4:1C-11 et seq.), as appropriate.

3. This act shall take effect July 1, 2001 or on the date of enactment, whichever is later.

Approved July 26, 2001.

CHAPTER 185

AN ACT appropriating \$21,014,000 from the "Garden State Farmland Preservation Trust Fund" for farmland preservation purposes.

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

1. a. There is appropriated from the "Garden State Farmland Preservation Trust Fund," established pursuant to section 20 of P.L.1999, c.152 (C.13:8C-20), to the State Agriculture Development Committee the sum of \$18,358,851 for the purpose of providing planning incentive grants to counties and municipalities pursuant to the provisions of P.L.1999, c.180 (C.4:1C-43.1 et seq.).

b. The following projects are eligible for funding with the monies appropriated pursuant to subsection a. of this section:

Applicant	County	Municipality	Amount of Grant Not To Exceed
Burlington County	Burlington	Southampton Twp	\$1,500,000
Alexandria Twp	Hunterdon	Alexandria Twp	1,500,000
Bethlehem Twp - Charleston Road Area	Hunterdon	Bethlehem Twp	136,706
Bethlehem Twp - Musconetcong River Valley ADA	Hunterdon	Bethlehem Twp	371,812
Delaware Twp - Sandbrook Headquarters District	Hunterdon	Delaware Twp	316,130
Delaware Twp & Kingwood Twp - Covered Bridge/ Dilts Corner	Hunterdon	Delaware Twp & Kingwood Twp	426,521
Franklin Twp	Hunterdon	Franklin Twp	1,500,000
Raritan Twp - SE Project Area	Hunterdon	Raritan Twp	604,772
Raritan Twp - NW Project Area	Hunterdon	Raritan Twp	174,889
Raritan Twp - SW Project Area	Hunterdon	Raritan Twp	238,852
Readington Twp - Phase I	Hunterdon	Readington Twp	242,385
Readington Twp - Phase II	Hunterdon	Readington Twp	266,564
Tewksbury Twp - NW Area	Hunterdon	Tewksbury Twp	625,403
Tewksbury Twp - Oldwick NW Area	Hunterdon	Tewksbury Twp	149,400
Monmouth County - Howell Twp	Monmouth	Howell Twp	1,322,250
Monmouth County - Millstone Twp	Monmouth	Millstone Twp	1,500,000
Morris County - Long Valley, Washington Twp	Morris	Washington Twp	475,497

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Washington Twp - Fairmount Black River Project Area	Morris	Washington Twp	549,000
Plumsted Twp	Ocean	Plumsted Twp	288,189
Bedminster Twp	Somerset	Bedminster Twp	348,000
Franklin Twp	Somerset	Franklin Twp	1,125,000
Hillsborough Twp - South Project Area	Somerset	Hillsborough Twp	675,000
Hillsborough Twp - Mill Lane Project Area	Somerset	Hillsborough Twp	675,000
Greenwich Twp	Warren	Greenwich Twp	146,726
Harmony Twp - Stage 1	Warren	Harmony Twp	442,406
Harmony Twp - Stages 2 & 3	Warren	Harmony Twp	1,057,594
Knowlton Twp	Warren	Knowlton Twp	240,488
Pohatcong Twp - Grasslands ADA	Warren	Pohatcong Twp	334,155
Pohatcong Twp - Silver Hill ADA	Warren	Pohatcong Twp	185,938
Pohatcong Twp - Still Valley ADA	Warren	Pohatcong Twp	177,126
Pohatcong Twp - Valleys & Ridge ADA	Warren	Pohatcong Twp	525,236
Washington Twp - Phase A	Warren	Washington Twp	99,479
Washington Twp - Phase B & C	Warren	Washington Twp	138,333

2. a. There is appropriated from the "Garden State Farmland Preservation Trust Fund," established pursuant to section 20 of P.L.1999, c.152 (C.13:8C-20), to the State Agriculture Development Committee the sum of \$1,175,000 for the purpose of providing grants to qualifying tax exempt nonprofit organizations (1) for up to 50% of the cost of acquisition of development easements on farmland, or (2) for up to 50% of the cost of acquisition of fee simple titles to farmland for resale or lease with agricultural deed restrictions approved by the committee.

b. The following projects are eligible for funding with the monies appropriated pursuant to subsection a. of this section:

Applicant (Farm)	County	Municipality	Acres (+/-)	Amount of Grant Not to Exceed
Friends of Hopewell Valley Open Space (Huebner)	Mercer	Hopewell Twp	56	\$400,000
The Nature Conservancy (P.M.I.)	Sussex	Fredon Twp	127	775,000

3. There is appropriated from the "Garden State Farmland Preservation Trust Fund," established pursuant to section 20 of P.L.1999, c.152 (C.13:8C-20), to the State Agriculture Development Committee the sum of \$1,480,149 for the purpose of providing for the cost of acquisition by the committee of fee simple titles to farmland for farmland preservation purposes. Any such farmland acquired in fee simple with monies appropriated pursuant to this section shall be offered for resale or lease with agricultural deed restrictions.

4. The expenditure of the sums appropriated by this act is subject to the provisions and conditions of P.L.1999, c.152 (C.13:8C-1 et seq.), P.L.1983, c.32 (C.4:1C-11 et seq.), and P.L.1999, c.180 (C.4:1C-43.1 et seq.), as appropriate.

5. This act shall take effect July 1, 2001 or on the date of enactment, whichever is later.

Approved July 26, 2001.

CHAPTER 186

AN ACT concerning Medicaid coverage for breast and cervical cancer-related treatment services for certain persons and amending P.L.1968, c.413.

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

1. Section 3 of P.L.1968, c.413 (C.30:4D-3) is amended to read as follows:

C.30:4D-3 Definitions.

3. Definitions. As used in this act, and unless the context otherwise requires:

a. "Applicant" means any person who has made application for purposes of becoming a "qualified applicant."

b. "Commissioner" means the Commissioner of Human Services.

c. "Department" means the Department of Human Services, which is herein designated as the single State agency to administer the provisions of this act.

d. "Director" means the Director of the Division of Medical Assistance and Health Services.

e. "Division" means the Division of Medical Assistance and Health Services.

f. "Medicaid" means the New Jersey Medical Assistance and Health Services Program.

g. "Medical assistance" means payments on behalf of recipients to providers for medical care and services authorized under this act.

h. "Provider" means any person, public or private institution, agency or business concern approved by the division lawfully providing medical care, services, goods and supplies authorized under this act, holding, where applicable, a current valid license to provide such services or to dispense such goods or supplies.

i. "Qualified applicant" means a person who is a resident of this State, and either a citizen of the United States or an eligible alien, and is determined to need medical care and services as provided under this act, with respect to whom the period for which eligibility to be a recipient is determined shall be the maximum period permitted under federal law, and who:

(1) Is a dependent child or parent or caretaker relative of a dependent child who would be, except for resources, eligible for the aid to families with dependent children program under the State Plan for Title IV-A of the federal Social Security Act as of July 16, 1996;

(2) Is a recipient of Supplemental Security Income for the Aged, Blind and Disabled under Title XVI of the Social Security Act;

(3) Is an "ineligible spouse" of a recipient of Supplemental Security Income for the Aged, Blind and Disabled under Title XVI of the Social Security Act, as defined by the federal Social Security Administration;

(4) Would be eligible to receive Supplemental Security Income under Title XVI of the federal Social Security Act or, without regard to resources, would be eligible for the aid to families with dependent children program under the State Plan for Title IV-A of the federal Social Security Act as of July 16, 1996, except for failure to meet an eligibility condition or requirement imposed under such State program which is prohibited under Title XIX of the federal Social Security Act such as a durational residency requirement, relative responsibility, consent to imposition of a lien;

(5) (Deleted by amendment, P.L.2000, c.71).

(6) Is an individual under 21 years of age who, without regard to resources, would be, except for dependent child requirements, eligible for the aid to families with dependent children program under the State Plan for Title IV-A of the federal Social Security Act as of July 16, 1996, or groups of such individuals, including but not limited to, children in foster place-

ment under supervision of the Division of Youth and Family Services whose maintenance is being paid in whole or in part from public funds, children placed in a foster home or institution by a private adoption agency in New Jersey or children in intermediate care facilities, including developmental centers for the developmentally disabled, or in psychiatric hospitals;

(7) Would be eligible for the Supplemental Security Income program, but is not receiving such assistance and applies for medical assistance only;

(8) Is determined to be medically needy and meets all the eligibility requirements described below:

(a) The following individuals are eligible for services, if they are determined to be medically needy:

(i) Pregnant women;

(ii) Dependent children under the age of 21;

(iii) Individuals who are 65 years of age and older; and

(iv) Individuals who are blind or disabled pursuant to either 42 C.F.R.435.530 et seq. or 42 C.F.R.435.540 et seq., respectively.

(b) The following income standard shall be used to determine medically needy eligibility:

(i) For one person and two person households, the income standard shall be the maximum allowable under federal law, but shall not exceed 133 1/3% of the State's payment level to two person households under the aid to families with dependent children program under the State Plan for Title IV-A of the federal Social Security Act in effect as of July 16, 1996; and

(ii) For households of three or more persons, the income standard shall be set at 133 1/3% of the State's payment level to similar size households under the aid to families with dependent children program under the State Plan for Title IV-A of the federal Social Security Act in effect as of July 16, 1996.

(c) The following resource standard shall be used to determine medically needy eligibility:

(i) For one person households, the resource standard shall be 200% of the resource standard for recipients of Supplemental Security Income pursuant to 42 U.S.C. s.1382(1)(B);

(ii) For two person households, the resource standard shall be 200% of the resource standard for recipients of Supplemental Security Income pursuant to 42 U.S.C. s.1382(2)(B);

(iii) For households of three or more persons, the resource standard in subparagraph (c)(ii) above shall be increased by \$100.00 for each additional person; and

(iv) The resource standards established in (i), (ii), and (iii) are subject to federal approval and the resource standard may be lower if required by the federal Department of Health and Human Services.

(d) Individuals whose income exceeds those established in subparagraph (b) of paragraph (8) of this subsection may become medically needy by incurring medical expenses as defined in 42 C.F.R.435.831(c) which will reduce their income to the applicable medically needy income established in subparagraph (b) of paragraph (8) of this subsection.

(e) A six-month period shall be used to determine whether an individual is medically needy.

(f) Eligibility determinations for the medically needy program shall be administered as follows:

(i) County welfare agencies and other entities designated by the commissioner are responsible for determining and certifying the eligibility of pregnant women and dependent children. The division shall reimburse county welfare agencies for 100% of the reasonable costs of administration which are not reimbursed by the federal government for the first 12 months of this program's operation. Thereafter, 75% of the administrative costs incurred by county welfare agencies which are not reimbursed by the federal government shall be reimbursed by the division;

(ii) The division is responsible for certifying the eligibility of individuals who are 65 years of age and older and individuals who are blind or disabled. The division may enter into contracts with county welfare agencies to determine certain aspects of eligibility. In such instances the division shall provide county welfare agencies with all information the division may have available on the individual.

The division shall notify all eligible recipients of the Pharmaceutical Assistance to the Aged and Disabled program, P.L.1975, c.194 (C.30:4D-20 et seq.) on an annual basis of the medically needy program and the program's general requirements. The division shall take all reasonable administrative actions to ensure that Pharmaceutical Assistance to the Aged and Disabled recipients, who notify the division that they may be eligible for the program, have their applications processed expeditiously, at times and locations convenient to the recipients; and

(iii) The division is responsible for certifying incurred medical expenses for all eligible persons who attempt to qualify for the program pursuant to subparagraph (d) of paragraph (8) of this subsection;

(9) (a) Is a child who is at least one year of age and under 19 years of age and, if older than six years of age but under 19 years of age, is uninsured; and

(b) Is a member of a family whose income does not exceed 133% of the poverty level and who meets the federal Medicaid eligibility requirements set forth in section 9401 of Pub.L.99-509 (42 U.S.C. s.1396a);

(10) Is a pregnant woman who is determined by a provider to be presumptively eligible for medical assistance based on criteria established

by the commissioner, pursuant to section 9407 of Pub.L.99-509 (42 U.S.C. s.1396a(a));

(11) Is an individual 65 years of age and older, or an individual who is blind or disabled pursuant to section 301 of Pub.L.92-603 (42 U.S.C. s.1382c), whose income does not exceed 100% of the poverty level, adjusted for family size, and whose resources do not exceed 100% of the resource standard used to determine medically needy eligibility pursuant to paragraph (8) of this subsection;

(12) Is a qualified disabled and working individual pursuant to section 6408 of Pub.L.101-239 (42 U.S.C. s.1396d) whose income does not exceed 200% of the poverty level and whose resources do not exceed 200% of the resource standard used to determine eligibility under the Supplemental Security Income Program, P.L.1973, c.256 (C.44:7-85 et seq.);

(13) Is a pregnant woman or is a child who is under one year of age and is a member of a family whose income does not exceed 185% of the poverty level and who meets the federal Medicaid eligibility requirements set forth in section 9401 of Pub.L.99-509 (42 U.S.C. s.1396a), except that a pregnant woman who is determined to be a qualified applicant shall, notwithstanding any change in the income of the family of which she is a member, continue to be deemed a qualified applicant until the end of the 60-day period beginning on the last day of her pregnancy;

(14) (Deleted by amendment, P.L.1997, c.272).

(15) (a) Is a specified low-income Medicare beneficiary pursuant to 42 U.S.C. s.1396a(a)10(E)iii whose resources beginning January 1, 1993 do not exceed 200% of the resource standard used to determine eligibility under the Supplemental Security Income program, P.L.1973, c.256 (C.44:7-85 et seq.) and whose income beginning January 1, 1993 does not exceed 110% of the poverty level, and beginning January 1, 1995 does not exceed 120% of the poverty level.

(b) An individual who has, within 36 months, or within 60 months in the case of funds transferred into a trust, of applying to be a qualified applicant for Medicaid services in a nursing facility or a medical institution, or for home or community-based services under section 1915(c) of the federal Social Security Act (42 U.S.C. s.1396n(c)), disposed of resources or income for less than fair market value shall be ineligible for assistance for nursing facility services, an equivalent level of services in a medical institution, or home or community-based services under section 1915(c) of the federal Social Security Act (42 U.S.C. s.1396n(c)). The period of the ineligibility shall be the number of months resulting from dividing the uncompensated value of the transferred resources or income by the average monthly private payment rate for nursing facility services in the State as determined annually by the commissioner. In the case of multiple resource

or income transfers, the resulting penalty periods shall be imposed sequentially. Application of this requirement shall be governed by 42 U.S.C. s.1396p(c). In accordance with federal law, this provision is effective for all transfers of resources or income made on or after August 11, 1993. Notwithstanding the provisions of this subsection to the contrary, the State eligibility requirements concerning resource or income transfers shall not be more restrictive than those enacted pursuant to 42 U.S.C. s.1396p(c).

(c) An individual seeking nursing facility services or home or community-based services and who has a community spouse shall be required to expend those resources which are not protected for the needs of the community spouse in accordance with section 1924(c) of the federal Social Security Act (42 U.S.C. s.1396r-5(c)) on the costs of long-term care, burial arrangements, and any other expense deemed appropriate and authorized by the commissioner. An individual shall be ineligible for Medicaid services in a nursing facility or for home or community-based services under section 1915(c) of the federal Social Security Act (42 U.S.C. s.1396n(c)) if the individual expends funds in violation of this subparagraph. The period of ineligibility shall be the number of months resulting from dividing the uncompensated value of transferred resources and income by the average monthly private payment rate for nursing facility services in the State as determined by the commissioner. The period of ineligibility shall begin with the month that the individual would otherwise be eligible for Medicaid coverage for nursing facility services or home or community-based services.

This subparagraph shall be operative only if all necessary approvals are received from the federal government including, but not limited to, approval of necessary State plan amendments and approval of any waivers;

(16) Subject to federal approval under Title XIX of the federal Social Security Act, is a dependent child, parent or specified caretaker relative of a child who is a qualified applicant, who would be eligible, without regard to resources, for the aid to families with dependent children program under the State Plan for Title IV-A of the federal Social Security Act as of July 16, 1996, except for the income eligibility requirements of that program, and whose family earned income does not exceed 133% of the poverty level plus such earned income disregards as shall be determined according to a methodology to be established by regulation of the commissioner;

(17) Is an individual from 18 through 20 years of age who is not a dependent child and would be eligible for medical assistance pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.), without regard to income or resources, who, on the individual's 18th birthday was in foster care under the care and custody of the Division of Youth and Family Services and whose maintenance was being paid in whole or in part from public funds;

(18) Is a person between the ages of 16 and 65 who is permanently disabled and working, and:

(a) whose income is at or below 250% of the poverty level, plus other established disregards;

(b) who pays the premium contribution and other cost sharing as established by the commissioner, subject to the limits and conditions of federal law; and

(c) whose assets, resources and unearned income do not exceed limitations as established by the commissioner; or

(19) Is an uninsured individual under 65 years of age who:

(a) has been screened for breast or cervical cancer under the federal Centers for Disease Control and Prevention breast and cervical cancer early detection program;

(b) requires treatment for breast or cervical cancer based upon criteria established by the commissioner;

(c) has an income that does not exceed the income standard established by the commissioner pursuant to federal guidelines;

(d) meets all other Medicaid eligibility requirements; and

(e) in accordance with Pub.L.106-354, is determined by a qualified entity to be presumptively eligible for medical assistance pursuant to 42 U.S.C. s.1396a(aa), based upon criteria established by the commissioner pursuant to section 1920B of the federal Social Security Act (42 U.S.C. s.1396r-1b).

j. "Recipient" means any qualified applicant receiving benefits under this act.

k. "Resident" means a person who is living in the State voluntarily with the intention of making his home here and not for a temporary purpose. Temporary absences from the State, with subsequent returns to the State or intent to return when the purposes of the absences have been accomplished, do not interrupt continuity of residence.

l. "State Medicaid Commission" means the Governor, the Commissioner of Human Services, the President of the Senate and the Speaker of the General Assembly, hereby constituted a commission to approve and direct the means and method for the payment of claims pursuant to this act.

m. "Third party" means any person, institution, corporation, insurance company, group health plan as defined in section 607(1) of the federal "Employee Retirement and Income Security Act of 1974," 29 U.S.C. s.1167(1), service benefit plan, health maintenance organization, or other prepaid health plan, or public, private or governmental entity who is or may be liable in contract, tort, or otherwise by law or equity to pay all or part of the medical cost of injury, disease or disability of an applicant for or recipient of medical assistance payable under this act.

n. "Governmental peer grouping system" means a separate class of skilled nursing and intermediate care facilities administered by the State or county governments, established for the purpose of screening their reported costs and setting reimbursement rates under the Medicaid program that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated State or county skilled nursing and intermediate care facilities.

o. "Comprehensive maternity or pediatric care provider" means any person or public or private health care facility that is a provider and that is approved by the commissioner to provide comprehensive maternity care or comprehensive pediatric care as defined in subsection b. (18) and (19) of section 6 of P.L.1968, c.413 (C.30:4D-6).

p. "Poverty level" means the official poverty level based on family size established and adjusted under Section 673(2) of Subtitle B, the "Community Services Block Grant Act," of Pub.L.97-35 (42 U.S.C. s.9902(2)).

q. "Eligible alien" means one of the following:

(1) an alien present in the United States prior to August 22, 1996, who is:

(a) a lawful permanent resident;

(b) a refugee pursuant to section 207 of the federal "Immigration and Nationality Act" (8 U.S.C. s.1157);

(c) an asylee pursuant to section 208 of the federal "Immigration and Nationality Act" (8 U.S.C. s.1158);

(d) an alien who has had deportation withheld pursuant to section 243(h) of the federal "Immigration and Nationality Act" (8 U.S.C. s.1253 (h));

(e) an alien who has been granted parole for less than one year by the federal Immigration and Naturalization Service pursuant to section 212(d)(5) of the federal "Immigration and Nationality Act" (8 U.S.C. s.1182(d)(5));

(f) an alien granted conditional entry pursuant to section 203(a)(7) of the federal "Immigration and Nationality Act" (8 U.S.C. s.1153(a)(7)) in effect prior to April 1, 1980; or

(g) an alien who is honorably discharged from or on active duty in the United States armed forces and the alien's spouse and unmarried dependent child.

(2) An alien who entered the United States on or after August 22, 1996, who is:

(a) an alien as described in paragraph (1)(b), (c), (d) or (g) of this subsection; or

(b) an alien as described in paragraph (1)(a), (e) or (f) of this subsection who entered the United States at least five years ago.

(3) A legal alien who is a victim of domestic violence in accordance with criteria specified for eligibility for public benefits as provided in Title V of the federal "Illegal Immigration Reform and Immigrant Responsibility Act of 1996" (8 U.S.C. s.1641).

2. Section 6 of P.L.1968, c.413 (C.30:4D-6) is amended to read as follows:

C.30:4D-6 Basic medical care and services.

6. a. Subject to the requirements of Title XIX of the federal Social Security Act, the limitations imposed by this act and by the rules and regulations promulgated pursuant thereto, the department shall provide medical assistance to qualified applicants, including authorized services within each of the following classifications:

- (1) Inpatient hospital services;
- (2) Outpatient hospital services;
- (3) Other laboratory and X-ray services;
- (4) (a) Skilled nursing or intermediate care facility services;
- (b) Such early and periodic screening and diagnosis of individuals who are eligible under the program and are under age 21, to ascertain their physical or mental defects and such health care, treatment, and other measures to correct or ameliorate defects and chronic conditions discovered thereby, as may be provided in regulations of the Secretary of the federal Department of Health and Human Services and approved by the commissioner;
- (5) Physician's services furnished in the office, the patient's home, a hospital, a skilled nursing or intermediate care facility or elsewhere.

b. Subject to the limitations imposed by federal law, by this act, and by the rules and regulations promulgated pursuant thereto, the medical assistance program may be expanded to include authorized services within each of the following classifications:

- (1) Medical care not included in subsection a.(5) above, or any other type of remedial care recognized under State law, furnished by licensed practitioners within the scope of their practice, as defined by State law;
- (2) Home health care services;
- (3) Clinic services;
- (4) Dental services;
- (5) Physical therapy and related services;
- (6) Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist, whichever the individual may select;
- (7) Optometric services;

- (8) Podiatric services;
- (9) Chiropractic services;
- (10) Psychological services;
- (11) Inpatient psychiatric hospital services for individuals under 21 years of age, or under age 22 if they are receiving such services immediately before attaining age 21;
- (12) Other diagnostic, screening, preventive, and rehabilitative services, and other remedial care;
- (13) Inpatient hospital services, nursing facility services and intermediate care facility services for individuals 65 years of age or over in an institution for mental diseases;
- (14) Intermediate care facility services;
- (15) Transportation services;
- (16) Services in connection with the inpatient or outpatient treatment or care of drug abuse, when the treatment is prescribed by a physician and provided in a licensed hospital or in a narcotic and drug abuse treatment center approved by the Department of Health and Senior Services pursuant to P.L.1970, c.334 (C.26:2G-21 et seq.) and whose staff includes a medical director, and limited to those services eligible for federal financial participation under Title XIX of the federal Social Security Act;
- (17) Any other medical care and any other type of remedial care recognized under State law, specified by the Secretary of the federal Department of Health and Human Services, and approved by the commissioner;
- (18) Comprehensive maternity care, which may include: the basic number of prenatal and postpartum visits recommended by the American College of Obstetrics and Gynecology; additional prenatal and postpartum visits that are medically necessary; necessary laboratory, nutritional assessment and counseling, health education, personal counseling, managed care, outreach and follow-up services; treatment of conditions which may complicate pregnancy; and physician or certified nurse-midwife delivery services;
- (19) Comprehensive pediatric care, which may include: ambulatory, preventive and primary care health services. The preventive services shall include, at a minimum, the basic number of preventive visits recommended by the American Academy of Pediatrics;
- (20) Services provided by a hospice which is participating in the Medicare program established pursuant to Title XVIII of the Social Security Act, Pub.L.89-97 (42 U.S.C. s.1395 et seq.). Hospice services shall be provided subject to approval of the Secretary of the federal Department of Health and Human Services for federal reimbursement;

(21) Mammograms, subject to approval of the Secretary of the federal Department of Health and Human Services for federal reimbursement, including one baseline mammogram for women who are at least 35 but less than 40 years of age; one mammogram examination every two years or more frequently, if recommended by a physician, for women who are at least 40 but less than 50 years of age; and one mammogram examination every year for women age 50 and over.

c. Payments for the foregoing services, goods and supplies furnished pursuant to this act shall be made to the extent authorized by this act, the rules and regulations promulgated pursuant thereto and, where applicable, subject to the agreement of insurance provided for under this act. Said payments shall constitute payment in full to the provider on behalf of the recipient. Every provider making a claim for payment pursuant to this act shall certify in writing on the claim submitted that no additional amount will be charged to the recipient, his family, his representative or others on his behalf for the services, goods and supplies furnished pursuant to this act.

No provider whose claim for payment pursuant to this act has been denied because the services, goods or supplies were determined to be medically unnecessary shall seek reimbursement from the recipient, his family, his representative or others on his behalf for such services, goods and supplies provided pursuant to this act; provided, however, a provider may seek reimbursement from a recipient for services, goods or supplies not authorized by this act, if the recipient elected to receive the services, goods or supplies with the knowledge that they were not authorized.

d. Any individual eligible for medical assistance (including drugs) may obtain such assistance from any person qualified to perform the service or services required (including an organization which provides such services, or arranges for their availability on a prepayment basis), who undertakes to provide him such services.

No copayment or other form of cost-sharing shall be imposed on any individual eligible for medical assistance, except as mandated by federal law as a condition of federal financial participation.

e. Anything in this act to the contrary notwithstanding, no payments for medical assistance shall be made under this act with respect to care or services for any individual who:

(1) Is an inmate of a public institution (except as a patient in a medical institution); provided, however, that an individual who is otherwise eligible may continue to receive services for the month in which he becomes an inmate, should the commissioner determine to expand the scope of Medicaid eligibility to include such an individual, subject to the limitations imposed by federal law and regulations, or

(2) Has not attained 65 years of age and who is a patient in an institution for mental diseases, or

(3) Is over 21 years of age and who is receiving inpatient psychiatric hospital services in a psychiatric facility; provided, however, that an individual who was receiving such services immediately prior to attaining age 21 may continue to receive such services until he reaches age 22. Nothing in this subsection shall prohibit the commissioner from extending medical assistance to all eligible persons receiving inpatient psychiatric services; provided that there is federal financial participation available.

f. (1) A third party as defined in section 3 of P.L.1968, c.413 (C.30:4D-3) shall not consider a person's eligibility for Medicaid in this or another state when determining the person's eligibility for enrollment or the provision of benefits by that third party.

(2) In addition, any provision in a contract of insurance, health benefits plan or other health care coverage document, will, trust agreement, court order or other instrument which reduces or excludes coverage or payment for health care-related goods and services to or for an individual because of that individual's actual or potential eligibility for or receipt of Medicaid benefits shall be null and void, and no payments shall be made under this act as a result of any such provision.

(3) Notwithstanding any provision of law to the contrary, the provisions of paragraph (2) of this subsection shall not apply to a trust agreement that is established pursuant to 42 U.S.C. s.1396p(d)(4)(A) or (C) to supplement and augment assistance provided by government entities to a person who is disabled as defined in section 1614(a)(3) of the federal Social Security Act (42 U.S.C. s.1382c (a)(3)).

g. The following services shall be provided to eligible medically needy individuals as follows:

(1) Pregnant women shall be provided prenatal care and delivery services and postpartum care, including the services cited in subsection a.(1), (3) and (5) of this section and subsection b.(1)-(10), (12), (15) and (17) of this section, and nursing facility services cited in subsection b.(13) of this section.

(2) Dependent children shall be provided with services cited in subsection a.(3) and (5) of this section and subsection b.(1), (2), (3), (4), (5), (6), (7), (10), (12), (15) and (17) of this section, and nursing facility services cited in subsection b.(13) of this section.

(3) Individuals who are 65 years of age or older shall be provided with services cited in subsection a.(3) and (5) of this section and subsection b.(1)-(5), (6) excluding prescribed drugs, (7), (8), (10), (12), (15) and (17) of this section, and nursing facility services cited in subsection b.(13) of this section.

(4) Individuals who are blind or disabled shall be provided with services cited in subsection a.(3) and (5) of this section and subsection b.(1)-(5), (6) excluding prescribed drugs, (7), (8), (10), (12), (15) and (17) of this section, and nursing facility services cited in subsection b.(13) of this section.

(5) (a) Inpatient hospital services, subsection a.(1) of this section, shall only be provided to eligible medically needy individuals, other than pregnant women, if the federal Department of Health and Human Services discontinues the State's waiver to establish inpatient hospital reimbursement rates for the Medicare and Medicaid programs under the authority of section 601(c)(3) of the Social Security Act Amendments of 1983, Pub.L.98-21 (42 U.S.C. s.1395ww(c)(5)). Inpatient hospital services may be extended to other eligible medically needy individuals if the federal Department of Health and Human Services directs that these services be included.

(b) Outpatient hospital services, subsection a.(2) of this section, shall only be provided to eligible medically needy individuals if the federal Department of Health and Human Services discontinues the State's waiver to establish outpatient hospital reimbursement rates for the Medicare and Medicaid programs under the authority of section 601(c)(3) of the Social Security Act Amendments of 1983, Pub.L.98-21 (42 U.S.C. s.1395ww(c)(5)). Outpatient hospital services may be extended to all or to certain medically needy individuals if the federal Department of Health and Human Services directs that these services be included. However, the use of outpatient hospital services shall be limited to clinic services and to emergency room services for injuries and significant acute medical conditions.

(c) The division shall monitor the use of inpatient and outpatient hospital services by medically needy persons.

h. In the case of a qualified disabled and working individual pursuant to section 6408 of Pub.L.101-239 (42 U.S.C. s.1396d), the only medical assistance provided under this act shall be the payment of premiums for Medicare part A under 42 U.S.C. ss.1395i-2 and 1395r.

i. In the case of a specified low-income Medicare beneficiary pursuant to 42 U.S.C. s.1396a(a)(10)(E)iii, the only medical assistance provided under this act shall be the payment of premiums for Medicare part B under 42 U.S.C. s.1395r as provided for in 42 U.S.C. s.1396d(p)(3)(A)(ii).

j. In the case of a qualified individual pursuant to 42 U.S.C. s. 1396a(aa), the only medical assistance provided under this act shall be payment for authorized services provided during the period in which the individual requires treatment for breast or cervical cancer, in accordance with criteria established by the commissioner.

3. The Commissioner of Human Services shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate the purposes of this act; except that, notwithstanding any provision of P.L.1968, c.410 to the contrary, the commissioner may adopt, immediately upon filing with the Office of Administrative Law, such regulations as the commissioner deems necessary to implement the provisions of this act, which shall be effective for a period not to exceed six months and may thereafter be amended, adopted or readopted by the commissioner in accordance with the requirements of P.L.1968, c.410.

4. This act shall take effect immediately.

Approved July 27, 2001.

CHAPTER 187

AN ACT concerning liability for certain health care treatment decisions, supplementing Title 2A of the New Jersey Statutes and amending P.L.1973, c.337.

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

C.2A:53A-30 Short title.

1. This act shall be known and may be cited as the "Health Care Carrier Accountability Act."

C.2A:53A-31 Findings, declarations relative to liability for certain health care treatment decisions.

2. The Legislature hereby finds and declares that:

a. Health and dental carriers, in particular health maintenance organizations and other managed care entities, have become increasingly involved in health care treatment decisions, including, but not limited to, the use of financial incentives to providers and practice guidelines, in an effort to reduce health care costs;

b. As a result, many carriers have been reducing or denying medically necessary health care treatments for their insured patients;

c. Since the carriers are in many instances making medical decisions when they deny, delay, or diminish health care treatments, they should be held to the same level of legal responsibility as physicians and other health

care providers who make decisions regarding the necessity and appropriateness of medical care; and

d. It is fair and appropriate that insured patients have the opportunity to dispute carrier or organized delivery system decisions in court, as well as in internal and external appeals procedures, so that these disputes may be quickly and efficiently resolved in ways that best accommodate the needs of the insured patient.

C.2A:53A-32 Definitions relative to liability for certain health care treatment decisions.

3. As used in this act:

"Appropriate and medically necessary" means the standard for health care services as determined by health care providers in accordance with generally accepted standards of health care practice.

"Carrier" means an insurance company, health, hospital or medical service corporation, or health maintenance organization authorized to issue health benefits plans in this State or a dental service corporation or dental plan organization authorized to issue dental benefits plans in this State.

"Covered person" means a person on whose behalf a carrier or organized delivery system offering a health or dental benefits plan is obligated to pay benefits or provide services pursuant to the plan.

"Covered service" means a health care service provided to a covered person under a health or dental benefits plan for which the carrier or organized delivery system is obligated to pay benefits or provide services.

"Dental benefits plan" means a benefits plan which pays or provides dental expense benefits for covered services and is delivered or issued for delivery in this State by or through a dental carrier.

"Health benefits plan" means a benefits plan which pays or provides hospital and medical expense benefits for covered services, and is delivered or issued for delivery in this State by or through a carrier. Health benefits plan includes, but is not limited to, Medicare supplement coverage and risk contracts to the extent not otherwise prohibited by federal law. For the purposes of this act, health benefits plan shall not include the following plans, policies or contracts: accident only, credit, disability, long-term care, CHAMPUS supplement coverage, coverage arising out of a workers' compensation or similar law, automobile medical payment insurance, personal injury protection insurance issued pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.) or hospital confinement indemnity coverage.

"Health care provider" means an individual or entity which, acting within the scope of its licensure or certification, provides a covered service defined by the health or dental benefits plan. Health care provider includes, but is not limited to, a physician, dentist and other health care professionals licensed pursuant to Title 45 of the Revised Statutes, and a hospital and

other health care facilities licensed pursuant to Title 26 of the Revised Statutes.

"Health care service" means a service or product provided by a health care provider to a covered person pursuant to a health or dental benefits plan.

"Health care treatment decision" means a decision made by a health or dental benefits plan at the time health care services are provided or to be provided, which decision affects the diagnosis, care or treatment provided to a covered person.

"Organized delivery system" means an organized delivery system certified or licensed pursuant to P.L.1999, c.409 (C.17:48H-1 et seq.).

"Serious or significant harm" means death, serious and protracted or permanent impairment of a bodily function or system, loss of a body organ necessary for normal bodily function, loss of a body member, or exacerbation of a serious or life-threatening disease or condition that results in serious or significant harm or requires substantial medical treatment.

C.2A:53A-33 Liability of carrier, organized delivery system to covered persons.

4. a. Notwithstanding the provisions of any other law to the contrary, a carrier or organized delivery system shall be liable to a covered person for economic and non-economic loss that occurs as a result of the carrier's or organized delivery system's negligence with respect to the denial of or delay in approving or providing medically necessary covered services, which denial or delay is the proximate cause of the covered person's: (1) death; (2) serious and protracted or permanent impairment of a bodily function or system; (3) loss of a body organ necessary for normal bodily function; (4) loss of a body member; (5) exacerbation of a serious or life-threatening disease or condition that results in serious or significant harm or requires substantial medical treatment; (6) a physical condition resulting in chronic and significant pain; or (7) substantial physical or mental harm which resulted in further substantial medical treatment made medically necessary by the denial or delay of care.

Under the provisions of this section, a carrier or organized delivery system shall be liable for the health care treatment decisions of its employees, agents or other representatives over whom the carrier or organized delivery system has the right to exercise influence or control, or has actually exercised influence or control.

b. It shall be a defense to any action brought against a carrier or organized delivery system that:

(1) neither the carrier or organized delivery system nor any employee, agent or other representative of the carrier or organized delivery system, for whose conduct the carrier or organized delivery system is liable pursuant to

subsection a. of this section, controlled, influenced or participated in the health care treatment decision; and

(2) the carrier or organized delivery system did not deny or delay authorization for any treatment prescribed or recommended to the covered person by a health care provider.

c. The provisions of subsection a. of this section shall not be construed to:

(1) require a carrier or organized delivery system to pay benefits for or provide a health care service that is not a covered service;

(2) create any liability on the part of an employer or other entity that purchases a contract for health care services or assumes risk on behalf of its employees; or

(3) create any liability on the part of a labor/management Taft-Hartley welfare trust fund established pursuant to 29 U.S.C. s.186.

d. (1) A carrier or organized delivery system shall not include a provision in a contract with a health care provider that exempts the carrier or organized delivery system from liability for the acts or conduct of the carrier or organized delivery system. Any such provision in a contract executed or renewed after the date of enactment of this act shall be void as contrary to the public policy of this State.

(2) The provisions of subsection a. of this section shall not be waived, shifted or modified by contract or agreement and responsibility for the provisions shall be a duty that cannot be delegated. Any effort to waive, modify, delegate or shift the liability established by subsection a. of this section through a contract for indemnification or otherwise, that is executed or renewed after the date of enactment of this act, shall be void as contrary to the public policy of this State.

e. The provisions of any State law that prohibit a carrier or organized delivery system from practicing medicine or dentistry, or being licensed to practice medicine or dentistry, may not be asserted as a defense by a carrier or organized delivery system in an action brought against it pursuant to subsection a. of this section.

f. In an action brought against a carrier or organized delivery system pursuant to subsection a. of this section, a finding that a health care provider is an employee, agent or other representative of the carrier or organized delivery system shall not be based solely on proof that the provider's name appears on a list of approved health care providers made available to covered persons under a health or dental benefits plan.

C.2A:53A-34 Exhausting appeal before filing action; exception.

5. An individual who brings an action against a carrier or organized delivery system pursuant to subsection a. of section 4 of this act shall be

required to exhaust an appeal through the Independent Health Care Appeals Program created pursuant to section 11 of P.L.1997, c.192 (C.26:2S-11) before filing an action, unless serious or significant harm to the covered person has occurred or will imminently occur.

C.2A:53A-35 Use of alternative dispute resolution methods.

6. a. The court hearing the action authorized by subsection a. of section 4 of this act shall, with the plaintiff's consent, employ alternative dispute resolution methods, including, but not limited to, mediation, binding arbitration and non-binding arbitration, in order to expedite the action and accommodate the needs of the parties to the dispute.

b. If alternative dispute resolution methods are employed, the mediator or arbitrator, as the case may be, may consider whether services denied or delayed are covered services under the health or dental benefits plan.

c. Nothing in this act shall prohibit a covered person from pursuing other appropriate remedies, including injunctive relief, a declaratory judgment, or any other relief available under applicable law, if serious or significant harm to the covered person has occurred or will imminently occur.

C.2A:53A-36 Affidavit of loss as a result of denial or delay; requirements.

7. a. In any action for economic or non-economic loss to a covered person pursuant to subsection a. of section 4 of this act, the plaintiff shall, within 60 days following the date of filing of the answer to the complaint by the defendant, provide each defendant with an affidavit of a physician or other appropriate licensed natural person that there exists a reasonable probability that the loss that occurred was a result of the carrier's or organized delivery system's negligence with respect to the denial of or delay in approving or providing medically necessary covered services.

b. The court may grant no more than one additional period, not to exceed 60 days, to file the affidavit pursuant to this section, upon a finding of good cause. The person executing the affidavit shall be licensed in this or any other state and have particular expertise in the general area or specialty involved in the action, as evidenced by board certification or by devotion of the person's practice substantially to the general area or specialty involved in the action for a period of at least five years. The person shall have no financial interest in the outcome of the case under review, but this prohibition shall not exclude the person from being an expert witness in the case.

c. An affidavit shall not be required pursuant to subsection a. of this section if the plaintiff provides a sworn statement in lieu of the affidavit setting forth that: the defendant or other appropriate party involved in the treatment of the covered person has failed to provide the plaintiff with

medical records or other records or information having a substantial bearing on preparation of the affidavit; a written request therefor along with, if necessary, a signed authorization by the plaintiff for release of the medical records or other records or information requested, has been made by certified mail or personal service; and at least 45 days have elapsed since the defendant received the request.

d. If the plaintiff fails to provide an affidavit or a statement in lieu thereof, pursuant to this section, it shall be deemed a failure to state a cause of action.

8. Section 25 of P.L.1973, c.337 (C.26:2J-25) is amended to read as follows:

C.26:2J-25 Statutory construction and relationship to other laws.

25. Statutory construction and relationship to other laws.

a. Except as otherwise provided in this act, provisions of the insurance law and provisions of hospital, medical or health service corporation laws shall not be applicable to any health maintenance organization granted a certificate of authority under this act. This provision shall not apply to an insurer or hospital, medical or health service corporation licensed and regulated pursuant to the insurance laws or the hospital, medical or health service corporation laws of this State except with respect to its health maintenance organization activities authorized and regulated pursuant to this act. Charges paid by or on behalf of enrollees of a health maintenance organization with respect to health care services shall not be subject to taxation by the State or any of its political subdivisions.

b. Solicitation of enrollees by a health maintenance organization granted a certificate of authority, or its representatives, shall not be construed to violate any provision of law relating to solicitation or advertising by health professionals.

c. Any health maintenance organization authorized under this act shall not be deemed to be practicing medicine and shall be exempt from the provisions of chapter 9 of Title 45, Medicine and Surgery, of the Revised Statutes relating to the practice of medicine.

d. Except as provided in P.L.2001, c.187 (C.2A:53A-30 et al.), no person participating in the arrangements of a health maintenance organization other than the actual provider of health care services or supplies directly to enrollees and their families shall be liable for negligence, misfeasance, nonfeasance or malpractice in connection with the furnishings of such services and supplies. The provisions of this subsection shall not be construed to eliminate any cause of action against a health maintenance organization otherwise provided by law.

e. A health maintenance organization shall be subject to the provisions of P.L.1970, c.22 (C.17:27A-1 et seq.), including those relating to merger or acquisition of control.

9. This act shall take effect on the 90th day after enactment.

Approved July 30, 2001.

CHAPTER 188

AN ACT concerning health care coverage pursuant to a child support order and amending P.L.1981, c.417 and P.L.1995, c.58.

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

1. Section 5 of P.L.1981, c.417 (C.2A:17-56.11) is amended to read as follows:

C.2A:17-56.11 Notice to payor; binding.

5. a. An income withholding made under P.L.1981, c.417 (C.2A:17-56.8 et seq.) and provisions for health care coverage shall be binding upon the payor and successor payors immediately after service upon the payor by the Probation Division of a copy of the income withholding and an order for the provision of health care coverage, by regular mail. The payor is to pay the withheld amount to the Probation Division at the same time the obligor is paid. The payor shall implement withholding and the provisions for health care coverage no later than the first pay period that ends immediately after the date the notice was postmarked, except that the payor is not required to alter regular pay cycles to comply with the withholding. For each payment, other than payment received from the unemployment compensation fund, the payor may receive \$1.00, which shall be deducted from the obligor's income in addition to the amount of the support order to compensate the payor for the administrative expense of processing the withholding.

Notice to the payor shall include, but not be limited to, instructions for the provisions for health care coverage, the amount to be withheld from the obligor's income and a statement that the total amount withheld for support and other purposes may not be in excess of the maximum amount permitted under section 303 (b) of the federal Consumer Credit Protection Act (15 U.S.C.s.1673 (b)); that the payor shall send the amount to the Probation Division at the same time the obligor is paid, unless the Probation Division directs that payment be made to another individual or entity; that the payor

may deduct and retain a fee of \$1.00 in addition to the amount of the support order except when the payment is received from the unemployment compensation fund; that withholding is binding on the payor until further notice by the Probation Division; that, in accordance with section 6 of P.L.1981, c.417 (C.2A:17-56.12), the payor is subject to a fine and civil damages as determined by the court for discharging an obligor from employment, refusing to employ, or taking disciplinary action against an obligor subject to an income withholding because of the withholding or any obligation which it imposes upon the payor; that the payor is subject to a fine as determined by the court for failure to withhold support from the obligor's income or pay the withheld amount to the Probation Division; that if the payor fails to take appropriate action with regard to the provisions for health care coverage or withhold wages in accordance with the provisions of the notice, the payor is liable for any medical expenses incurred by the children subject to the provisions for health care coverage and any amount up to the accumulated amount the payor should have withheld from the obligor's income; that the withholding shall have priority over any other legal process under State law against the same income; that the payor may combine withheld amounts from the obligor's income in a single payment to the Probation Division and separately identify the portion of the single payment which is attributable to each obligor unless submitted pursuant to section 7 of P.L.1981, c.417 (C.2A:17-56.13) or through electronic funds transfer; that if there is more than one support order for withholding against a single obligor, the payor shall withhold the payments on a pro rata basis to fully comply with the support orders, to the extent that the total amount withheld does not exceed the limits imposed under section 303 (b) of the federal Consumer Credit Protection Act (15 U.S.C. s.1673 (b)); that the payor shall implement withholding no later than the first pay period that ends immediately after the date the notice was postmarked, except that the payor is not required to alter regular pay cycles to comply with the withholding; and that the payor shall notify the Probation Division promptly upon the termination of the obligor's employment benefits and provide the obligor's last known address and the name and address of the obligor's new payor, if known.

A payor served with an income withholding notice shall be liable to the obligee for failure to deduct the amounts specified. The obligee or the Probation Division may commence a proceeding against the payor for accrued deductions, together with interest and reasonable attorney's fees.

In accordance with section 314 of Pub.L.104-193, a payor who complies with an income withholding notice that is regular on its face shall be immune from civil liability for conduct in compliance with the notice.

b. When a payor receives an income withholding notice issued by another state, the payor shall apply the income withholding law of the state in which the obligor's principal place of employment is located in determining:

- (1) the payor's fee for processing the income withholding;
- (2) the maximum amount permitted to be withheld from the obligor's income;
- (3) the time periods within which the payor must implement the income withholding order and forward the child support payment;
- (4) the priorities for withholding and allocating income withheld for multiple obligees; and
- (5) any withholding terms or conditions not specified in the support order or notice.

c. If an obligor is injured and eligible for workers' compensation under chapter 15 of Title 34 of the Revised Statutes or other disability benefits, the payor shall forward a copy of the income withholding to the insurance carrier at the same time an obligor's claim for workers' compensation is submitted to the Division of Workers' Compensation in the Department of Labor. The income withholding shall be binding upon the insurance carrier and the insurance carrier shall implement the income withholding pursuant to the provisions of this section.

d. The Probation Division shall use the National Medical Support Notice for medical support orders upon its adoption by federal regulation pursuant to the "Child Support Performance and Incentive Act of 1998," Pub.L.105-200.

2. Section 1 of P.L.1995, c.58 (C.2A:34-23c) is amended to read as follows:

C.2A:34-23c Child support order; health care coverage provisions.

1. Any order or judgment that includes child support shall include provisions indicating the party responsible for maintaining health care coverage for the child and the terms and conditions by which that coverage is to be maintained.

The provisions of the order or judgment relating to health care coverage shall be enforced through the National Medical Support Notice, upon its adoption by federal regulation pursuant to the "Child Support Performance and Incentive Act of 1998," Pub.L. 105-200.

3. This act shall take effect immediately.

Approved July 31, 2001.

CHAPTER 189

AN ACT concerning the health care benefits of employees of certain municipal authorities participating in the State Health Benefits Program and amending P.L.1995, c.259.

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

1. Section 36 of P.L.1995, c.259 (C.52:14-17.31a) is amended to read as follows:

C.52:14-17.31a Municipal or authority employee permitted to waive benefits coverage under State Health Benefits Program.

36. Notwithstanding the provisions of any other law to the contrary, a municipality, or a municipal authority created by a municipality pursuant to P.L.1946, c.138 (C.40:14A-1 et seq.) or P.L.1957, c.183 (C.40:14B-1 et seq.), which participates in the State Health Benefits Program, established pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.), may allow any employee who is eligible for coverage as a dependent of the employee's spouse under that program or under another health benefits plan offered by the spouse's employer, whether a public or private employer, to waive coverage under the State Health Benefits Program to which the employee is entitled by virtue of employment with the municipality or the municipal authority. The waiver shall be in such form as the Director of the Division of Pensions and Benefits shall prescribe and shall be filed with the division. After such waiver has been filed and for so long as that waiver remains in effect, no premium shall be required to be paid by the municipality or the municipal authority, as the case may be, for the employee or the employee's dependents. Not later than the 180th day after the date on which the waiver is filed, the division shall refund to the municipality or the municipal authority the amount of any premium previously paid by the municipality or the municipal authority with respect to any period of coverage which followed the filing date. In consideration of filing such a waiver, a municipality or a municipal authority may pay to the employee annually an amount, to be established in the sole discretion of the municipality or the municipal authority, which shall not exceed 50% of the amount saved by the municipality or the municipal authority because of the employee's waiver of coverage. An employee who waives coverage shall be permitted to immediately resume coverage if the employee ceases to be covered through the employee's spouse for any reason, including, but not limited to, the retirement or death of the spouse or divorce. An employee who resumes

coverage shall repay, on a pro rata basis, any amount received from the municipality or the municipal authority which represents an advance payment for a period of time during which coverage is resumed. An employee who wishes to resume coverage shall notify the municipality or the municipal authority in writing and file a declaration with the division, in such form as the director of the division shall prescribe, that the waiver is revoked. The decision of a municipality or a municipal authority to allow its employees to waive coverage and the amount of consideration to be paid therefor shall not be subject to the collective bargaining process.

2. This act shall take effect immediately.

Approved July 31, 2001.

CHAPTER 190

AN ACT requiring parental consent prior to the tattooing or body piercing of minors.

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

C.2C:40-21 Tattooing of a minor; parental permission, required.

1. A person commits a disorderly persons offense if he knowingly tattoos or engages in body piercing of a minor under the age of 18 years without first having obtained the written permission of the minor's parent or legal guardian or, if neither exists, a person who stands in place of a parent.

2. This act shall take effect on the 120th day following enactment.

Approved July 31, 2001.

CHAPTER 191

AN ACT concerning the availability of certain juvenile records to law enforcement agencies and amending P.L.1982, c.79.

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

1. Section 1 of P.L.1982, c.79 (C.2A:4A-60) is amended to read as follows:

C.2A:4A-60 Disclosure of juvenile information; penalties for disclosure.

1. Disclosure of juvenile information; penalties for disclosure.

a. Social, medical, psychological, legal and other records of the court and probation division, and records of law enforcement agencies, pertaining to juveniles charged as a delinquent or found to be part of a juvenile-family crisis, shall be strictly safeguarded from public inspection. Such records shall be made available only to:

- (1) Any court or probation division;
- (2) The Attorney General or county prosecutor;
- (3) The parents or guardian and to the attorney of the juvenile;
- (4) The Department of Human Services, if providing care or custody of the juvenile;
- (5) Any institution or facility to which the juvenile is currently committed or in which the juvenile is placed;
- (6) Any person or agency interested in a case or in the work of the agency keeping the records, by order of the court for good cause shown, except that information concerning adjudications of delinquency, records of custodial confinement, payments owed on assessments imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1) or restitution ordered following conviction of a crime or adjudication of delinquency, and the juvenile's financial resources, shall be made available upon request to the Victims of Crime Compensation Board established pursuant to section 3 of P.L.1971, c.317 (C.52:4B-3), which shall keep such information and records confidential; and
- (7) The Juvenile Justice Commission established pursuant to section 2 of P.L.1995, c.284 (C.52:17B-170).

b. Records of law enforcement agencies may be disclosed for law enforcement purposes to any law enforcement agency of this State, another state or the United States, and the identity of a juvenile under warrant for arrest for commission of an act that would constitute a crime if committed by an adult may be disclosed to the public when necessary to execution of the warrant.

c. At the time of charge, adjudication or disposition, information as to the identity of a juvenile charged with an offense, the offense charged, the adjudication and disposition shall, upon request, be disclosed to:

- (1) The victim or a member of the victim's immediate family;
- (2) Any law enforcement agency which investigated the offense, the person or agency which filed the complaint, and any law enforcement agency in the municipality where the juvenile resides; and

(3) On a confidential basis, the principal of the school where the juvenile is enrolled for use by the principal and such members of the staff and faculty of the school as the principal deems appropriate for maintaining order, safety or discipline in the school or to planning programs relevant to the juvenile's educational and social development, provided that no record of such information shall be maintained except as authorized by regulation of the Department of Education; or

(4) A party in a subsequent legal proceeding involving the juvenile, upon approval by the court.

d. A law enforcement or prosecuting agency shall, at the time of a charge, adjudication or disposition, advise the principal of the school where the juvenile is enrolled of the identity of the juvenile charged, the offense charged, the adjudication and the disposition if:

(1) The offense occurred on school property or a school bus, occurred at a school-sponsored function or was committed against an employee or official of the school; or

(2) The juvenile was taken into custody as a result of information or evidence provided by school officials; or

(3) The offense, if committed by an adult, would constitute a crime, and the offense:

(a) resulted in death or serious bodily injury or involved an attempt or conspiracy to cause death or serious bodily injury; or

(b) involved the unlawful use or possession of a firearm or other weapon; or

(c) involved the unlawful manufacture, distribution or possession with intent to distribute a controlled dangerous substance or controlled substance analog; or

(d) was committed by a juvenile who acted with a purpose to intimidate an individual or group of individuals because of race, color, religion, sexual orientation or ethnicity; or

(e) would be a crime of the first or second degree.

Information provided to the principal pursuant to this subsection shall be treated as confidential but may be made available to such members of the staff and faculty of the school as the principal deems appropriate for maintaining order, safety or discipline in the school or for planning programs relevant to a juvenile's educational and social development, and no record of such information shall be maintained except as authorized by regulation of the Department of Education.

e. Nothing in this section prohibits a law enforcement or prosecuting agency from providing the principal of a school with information identifying one or more juveniles who are under investigation or have been taken into custody for commission of any act that would constitute an offense if

committed by an adult when the law enforcement or prosecuting agency determines that the information may be useful to the principal in maintaining order, safety or discipline in the school or in planning programs relevant to the juvenile's educational and social development. Information provided to the principal pursuant to this subsection shall be treated as confidential but may be made available to such members of the staff and faculty of the school as the principal deems appropriate for maintaining order, safety or discipline in the school or for planning programs relevant to the juvenile's educational and social development. No information provided pursuant to this section shall be maintained.

f. Information as to the identity of a juvenile adjudicated delinquent, the offense, the adjudication and the disposition shall be disclosed to the public where the offense for which the juvenile has been adjudicated delinquent if committed by an adult, would constitute a crime of the first, second or third degree, or aggravated assault, destruction or damage to property to an extent of more than \$500.00, unless upon application at the time of disposition the juvenile demonstrates a substantial likelihood that specific and extraordinary harm would result from such disclosure in the specific case. Where the court finds that disclosure would be harmful to the juvenile, the reasons therefor shall be stated on the record.

g. (1) Nothing in this section shall prohibit the establishment and maintaining of a central registry of the records of law enforcement agencies relating to juveniles for the purpose of exchange between State and local law enforcement agencies and prosecutors of this State, another state, or the United States. These records of law enforcement agencies shall be available on a 24-hour basis.

(2) Certain information and records relating to juveniles in the central registry maintained by the courts shall be available to State and local law enforcement agencies and prosecutors on a 24-hour basis.

h. Whoever, except as provided by law, knowingly discloses, publishes, receives, or makes use of or knowingly permits the unauthorized use of information concerning a particular juvenile derived from records listed in subsection a. or acquired in the course of court proceedings, probation, or police duties, shall, upon conviction thereof, be guilty of a disorderly persons offense.

i. The court may, upon application by the juvenile or his parent or guardian, the prosecutor or any other interested party, including the victim or complainant or members of the news media, permit public attendance during any court proceeding at a delinquency case, where it determines that a substantial likelihood that specific harm to the juvenile would not result, and the court shall permit a victim, or a family member of a victim to make a statement prior to ordering a disposition in any delinquency proceeding

involving an offense that would constitute a crime if committed by an adult. The court shall have the authority to limit and control the attendance in any manner and to the extent it deems appropriate.

j. The Department of Education, in consultation with the Attorney General, shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations concerning the creation, maintenance and disclosure of pupil records including information acquired pursuant to this section.

C.2A:4A-60.1 Juvenile information, records; rules governing disclosure adoption.

2. The Supreme Court of New Jersey may adopt Rules of Court governing the disclosure to State and local law enforcement agencies and prosecutors of information and records relating to juveniles in the central registry maintained by the courts pursuant to paragraph (2) of subsection g. of section 1 of P.L.1982, c.79 (C.2A:4A-60).

3. This act shall take effect on the first day of the second month following enactment.

Approved July 31, 2001.

CHAPTER 192

AN ACT establishing the New Jersey Health Data Commission, supplementing Title 52 of the Revised Statutes and making an appropriation.

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

C.52:9YY-1 Short title.

1. This act shall be known and may be cited as the "Health Data Commission Act."

C.52:9YY-2 Findings, declarations relative to the New Jersey Health Data Commission.

2. The Legislature finds and declares that:

a. It is the intention of the Legislature to establish a single point of contact for members of the public to obtain health data through the creation of the New Jersey Health Data Commission;

b. The purpose of this commission is to compile health care access, quality and cost data produced within the State from public and private entities and maximize the usefulness of the data for the public without duplicating existing data collection efforts by State agencies; and

c. It is anticipated that the expense to the State of compiling and disseminating the available and useful health data for the benefit of the public will be minimal and will be partially offset by subscriptions to routinely published commission documents, the purchase of special commission reports, and the receipt of grants to provide health data information to the public.

C.52:9YY-3 Definitions relative to the New Jersey Health Data Commission.

3. As used in this act:

"Commission" means the New Jersey Health Data Commission established pursuant to this act.

"Disclosure" means the disclosure of health data to a person or entity outside the commission.

"Health data" means any information, except vital statistics as defined in R.S.26:8-1, relating to the health status of people, the availability of health care resources and services, or the use and cost of these resources and services. Health data shall not include information that is created or received by members of the clergy or others who use spiritual means alone for healing.

"Identifiable health data" means any item, collection or grouping of health data which makes the person supplying it or described in it identifiable.

"Research and statistical purposes" means the performance of certain activities relating to health data, including, but not limited to: describing the group characteristics of persons or entities; analyzing the interrelationships among various characteristics of persons or entities; the conduct of statistical procedures or studies to improve the quality of health data; the design of sample surveys and the selection of samples of persons or entities; the preparation and publication of reports describing these activities; and other related functions; but excluding the use of health data for a person or entity to make a determination directly affecting the rights, benefits or entitlements of that person or entity.

C.52:9YY-4 New Jersey Health Data Commission created.

4. a. There is created a permanent commission to be known as the "New Jersey Health Data Commission." The commission shall consist of 33 members as follows: the Commissioners of Health and Senior Services, Human Services, Banking and Insurance, Labor, Community Affairs and Personnel and the State Treasurer, or their designees, as ex officio members; two members each from the Senate and General Assembly to be appointed by the President of the Senate and the Speaker of the General Assembly, respectively, who in each case shall be members of different political parties; and 22 public members who shall be appointed by the Governor as

follows: one person upon the recommendation of the New Jersey Health Care Payers Coalition; one person upon the recommendation of the New Jersey Health Care Quality Institute; one person upon the recommendation of the New Jersey Business and Industry Association; one person upon the recommendation of the New Jersey AFL-CIO; one person upon the recommendation of the Medical Society of New Jersey; one person upon the recommendation of the New Jersey Association of Osteopathic Physicians and Surgeons; one person upon the recommendation of the New Jersey Hospital Association; one person upon the recommendation of the New Jersey Association of Health Care Facilities, one person upon the recommendation of the New Jersey State Nurses Association; one person upon the recommendation of the New Jersey Dental Association; one person upon the recommendation of the Home Health Assembly of New Jersey, Inc.; one person upon the recommendation of the Mental Health Association in New Jersey; one person upon the recommendation of the New Jersey Pharmacists Association; one person upon the recommendation of the New Jersey Health Officers Association; one person upon the recommendation of Horizon Blue Cross Blue Shield of New Jersey; one person upon the recommendation of the Health Insurance Association of America; one person upon the recommendation of the New Jersey Association of Health Plans; one person upon the recommendation of a domestic stock health insurance carrier based in New Jersey; one person who represents teaching and research hospitals, upon the joint recommendation of the University of Medicine and Dentistry of New Jersey, the University Health System of New Jersey, Robert Wood Johnson University Hospital and Cooper Hospital/University Medical Center; and three other public members who are consumers of health care services and are not represented by any of the other categories of public members included on the commission, one of whom shall be enrolled as a beneficiary of the Medicare program established pursuant to the federal Social Security Act, Pub.L.89-97 (42 U.S.C. s.1395 et seq.).

b. All appointments to the commission shall be made no later than the 90th day after the effective date of this act. The commission shall organize upon the appointment of a majority of its authorized membership.

c. Appointed members of the commission shall serve for three-year terms, except that of the public members first appointed, six shall be appointed for terms of one year, eight for terms of two years and eight for terms of three years.

d. Each member shall hold office for the term of appointment and until a successor is appointed and qualified. All vacancies shall be filled in the same manner as the original appointment. Members appointed to fill a vacancy occurring for any reason other than the expiration of the term shall

serve for the unexpired term only. An appointed member of the commission shall be eligible for reappointment. An appointed member may be removed for cause.

e. Appointed members shall serve without compensation, but shall be reimbursed for necessary expenses incurred in the performance of their duties.

f. The commission shall select a chairman from among the public members, who shall serve a one-year term but may serve consecutive terms. The commission shall adopt by-laws. The commission shall meet at least quarterly and may meet at other times at the call of the chairman. The commission shall in all respects comply with the provisions of the "Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.). No motion to take any action by the commission shall be valid except upon the affirmative vote of a majority of the quorum required to conduct business.

g. The commission shall appoint a full-time executive director, who shall serve as secretary to the commission. The executive director shall serve at the pleasure of the commission and shall be qualified by training and experience to perform the duties of the position. The executive director shall be in the unclassified service of the Civil Service and may hire properly qualified employees, within the limits of funds appropriated or otherwise made available to the commission, who shall also be employed in the unclassified service of the Civil Service; except that employees performing stenographic or clerical duties shall be in the career service and appointed pursuant to Title 11A of the New Jersey Statutes.

C.52:9YY-5 Commission duties.

5. a. The commission may:

(1) collect and maintain health data from State government agencies or other entities on:

(a) the extent, nature and impact of illness and disability on the population of the State;

(b) the determinants of health and health hazards;

(c) health resources, including the extent of available personnel and resources;

(d) utilization of health care;

(e) health care costs and financing; and

(f) other health-related matters;

(2) undertake and support research, demonstrations and evaluations concerning new or improved methods for obtaining current data with respect to any of the health data described in paragraph (1) of this subsection; and

(3) promote standards for health data that will facilitate the comparison of information and ease the burden of data preparation and reporting.

b. The commission may collect health data on behalf of other entities.

c. The commission shall collect health data only on a voluntary basis from persons and entities, except to the extent that specific statutory authority exists to compel the reporting of such data. When requesting health data from a person or entity, the agency shall notify the person or entity in writing as to the following:

(1) whether the person or entity is required to supply the health data and any sanctions which may be imposed for noncompliance;

(2) the purposes for which the health data is being collected; and

(3) if the commission intends to disclose identifiable health data for other than research and statistical purposes, the information to be disclosed, to whom it is to be disclosed, and for what purposes.

d. No health data obtained by the commission may be used for any purpose other than the purpose for which they were supplied or for which the person or entity described in the data has otherwise consented.

e. The commission shall:

(1) take such actions as may be necessary to assure that the health data which it obtains and maintains are accurate, timely and comprehensive, as well as specific, standardized and adequately analyzed and indexed; and

(2) publish, disseminate and otherwise make available these data on as wide a basis as practicable.

f. The commission shall take such actions as are appropriate to effect the collection and compilation of health data produced within the State and to maximize the usefulness of the data collected.

g. The commission shall:

(1) participate with federal, State and local government agencies in the design and implementation of a cooperative system of producing comparable and uniform health data at the federal, State and local levels;

(2) undertake and support research, development, demonstrations and evaluations concerning such a cooperative system; and

(3) assume its fair share of the data costs associated with implementing and maintaining such a system.

C.52:9YY-6 Disclosure of health data, conditions.

6. a. The commission shall make no disclosure of any health data which identifies a person's health status or utilization of health care unless the person described in the data has consented to the disclosure.

b. A person or entity to whom the commission has disclosed health data shall make no disclosure of any health data which identifies a person's

health status or utilization of health care unless the person described in the data has consented to the disclosure.

c. No identifiable health data obtained by the commission shall be subject to subpoena or similar compulsory process in a civil or criminal, judicial, administrative or legislative proceeding, nor shall a person or entity with lawful access to identifiable health data pursuant to this act be compelled to testify with regard to that data; except that data pertaining to a party in litigation may be subject to subpoena or similar compulsory process in an action brought by or on behalf of that party to enforce a liability arising under this act.

C.52:9YY-7 Security of health data.

7. The commission shall take appropriate measures to protect the security of health data which it obtains, including:

- a. limiting access to the data to authorized persons;
- b. designating a person to be responsible for the physical security of the data;
- c. developing and implementing a system for monitoring the security of the data;
- d. periodically reviewing all health data to evaluate whether it is appropriate to remove identifying characteristics from the data; and
- e. developing a program for the routine scheduled destruction of all forms, records or electronic files maintained by the commission which contain identifiable health data.

C.52:9YY-8 Additional powers of commission.

8. In addition to any other powers authorized by law, the commission shall have the authority, in accordance with State law, to:

- a. make and enter into contracts to purchase services and supplies and to hire consultants;
- b. develop and submit a proposed budget;
- c. accept gifts and charitable contributions;
- d. apply for, receive and expend grants;
- e. adopt regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this act;
- f. establish charges for and collect payment from persons and entities for the provision of services, including the dissemination of health data;
- g. receive and expend appropriations;
- h. enter into a reimbursable work program with other State government agencies or private entities under which funds are transferred from the other agencies or entities to the commission for the performance of activities pursuant to this act; and

i. provide such other services and perform such other functions as the commission deems necessary to fulfill its responsibilities under this act.

C.52:9YY-9 Penalties for unauthorized disclosures; liability of commission.

9. a. A person or entity whom the commission determines has violated the provisions of section 6 of this act regarding the disclosure of health data shall be subject, in addition to any other penalties that may be prescribed by law, to: a civil penalty of not more than \$10,000 for each such violation, but not to exceed \$50,000 in the aggregate for multiple violations; or a civil penalty of not more than \$250,000, if the commission finds that these violations have occurred with such frequency as to constitute a general business practice.

The penalty shall be sued for and collected in the name of the commission in a summary proceeding in accordance with the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.)

b. The commission or an entity acting on its behalf shall be liable to a person or entity injured by the intentional or negligent violation of the provisions of section 6 of this act in an amount equal to the damages sustained by the person or entity, together with the cost of the action and reasonable attorney's fees, as determined by the court.

10. There is appropriated \$94,000 from the General Fund to the New Jersey Health Data Commission to carry out the provisions of this act.

11. This act shall take effect immediately.

Approved July 31, 2001.

CHAPTER 193

AN ACT concerning certain corporate mergers and amending N.J.S.14A:10-3, N.J.S.14A:10-4.1 and N.J.S.14A:11-1.

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

1. N.J.S.14A:10-3 is amended to read as follows:

Approval by shareholders.

14A:10-3. Approval by shareholders.

(1) The board of each corporation, upon approving such plan of merger or plan of consolidation, shall direct that the plan be submitted to a vote at

a meeting of shareholders. Written notice shall be given not less than 20 nor more than 60 days before such meeting to each shareholder of record, whether or not entitled to vote at such meeting, in the manner provided in this act for the giving of notice of meetings of shareholders. Such notice shall include, or shall be accompanied by

(a) A copy or a summary of the plan of merger or consolidation; and

(b) A statement informing shareholders who, under Chapter 11 of this act, are entitled to dissent, that they have the right to dissent and to be paid the fair value of their shares and outlining briefly, with particular reference to the time periods within which actions must be taken, the procedures set forth in Chapter 11 of this act with which they must comply in order to assert and enforce such right.

(2) At each such meeting, a vote of the shareholders shall be taken on the proposed plan of merger or consolidation. Such plan shall be approved upon receiving the affirmative vote of a majority of the votes cast by the holders of shares of each such corporation entitled to vote thereon, and, in addition, if any class or series is entitled to vote thereon as a class, the affirmative vote of a majority of the votes cast in each class vote; except that, in the case of a corporation organized prior to January 1, 1969, the plan of merger or consolidation shall be approved upon receiving the affirmative vote of two-thirds of the votes so cast. Any class or series of shares of any such corporation shall be entitled to vote as a class if the plan of merger or consolidation, as the case may be, contains any provision which, if contained in a proposed amendment to the certificate of incorporation, would entitle such class or series of shares to vote as a class unless such provision is one which could be adopted by the board without shareholder approval as referred to in subsection 14A:9-2(2). The voting requirements of this section shall be subject to such greater requirements as are provided in this act for specific amendments or as may be provided in the certificate of incorporation.

(3) Subject to the provisions of section 14A:5-12, a corporation organized prior to January 1, 1969, may adopt the majority voting requirements prescribed in subsection 14A:10-3(2) by an amendment of its certificate of incorporation adopted by the affirmative vote of two-thirds of the votes cast by the holders of shares entitled to vote thereon.

(4) Notwithstanding the provisions set forth in subsections 14A:10-3(1) and 14A:10-3(2), the approval of the shareholders of a surviving corporation shall not be required to authorize a merger (unless its certificate of incorporation otherwise provides) if

(a) The plan of merger does not make an amendment of the certificate of incorporation of the surviving corporation which is required by the provisions of this act to be approved by the shareholders;

(b) Each shareholder of the surviving corporation whose shares were outstanding immediately before the effective date of the merger will hold the same number of shares, with identical designations, preferences, limitations, and rights, immediately after;

(c) The number of voting shares outstanding immediately after the merger, plus the number of voting shares issuable on conversion of other securities or on exercise of rights and warrants issued pursuant to the merger, will not exceed by more than 40% the total number of voting shares of the surviving corporation outstanding immediately before the merger; and

(d) The number of participating shares outstanding immediately after the merger, plus the number of participating shares issuable on conversion of other securities or on exercise of rights and warrants issued pursuant to the merger, will not exceed by more than 40% the total number of participating shares of the surviving corporation outstanding immediately before the merger.

(5) As used in subsection 14A:10-3(4):

(a) "Participating shares" means shares that entitle their holders to participate without limitation in distributions.

(b) "Voting shares" means shares that entitle their holders to vote unconditionally in elections of directors.

(6) Notwithstanding the provisions set forth in subsections 14A:10-3(1) and 14A:10-3(2), the approval of the shareholders of a corporation shall not be required to authorize a merger with or into a single indirect wholly-owned subsidiary of that corporation (unless its certificate of incorporation otherwise provides) if:

(a) the corporation, the holding company and the indirect wholly-owned subsidiary of the corporation are the only parties to the merger; and

(b) each shareholder of the corporation will hold the same number of shares of the holding company, with identical designations, preferences, limitations and rights, immediately after the effective date of the merger; and

(c) the corporation, the indirect wholly-owned subsidiary and the holding company are domestic corporations; and

(d) the certificate of incorporation and bylaws of the holding company immediately after the effective date of the merger contain provisions identical to the certificate of incorporation and bylaws of the corporation immediately before the effective date of the merger, other than provisions, if any, regarding the incorporators, the corporate name, the registered office and agent, the initial board of directors, the initial subscribers for shares and the provisions necessary to effect a change, exchange, reclassification or cancellation of shares, if such change, exchange, reclassification or

cancellation has become effective prior to the effective date of the merger; and

(e) the surviving corporation, as a result of the merger, remains or becomes a direct or indirect wholly-owned subsidiary of the holding company; and

(f) the directors of the corporation remain or become the directors of the holding company upon the effective date of the merger; and

(g) the certificate of incorporation of the surviving corporation immediately after the effective date of the merger is identical to the certificate of incorporation of the corporation immediately before the effective date of the merger, other than provisions, if any, regarding the incorporators, the corporate name, the registered office and agent, the initial board of directors, the initial subscribers for shares and the provisions necessary to effect a change, exchange, reclassification or cancellation of shares, if such change, exchange, reclassification or cancellation has become effective prior to the effective date of the merger; provided that: (i) the certificate of incorporation of the surviving corporation shall contain a provision requiring that any act or transaction by or involving the surviving corporation that requires for its adoption under N.J.S.14A:1-1 et seq., or its certificate of incorporation, approval by the shareholders of the surviving corporation, other than the election or removal of directors of the surviving corporation, shall require approval by the shareholders of the holding company (or any successor by merger), by the same vote as is required by N.J.S.14A:1-1 et seq. or by the certificate of incorporation of the surviving corporation, until thereafter otherwise amended by approval of the shareholders of the surviving corporation and the holding company; and (ii) the certificate of incorporation of the surviving corporation may be amended to reduce the number of classes and shares of capital stock that the surviving corporation is authorized to issue; and

(h) the shareholders of the corporation do not recognize a gain or loss for United States federal income tax purposes as determined by the board of directors of the corporation.

(7) On and after the effective date of a merger authorized by action of the board of directors of a corporation and without any vote of the shareholders pursuant to subsection (6) of N.J.S.14A:10-3:

(a) to the extent that the restrictions of the "New Jersey Shareholders' Protection Act," P.L.1986, c.74 (C.14A:10A-1 et seq.), applied to the corporation and its shareholders at the effective date of the merger, the restrictions shall apply to the holding company and its shareholders immediately after the effective date of the merger in the same manner as if it were the corporation and all shares of the holding company acquired in the merger shall for purposes of the "New Jersey Shareholders' Protection Act,"

P.L.1986, c.74 (C.14A:10A-1 et seq.) be deemed to have been acquired at the time that the shares of the corporation converted in the merger were acquired, and provided further that any shareholder who, immediately prior to the effective date of the merger, was not an interested stockholder within the meaning of section 3 of the "New Jersey Shareholders' Protection Act," P.L.1986, c.74 (C.14A:10A-3) shall not solely by reason of the merger become an interested stockholder of the holding company; and

(b) if the corporate name of the holding company immediately after the effective date of the merger is the same as the corporate name of the corporation immediately prior to the effective date of the merger, the shares of the holding company into which the shares of the corporation are converted in the merger shall be represented by the stock certificates that previously represented shares of the corporation.

(8) As used in subsections (6) and (7) of N.J.S.14A:10-3, "holding company" means a corporation which, from its incorporation until consummation of a merger governed by subsections (6) and (7) of N.J.S.14A:10-3, was at all times a direct wholly-owned subsidiary of the corporation and shares of which are issued in the merger; and "indirect wholly-owned subsidiary of the corporation" means a corporation all the shares of which are owned, directly or indirectly, by the holding company.

2. N.J.S.14A:10-4.1 is amended to read as follows:

Certificate of merger or consolidation.

14A:10-4.1. Certificate of merger or consolidation.

(1) After approval of the plan of merger or consolidation, a certificate of merger or a certificate of consolidation shall be executed on behalf of each corporation. The certificate shall set forth

(a) The name of the surviving or new corporation or new other business entity and the names of the merging or consolidating corporations or other business entities;

(b) The plan of merger or the plan of consolidation;

(c) The date or dates of approval by the shareholders of each corporation of the plan of merger or the plan of consolidation;

(d) As to each corporation whose shareholders are entitled to vote, the number of shares entitled to vote thereon, and, if the shares of any class or series are entitled to vote thereon as a class, the designation and number of shares entitled to vote thereon of each class or series;

(e) As to each corporation whose shareholders are entitled to vote, the number of shares voted for and against the plan, respectively, and, if the shares of any class are entitled to vote as a class, the number of shares of each class or series voted for and against the plan, respectively;

(f) In the case of a merger governed by subsection 14A:10-3 (4), that the plan of merger was approved by the board of directors of the surviving corporation and that no vote of the shareholders of the surviving corporation was required because of the applicability of that subsection;

(g) If, pursuant to subsection 14A:10-4.1(2), the merger is to become effective at a time subsequent to the date of filing with the Secretary of State, the date when the merger is to become effective; and

(h) In the case of a merger governed by subsection (6) of N.J.S.14A:10-3, that the plan of merger was approved by the board of directors of the surviving corporation, that no vote of the shareholders of the surviving corporation was required because of the applicability of that subsection, and that the conditions of paragraphs (a) through (h) of that subsection have been satisfied.

(2) The executed original and a copy of the certificate shall be filed in the office of the Secretary of State and the merger or consolidation shall become effective upon the date of the filing or at a later time, not to exceed 90 days after the date of filing, as may be set forth in the certificate. The Secretary of State shall, upon filing, forward the copy of the certificate to the Director of the Division of Taxation.

3. N.J.S.14A:11-1 is amended to read as follows:

Right of shareholders to dissent.

14A:11-1. Right of shareholders to dissent.

(1) Any shareholder of a domestic corporation shall have the right to dissent from any of the following corporate actions

(a) Any plan of merger or consolidation to which the corporation is a party, provided that, unless the certificate of incorporation otherwise provides

(i) a shareholder shall not have the right to dissent from any plan of merger or consolidation with respect to shares

(A) of a class or series which is listed on a national securities exchange or is held of record by not less than 1,000 holders on the record date fixed to determine the shareholders entitled to vote upon the plan of merger or consolidation; or

(B) for which, pursuant to the plan of merger or consolidation, he will receive (x) cash, (y) shares, obligations or other securities which, upon consummation of the merger or consolidation, will either be listed on a national securities exchange or held of record by not less than 1,000 holders, or (z) cash and such securities;

(ii) a shareholder of a surviving corporation shall not have the right to dissent from a plan of merger, if the merger did not require for its approval

the vote of such shareholders as provided in section 14A:10-5.1 or in subsection 14A:10-3(4), 14A:10-7(2) or 14A:10-7(4);

(iii) a shareholder of a corporation shall not have the right to dissent from a plan of merger, if the merger did not require, for its approval, the vote of the shareholders as provided in subsection (6) of N.J.S.14A:10-3; or

(b) Any sale, lease, exchange or other disposition of all or substantially all of the assets of a corporation not in the usual or regular course of business as conducted by such corporation, other than a transfer pursuant to subsection (4) of N.J.S.14A:10-11, provided that, unless the certificate of incorporation otherwise provides, the shareholder shall not have the right to dissent

(i) with respect to shares of a class or series which, at the record date fixed to determine the shareholders entitled to vote upon such transaction, is listed on a national securities exchange or is held of record by not less than 1,000 holders; or

(ii) from a transaction pursuant to a plan of dissolution of the corporation which provides for distribution of substantially all of its net assets to shareholders in accordance with their respective interests within one year after the date of such transaction, where such transaction is wholly for

(A) cash; or

(B) shares, obligations or other securities which, upon consummation of the plan of dissolution will either be listed on a national securities exchange or held of record by not less than 1,000 holders; or

(C) cash and such securities; or

(iii) from a sale pursuant to an order of a court having jurisdiction.

(2) Any shareholder of a domestic corporation shall have the right to dissent with respect to any shares owned by him which are to be acquired pursuant to section 14A:10-9.

(3) A shareholder may not dissent as to less than all of the shares owned beneficially by him and with respect to which a right of dissent exists. A nominee or fiduciary may not dissent on behalf of any beneficial owner as to less than all of the shares of such owner with respect to which the right of dissent exists.

(4) A corporation may provide in its certificate of incorporation that holders of all its shares, or of a particular class or series thereof, shall have the right to dissent from specified corporate actions in addition to those enumerated in subsection 14A:11-1(1), in which case the exercise of such right of dissent shall be governed by the provisions of this Chapter.

4. This act shall take effect immediately.

Approved July 31, 2001.

CHAPTER 194

AN ACT concerning domestic fraternal benefit societies and making an appropriation.

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

1. As used in this act:

"Computer date failure" means, with respect to information technology, that the information technology cannot process accurately date/time data including, but not limited to, calculating, comparing and sequencing, from, into and between the years 1999 and 2000 and leap year calculations, to the extent that other information technology, used in combination with the information technology, properly exchanges date/time data with it.

"Society" means a domestic fraternal benefit society as defined by P.L.1997, c.322 (C.17:44B-1 et seq.).

"Net premiums received" means gross premiums written, less return premiums thereon and dividends credited or paid to policyholders, if any.

2. No society shall be required to pay more than one percent of its 1999 net premiums received for an examination required by the Department of Banking and Insurance with respect to computer date failure and Year 2000 readiness.

3. If a society owes or has paid more than the limit set in section 2 of this act, the excess amount shall be paid by the Department of Banking and Insurance or refunded to the society, as applicable, from the funds appropriated pursuant to section 4 of this act.

4. There is appropriated from the General Fund to the Department of Banking and Insurance an amount not to exceed \$60,000, subject to the approval of the Director of the Division of Budget and Accounting, as may be necessary to effectuate the purposes of this act.

5. This act shall take effect immediately.

Approved July 31, 2001.