

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



2007

New Jersey State Library

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¹ Resigned 2/15/07.

² Sworn in 2/22/07.

³ Resigned 10/8/07.

⁴ Sworn in 11/8/07.

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¹Resigned 3/14/07.

²Sworn in 3/15/07.

³Resigned 9/8/07.

⁴Sworn in 11/8/07.

⁵Resigned 9/10/07.

⁶Sworn in 11/8/07.

LAWS

ACTS
ENACTED BY THE
Second Annual Session
OF THE
Two Hundred and Twelfth Legislature

CHAPTER 1

AN ACT concerning contaminated property, supplementing Title 52 of the Revised Statutes, and amending and supplementing P.L.1983, c.330.

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

C.52:27D-130.4 Rules, regulations adopted by DHSS relative to contaminated property; certification; definitions; enforcement.

1. a. Within 12 months after the effective date of this act, the Department 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.) that establish: (1) procedures for the evaluation and assessment of the interior of buildings that are to be used for child care centers licensed pursuant to the provisions of P.L.1983, c.492 (C.30:5B-1 et seq.), or for educational purposes; and (2) standards that establish maximum contaminant levels for building interiors to be used for child care centers licensed pursuant to the provisions of P.L.1983, c.492, or for educational purposes, that are protective of the public health and safety. The rules and regulations adopted pursuant to this subsection shall be protective of the health of children and infants, and shall account for the difference in rate of the absorption, metabolism, and excretion of compounds between adults and infants and children.

b. The department shall establish an application process for the certification issued pursuant to subsection c. of this section. Every application for a certification shall be accompanied by a fee, established in accordance with a fee schedule adopted by the department, by rule or regulation, reflecting the costs of reviewing and processing the application. Fees collected pursuant to this subsection shall be deposited into a separate account, and shall be dedicated for use by the department solely for the purposes of

administering and enforcing the provisions of this section and any rules or regulations adopted pursuant thereto.

c. Upon a demonstration to the department by the applicant that the procedures established pursuant to subsection a. of this section for the evaluation and assessment of building interiors have been followed, and that there are no contaminants present in the building that exceed the maximum contaminant levels established in subsection a. of this section, the department shall issue a certification that the building interior is safe for use as a child care center, or for educational purposes.

d. As used in this section: "contaminant" shall have the same meaning as provided in section 23 of P.L.1993, c.139 (C.58:10B-1); and "educational purposes" shall mean for the purposes of a private school or public school as defined in N.J.S.18A:1-1, or a charter school as defined pursuant to P.L.1995, c.426 (C.18A:36A-1 et seq.).

e. Whenever the Commissioner of Health and Senior Services finds that a person has violated any provision of this section, or any rule or regulation adopted pursuant thereto, or knowingly makes a false statement, representation, or certification in any application, record, or other document filed or required to be maintained pursuant to this section, the commissioner may assess a civil administrative penalty of not more than \$25,000 for a first offense, and not more than \$50,000 for the second and every subsequent offense. Each day that a violation continues shall constitute an additional, separate, and distinct offense. The department may compromise and settle any claim for a penalty pursuant to this subsection in an amount as the department determines is appropriate and equitable under the circumstances.

Any penalty imposed pursuant to this subsection may be collected, with costs, in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The Superior Court and the municipal court shall have jurisdiction to enforce the provisions of the "Penalty Enforcement Law of 1999" in connection with this section.

C.52:27D-130.5 Issuance of construction permit for child care, educational center for certain locations; certification required; remediation.

2. a. (1) No construction permit shall be issued pursuant to section 12 of P.L.1975, c.217 (C.52:27D-130) for the reconstruction, alteration, conversion, or repair of any building or structure to be used for a child care center licensed pursuant to the provisions of P.L.1983, c.492 (C.30:5B-1 et seq.), or for educational purposes, if that building or structure was previously used for industrial, storage, or high hazard purposes, as a nail salon, dry cleaning facility, or gasoline station, or is on a contaminated site, on a

site on which there is suspected contamination, or on an industrial site that is subject to the provisions of the "Industrial Site Recovery Act," P.L.1983, c.330 (C.13:1K-6 et al.), except upon the submission of the certification issued by the Department of Health and Senior Services pursuant to section 1 of P.L.2007, c.1 (C.52:27D-130.4) to the construction official by the applicant, that the building or structure has been evaluated and assessed for contaminants, and that the building or structure is safe for use as a child care center licensed pursuant to the provisions of P.L.1983, c.492, or for educational purposes.

(2) Notwithstanding the provisions of paragraph (1) of this subsection to the contrary, a construction permit may be issued for the construction or alteration of any building or structure to be used as a child care center licensed pursuant to the provisions of P.L.1983, c.492, or for educational purposes, if the construction permit is necessary to perform work in the building or structure in order to comply with the rules and regulations adopted pursuant to subsection a. of section 1 of P.L.2007, c.1 (C.52:27D-130.4) and obtain the certification issued by the Department of Health and Senior Services pursuant to subsection c. of section 1 of P.L.2007, c.1 (C.52:27D-130.4).

A construction permit issued pursuant to this paragraph shall be limited to the construction or alterations necessary to comply with the rules and regulations adopted pursuant to subsection a. of section 1 of P.L.2007, c.1 (C.52:27D-130.4).

(3) The appropriate enforcing agency shall not grant a certificate of occupancy for any building or structure to be used as a child care center licensed pursuant to the provisions of P.L.1983, c.492, or for educational purposes, that received a construction permit pursuant to paragraph (2) of this subsection, except upon the submission of the certification issued by the Department of Health and Senior Services pursuant to subsection c. of section 1 of P.L.2007, c.1 (C.52:27D-130.4) to the construction official by the applicant, that the building or structure has been evaluated and assessed for contaminants, and that the building or structure is safe for use as a child care center licensed pursuant to the provisions of P.L.1983, c.492, or for educational purposes.

b. (1) No construction permit shall be issued for the construction or alteration of any building or structure to be used as a child care center licensed pursuant to the provisions of P.L.1983, c.492, or for educational purposes, on a site that was previously used for industrial, storage, or high hazard purposes, as a nail salon, dry cleaning facility, or gasoline station, or on a contaminated site, on a site on which there is suspected contamination,

or on an industrial site that is subject to the provisions of the "Industrial Site Recovery Act," P.L.1983, c.330 (C.13:1K-6 et al.), except after submission by the applicant to the construction official of documentation sufficient to establish that the Department of Environmental Protection has approved a remedial action workplan for the entire site or that the site has been remediated consistent with the remediation standards and other remediation requirements established pursuant to section 35 of P.L.1993, c.139 (C.58:10B-12) and a no further action letter has been issued by the Department of Environmental Protection for the entire site.

(2) Notwithstanding the provisions of paragraph (1) of this subsection to the contrary, a construction permit may be issued for the construction or alteration of any building or structure to be used as a child care center licensed pursuant to the provisions of P.L.1983, c.492, or for educational purposes, on a site that was previously used for industrial, storage, or high hazard purposes, as a nail salon, dry cleaning facility, or gasoline station, or on a contaminated site, on a site on which there is suspected contamination, or on an industrial site that is subject to the provisions of the "Industrial Site Recovery Act," P.L.1983, c.330 (C.13:1K-6 et al.), if the construction permit is necessary to remediate the site consistent with the remediation standards and other remediation requirements established pursuant to section 35 of P.L.1993, c.139 (C.58:10B-12) in order to obtain a no further action letter from the Department of Environmental Protection.

A construction permit issued pursuant to this paragraph shall be limited to the construction or alterations necessary to develop a remedial action workplan to be submitted to the Department of Environmental Protection for approval or to remediate the site consistent with the remediation standards and other remediation requirements established pursuant to section 35 of P.L.1993, c.139 (C.58:10B-12) and receive a no further action letter from the Department of Environmental Protection.

(3) The appropriate enforcing agency shall not grant a certificate of occupancy for any building or structure to be used as a child care center licensed pursuant to the provisions of P.L.1983, c.492, or for educational purposes, that received a construction permit pursuant to paragraph (2) of this subsection, except after submission by the applicant to the construction official of documentation sufficient to establish that the site has been remediated consistent with the remediation standards and other remediation requirements established pursuant to section 35 of P.L.1993, c.139 (C.58:10B-12) and a no further action letter has been issued by the Department of Environmental Protection for the entire site.

c. As used in this section: "contaminated site" means any real property on which there is contamination; "contamination," "remediation" or "remediate," and "no further action letter" shall have the same meanings as provided in section 23 of P.L.1993, c.139 (C.58:10B-1); and "educational purposes" means for the purposes of a private school or public school as defined in N.J.S.18A:1-1, or a charter school as defined pursuant to P.L.1995, c.426 (C.18A:36A-1 et seq.).

C.13:1K-13.1 Violations; actions, penalties.

3. a. Whenever the Commissioner of Environmental Protection finds that a person has violated any provision of this act, or any rule or regulation adopted pursuant thereto, or knowingly makes a false statement, representation, or certification in any application, record, or other document filed or required to be maintained pursuant to P.L.1983, c.330 (C.13:1K-6 et al.), the commissioner may:

- (1) issue an order requiring the person found to be in violation to comply in accordance with subsection b. of this section;
- (2) bring a civil action in accordance with subsection c. of this section;
- (3) levy a civil administrative penalty in accordance with subsection d. of this section; or
- (4) bring an action for a civil penalty in accordance with subsection e. of this section.

Pursuit of any of the remedies specified under this section shall not preclude the seeking of any other remedy specified.

Any officer or management official of an industrial establishment who knowingly directs or authorizes the violation of any provisions of P.L.1983, c.330 (C.13:1K-6 et al.) shall be personally liable for the penalties established in this section.

b. Whenever the commissioner finds that a person has violated this act, or any rule or regulation adopted pursuant thereto, the commissioner may issue an order specifying the provision or provisions of this act, or the rule or regulation adopted pursuant thereto, of which the person is in violation, citing the action that constituted the violation, ordering abatement of the violation, and giving notice to the person of the person's right to a hearing on the matters contained in the order. The ordered person shall have 20 calendar days from receipt of the order within which to deliver to the commissioner a written request for a hearing. After the hearing and upon finding that a violation has occurred, the commissioner may issue a final order. If no hearing is requested, the order shall become final after the expiration

of the 20-day period. A request for hearing shall not automatically stay the effect of the order.

c. The commissioner may institute an action or proceeding in the Superior Court for injunctive and other relief to enforce the provisions of this act and to prohibit and prevent a violation of this act, or of any rule or regulation adopted pursuant thereto, and the court may proceed in the action in a summary manner. In any such proceeding the court may grant temporary or interlocutory relief.

Such relief may include, singly or in combination:

(1) a temporary or permanent injunction;

(2) assessment of the violator for the reasonable costs of any inspection that led to the establishment of the violation, and for the reasonable costs of preparing and litigating the case under this subsection.

d. The commissioner may assess a civil administrative penalty of not more than \$25,000 for a first offense, and not more than \$50,000 for the second and every subsequent offense. Each day that a violation continues shall constitute an additional, separate, and distinct offense.

No assessment may be levied pursuant to this section until after the violator has been notified by certified mail or personal service. The notice shall include a reference to the section of the statute, rule, regulation, or order violated, a concise statement of the facts alleged to constitute a violation, a statement of the amount of the civil administrative penalties to be imposed, and a statement of the person's right to a hearing. The ordered person shall have 20 calendar days from receipt of the notice within which to deliver to the commissioner a written request for a hearing.

After the hearing and upon finding that a violation has occurred, the commissioner may issue a final order after assessing the amount of the fine specified in the notice. If no hearing is requested, the notice shall become a final order after the expiration of the 20-day period. Payment of the assessment is due when a final order is issued or the notice becomes a final order. The authority to levy a civil administrative penalty is in addition to all other enforcement provisions in this act, and the payment of any assessment shall not be deemed to affect the availability of any other enforcement provisions in connection with the violation for which the assessment is levied. The commissioner may compromise any civil administrative penalty assessed under this section in an amount the commissioner determines appropriate.

e. A person who violates this act, or any rule or regulation adopted pursuant thereto, shall be liable for a penalty of not more than \$25,000 per day, to be collected in a civil action commenced by the commissioner.

A person who violates an administrative order issued pursuant to subsection b. of this section, or a court order issued pursuant to subsection c. of this section, or who fails to pay an administrative assessment in full pursuant to subsection d. of this section is subject upon order of a court to a civil penalty not to exceed \$50,000 per day of each violation.

Any penalty imposed pursuant to this subsection may be collected, with costs, in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The Superior Court and the municipal court shall have jurisdiction to enforce the provisions of the "Penalty Enforcement Law of 1999" in connection with this act.

4. Section 4 of P.L.1983, c.330 (C.13:1K-9) is amended to read as follows:

C.13:1K-9 Closing, transfer procedures.

4. a. The owner or operator of an industrial establishment planning to close operations or transfer ownership or operations shall notify the department in writing, no more than five days subsequent to closing operations or of its public release of its decision to close operations, whichever occurs first, or within five days after the execution of an agreement to transfer ownership or operations, as applicable. The notice to the department shall: identify the subject industrial establishment; describe the transaction requiring compliance with P.L.1983, c.330 (C.13:1K-6 et al.); state the date of the closing of operations or the date of the public release of the decision to close operations as evidenced by a copy of the appropriate public announcement, if applicable; state the date of execution of the agreement to transfer ownership or operations and the names, addresses and telephone numbers of the parties to the transfer, if applicable; state the proposed date for closing operations or transferring ownership or operations; list the name, address, and telephone number of an authorized agent for the owner or operator; and certify that the information submitted is accurate. The notice shall be transmitted to the department in the manner and form required by the department. The department may, by regulation, require the submission of any additional information in order to improve the efficient implementation of P.L.1983, c.330. The owner or operator of the industrial establishment shall also provide all information required to be submitted to the department pursuant to this subsection, to the clerk of the municipality in which the industrial establishment is located, at the same time the information is submitted to the department.

b. (1) Subsequent to the submittal of the notice required pursuant to subsection a. of this section, the owner or operator of an industrial establishment shall, except as otherwise provided by P.L.1983, c.330 or P.L.1993, c.139 (C.13:1K-9.6 et al.), remediate the industrial establishment. The remediation shall be conducted in accordance with criteria, procedures, and time schedules established by the department.

(2) The owner or operator shall attach a copy of any approved negative declaration, approved remedial action workplan, no further action letter, or remediation agreement approval to the contract or agreement of sale or agreement to transfer or any option to purchase which may be entered into with respect to the transfer of ownership or operations. In the event that any sale or transfer agreements or options have been executed prior to the approval of a negative declaration, remedial action workplan, no further action letter, or remediation agreement, these documents, as relevant, shall be transmitted by the owner or operator, by certified mail, overnight delivery, or personal service, prior to the transfer of ownership or operations, to all parties to any transaction concerning the transfer of ownership or operations, including purchasers, bankruptcy trustees, mortgagees, sureties, and financiers.

(3) The preliminary assessment, site investigation, remedial investigation, and remedial action for the industrial establishment shall be performed and implemented by the owner or operator of the industrial establishment, except that any other party may assume that responsibility pursuant to the provisions of P.L.1983, c.330.

c. The owner or operator of an industrial establishment shall, subsequent to closing operations, or of its public release of its decision to close operations, or prior to transferring ownership or operations except as otherwise provided in subsection e. of this section, as applicable, submit to the department for approval a proposed negative declaration or proposed remedial action workplan. The owner or operator shall also provide written notification to the clerk of the municipality in which the industrial site is located, that upon written request, the municipality may receive a copy of the proposed negative declaration or proposed remedial action workplan. The owner or operator of the industrial establishment shall provide the requested documents to the clerk of the municipality within five days after receipt of the written request. Except as otherwise provided in section 6 of P.L.1983, c.330 (C.13:1K-11), and sections 13, 16, 17 and 18 of P.L.1993, c.139 (C.13:1K-11.2, C.13:1K-11.5, C.13:1K-11.6 and C.13:1K-11.7), the owner or operator of an industrial establishment shall not transfer ownership or operations until a negative declaration or a remedial action workplan has been approved by the department or the conditions of subsection e.

of this section for remediation agreements have been met and until, in cases where a remedial action workplan is required to be approved or a remediation agreement has been approved, a remediation funding source, as required pursuant to section 25 of P.L.1993, c.139 (C.58:10B-3), has been established.

d. (1) Upon the submission of the results of either the preliminary assessment, site investigation, remedial investigation, or remedial action, where applicable, which demonstrate that there are no discharged hazardous substances or hazardous wastes at the industrial establishment, or that have migrated from or are migrating from the industrial establishment, in violation of the applicable remediation regulations, the owner or operator may submit to the department for approval a proposed negative declaration as provided in subsection c. of this section.

(2) After the submission and review of the information submitted pursuant to a preliminary assessment, site investigation, remedial investigation, or remedial action, as necessary, the department shall, within 45 days of submission of a complete and accurate negative declaration, approve the negative declaration, or inform the owner or operator of the industrial establishment that a remedial action workplan or additional remediation shall be required. The department shall approve a negative declaration by the issuance of a no further action letter.

e. The owner or operator of an industrial establishment, who has submitted a notice to the department pursuant to subsection a. of this section, may transfer ownership or operations of the industrial establishment prior to the approval of a negative declaration or remedial action workplan upon application to and approval by the department of a remediation agreement. The owner or operator requesting a remediation agreement shall submit the following documents: (1) an estimate of the cost of the remediation that is approved by the department; (2) a certification of the statutory liability of the owner or operator pursuant to P.L.1983, c.330 to perform and to complete a remediation of the industrial establishment in the manner and time limits provided by the department in regulation and consistent with all applicable laws and regulations; however, nothing in this paragraph shall be construed to be an admission of liability, or to impose liability on the owner or operator, pursuant to P.L.1976, c.141 (C.58:10-23.11 et seq.) or pursuant to any other statute or common law; (3) evidence of the establishment of a remediation funding source in an amount of the estimated cost of the remediation and in accordance with the provisions of section 25 of P.L.1993, c.139 (C.58:10B-3); (4) a certification that the owner or operator is subject to the provisions of P.L.1983, c.330, including the liability for penalties for

violating the act, defenses to liability and limitations thereon, the requirement to perform a remediation as required by the department, allowing the department access to the industrial establishment as provided in section 5 of P.L.1983, c.330 (C.13:1K-10), and the requirement to prepare and submit any document required by the department relevant to the remediation of the industrial establishment; and (5) evidence of the payment of all applicable fees required by the department.

The department may require in the remediation agreement that all plans for and results of the preliminary assessment, site investigation, remedial investigation, and the implementation of the remedial action workplan, prepared or initiated subsequent to the transfer of ownership or operations, be submitted to the department, for review purposes only, at the completion of each phase of the remediation.

The department shall adopt regulations establishing the manner in which the documents required pursuant to paragraphs (1) through (5), inclusive, of this subsection shall be submitted. The department shall approve the application for the remediation agreement upon the complete and accurate submission of the documents required to be submitted pursuant to this subsection. The regulations shall include a sample form of the certifications. Approval of a remediation agreement shall not affect an owner's or operator's right to avail itself of the provisions of section 6 of P.L.1983, c.330 (C.13:1K-11), of section 13, 14, 15, 16, 17, or 18 of P.L.1993, c.139 (C.13:1K-11.2, C.13:1K-11.3, C.13:1K-11.4, C.13:1K-11.5, C.13:1K-11.6 or C.13:1K-11.7), or of the other provisions of this section.

The owner or operator of the industrial establishment shall also provide written notification to the clerk of the municipality in which the industrial establishment is located, at the same time the information is submitted to the department, that upon written request, the owner or operator shall provide the information required to be submitted to the department pursuant to this subsection, to the municipality. The owner or operator shall provide the information to the municipality within five days after receipt of the written request.

f. An owner or operator of an industrial establishment may perform a preliminary assessment, site investigation, or remedial investigation for a soil, surface water, or groundwater remediation without the prior submission to or approval of the department, except as otherwise provided in a remediation agreement required pursuant to subsection e. of this section. However, the plans for and results of the preliminary assessment, site investigation, and remedial investigation may, at the discretion of the owner or

operator, be submitted to the department for its review and approval at the completion of each phase of the remediation.

g. The soil, groundwater, and surface water remediation standard and the remedial action to be implemented on an industrial establishment shall be selected by the owner or operator, and reviewed and approved by the department, based upon the policies and criteria enumerated in section 35 of P.L.1993, c.139 (C.58:10B-12).

h. An owner or operator of an industrial establishment may implement a soil remedial action at an industrial establishment without prior department approval of the remedial action workplan for the remediation of soil when the remedial action can reasonably be expected to be completed pursuant to standards, criteria, and time schedules established by the department, which schedules shall not exceed five years from the commencement of the implementation of the remedial action and if the owner or operator is implementing a soil remediation which meets the established minimum residential or nonresidential use soil remediation standards adopted by the department.

Nothing in this subsection shall be construed to authorize the closing of operations or the transfer of ownership or operations of an industrial establishment without the department's approval of a negative declaration, a remedial action workplan or a remediation agreement.

i. An owner or operator of an industrial establishment shall base the decision to select a remedial action based upon the standards and criteria set forth in section 35 of P.L.1993, c.139 (C.58:10B-12). When a remedial action selected by an owner or operator includes the use of an engineering or institutional controls that necessitates the recording of a notice pursuant to section 36 of P.L.1993, c.139 (C.58:10B-13), the owner or operator shall obtain the approval of the transferee of the industrial establishment.

At any time after the effective date of P.L.1993, c.139, an owner or operator may request the department to provide a determination as to whether a proposed remedial action is consistent with the standards and criteria set forth in section 35 of P.L.1993, c.139 (C.58:10B-12). The department shall make that determination based upon the standards and criteria set forth in that section. The department shall provide any such determination within 30 calendar days of the department's receipt of the request.

j. An owner or operator proposing to implement a soil remedial action other than one which is set forth in subsection h. of this section must receive department approval prior to implementation of the remedial action.

k. An owner or operator of an industrial establishment shall not implement a remedial action involving the remediation of groundwater or sur-

face water without the prior review and approval by the department of a remedial action workplan.

1. Submissions of a preliminary assessment, site investigation, remedial investigation, remedial action workplan, and the results of a remedial action shall be in a manner and form, and shall contain any relevant information relating to the remediation, as may be required by the department.

Upon receipt of a complete and accurate submission, the department shall review and approve or disapprove the submission in accordance with the review schedules established pursuant to section 2 of P.L.1991, c.423 (C.13:1D-106). The owner or operator shall not be required to wait for a response by the department before continuing remediation activities, except as otherwise provided in this section. Upon completion of the remediation, the plans for and results of the preliminary assessment, site investigation, remedial investigation, remedial action workplan, and remedial action and any other information required to be submitted as provided in section 35 of P.L.1993, c.139 (C.58:10B-12), that has not previously been submitted to the department, shall be submitted to the department for its review and approval.

The department shall review all information submitted to it by the owner or operator at the completion of the remediation to determine whether the actions taken were in compliance with rules and regulations of the department regarding remediation.

The department may review and approve or disapprove every remedial action workplan, no matter when submitted, to determine, in accordance with the criteria listed in subsection g. of section 35 of P.L.1993, c.139 (C.58:10B-12) if the remedial action that has occurred or that will occur is appropriate to meet the applicable health risk or environmental standards.

The department may order additional remediation activities at the industrial establishment, or offsite where necessary, or may require the submission of additional information, where (a) the department determines that the remediation activities undertaken were not in compliance with the applicable rules or regulations of the department; (b) all documents required to be submitted to the department were not submitted or, if submitted, were inaccurate, or deficient; or (c) discharged hazardous substances or hazardous wastes remain at the industrial establishment, or have migrated or are migrating offsite, at levels or concentrations or in a manner that is in violation of the applicable health risk or environmental standards. Upon a finding by the department that the remediation conducted at the industrial establishment was in compliance with all applicable regulations, that no hazardous substances or hazardous wastes remain at the industrial establishment in a manner that is in violation of the applicable health risk or envi-

ronmental standards, and that all hazardous substances or hazardous wastes that migrated from the industrial establishment have been remediated in conformance with the applicable health risk or environmental standards, the department shall approve the remediation for that industrial establishment by the issuance of a no further action letter.

5. Section 8 of P.L.1983, c.330 (C.13:1K-13) is amended to read as follows:

C.13:1K-13 Grounds for voiding sale.

8. Failure of the transferor to perform a remediation and obtain department approval thereof as required pursuant to the provisions of this act is grounds for voiding the sale or transfer of an industrial establishment or any real property utilized in connection therewith by the transferee, entitles the transferee to recover damages from the transferor, and renders the owner or operator of the industrial establishment strictly liable, without regard to fault, for all remediation costs and for all direct and indirect damages resulting from the failure to implement the remedial action workplan. A transferee may not act to void the sale or transfer of an industrial establishment or any real property except upon providing notice to the transferor of the failure to perform and affording the transferor a reasonable amount of time to comply with the provisions of this act. A transferee may bring an action in Superior Court to void the sale or transfer of an industrial establishment or any real property or to recover damages from the transferor, pursuant to this section.

6. This act shall take effect immediately.

Approved January 11, 2007.

CHAPTER 2

AN ACT establishing an emergency building inspection program and supplementing P.L.1975, c.217 (C.52:27D-119 et seq.).

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

C.52:27D-126.3 Establishment of emergency building inspection program.

1. The Commissioner of Community Affairs shall establish a program for the emergency deployment of State and local construction code officials

and inspectors to assist local construction code officials and inspectors in the evaluation of buildings and structures affected by a natural or man-made disaster or emergency, and to provide such other assistance in code enforcement and related activities as may be required in order to protect public health and safety. The code officials and inspectors so deployed shall, when necessary, assist in assessing possible damage to the structural design and life-safety systems of buildings, and in facilitating rapid decision making regarding the closure or reoccupancy of buildings, in the event of a natural or man-made disaster or emergency for which a state of emergency has been declared by the President of the United States or the Governor, or for which a state of emergency has been declared by a municipal emergency management coordinator. The commissioner may provide for participation in the program by licensed professional engineers, registered architects and other licensed professionals. For the purposes of this section, "local construction code officials and inspectors" means code officials and inspectors employed by a municipality or county.

C.52:27D-126.4 Intermunicipal agreements for mutual construction code enforcement aid.

2. The governing bodies of two or more municipalities may by resolution enter into agreements with each other for mutual construction code enforcement aid concerning the evaluation of buildings and structures affected by a natural or man-made disaster or emergency. Such agreements may provide for the reimbursement of the municipality or municipalities rendering such aid, including reimbursement for any damage to property and for payment to any official or employee of a local construction code enforcing agency for injuries sustained while serving pursuant to such agreements, or to a surviving spouse or other dependent in the event of death of that official or employee.

C.52:27D-126.5 Powers, duties of persons deployed under emergency deployment program.

3. Persons deployed under the emergency deployment program established by the Commissioner of Community Affairs pursuant to section 1 of P.L.2007, c.2 (C.52:27D-126.3), or providing assistance pursuant to an intermunicipal agreement pursuant to section 2 of P.L.2007, c.2 (C.52:27D-126.4), shall, while on duty rendering assistance to any local construction code enforcing agency, have the same powers, authority and immunities as the members of the local construction code enforcing agency of the municipality in which such assistance is being rendered.

C.52:27D-126.6 Injury, death benefits for officials, inspectors deployed.

4. If any local construction code official or inspector suffers injury or death in the performance of his duties, the legal beneficiaries of such official or inspector shall be entitled to such salary, pension rights, workers' compensation, or other benefits as would have accrued if such injury or death had occurred in the performance of duties in the jurisdiction in which the official or employee is regularly employed. The responsibility for the payment of benefits pursuant to this section shall be determined in the agreements entered into pursuant to section 2 of P.L.2007, c.2 (C.52:27D-126.4).

C.52:27D-126.7 Municipal participation voluntary; resolution of non-participation.

5. a. Participation by municipalities in the emergency deployment program established by the Commissioner of Community Affairs pursuant to section 1 of P.L.2007, c.2 (C.52:27D-126.3) shall be voluntary; provided, however, that any municipality that does not adopt a resolution of non-participation in the emergency deployment program, and file such resolution with the Department of Community Affairs, within 60 days of the effective date of rules implementing section 1 of P.L.2007, c.2 (C.52:27D-126.3), shall be deemed to be participating in the program, until such time as a resolution of non-participation may be adopted and filed. A non-participating municipality may join the emergency deployment program at any time by adopting a resolution of participation and filing it with the commissioner.

b. During a state of emergency, any deployed construction code official or inspector shall report to the municipal emergency management coordinator for the deployment area.

6. This act shall take effect immediately.

Approved January 17, 2007.

CHAPTER 3

AN ACT concerning workers' compensation and amending R.S.34:15-28.

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

1. R.S.34:15-28 is amended to read as follows:

Interest on payments withheld.

34:15-28. Interest on payments withheld. Whenever lawful compensation shall have been withheld from an injured employee or dependents for a term of 60 or more days following entry of a judgment or order, simple interest on each weekly payment for the period of delay of each payment may, at the discretion of the division, be added to the amount due at the time of settlement. The annual rate of interest on payments withheld shall equal the average rate of return, to the nearest whole or one-half percent, for the corresponding preceding fiscal year terminating on June 30, of the State of New Jersey Cash Management Fund (State accounts) as reported by the Division of Investment in the Department of the Treasury.

2. This act shall take effect immediately.

Approved January 17, 2007.

CHAPTER 4

AN ACT concerning the due date of bids for local public contracts and public school contracts and amending P.L.1971, c.198 and N.J.S.18A:18A-21.

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

1. Section 23 of P.L.1971, c.198 (C.40A:11-23) is amended to read as follows:

C.40A:11-23 Advertisements for bids; bids; general requirements.

23. a. All advertisements for bids shall be published in an official newspaper of the contracting unit sufficiently in advance of the date fixed for receiving the bids to promote competitive bidding, but in no event less than 10 days prior to such date; except that all advertisements for bids on contracts for the collection and disposal of municipal solid waste shall be published in an official newspaper of the contracting unit circulating in the county or municipality, and in at least one newspaper of general circulation published in the State, sufficiently in advance of the date fixed for receiving the bids to promote competitive bidding, but not less than 60 days prior to that date. For all contracts, the date fixed for receiving the bids shall not fall on a Monday, or any day directly following a State or federal holiday.

b. The advertisement shall designate the manner of submitting and the method of receiving the bids and the time and place at which the bids will be

received. If the published specifications provide for receipt of bids by mail, those bids which are mailed to the contracting unit shall be sealed and shall only be opened for examination at such time and place as all bids received are unsealed and announced. At such time and place the contracting agent of the contracting unit shall publicly receive the bids, and thereupon immediately proceed to unseal them and publicly announce the contents, which announcement shall be made in the presence of any parties bidding or their agents, who are then and there present, and shall also make proper record of the prices and terms, upon the minutes of the governing body, if the award is to be made by the governing body of the contracting unit, or in a book kept for that purpose, if the award is to be made by other than the governing body, and in such latter case it shall be reported to the governing body of the contracting unit for its action thereon, when such action thereon is required. No bids shall be received after the time designated in the advertisement.

c. Notice of revisions or addenda to advertisements or bid documents shall be provided as follows:

1) For all contracts except those for construction work and municipal solid waste collection and disposal service, notice shall be published no later than seven days, Saturdays, Sundays, and holidays excepted, prior to the date for acceptance of bids, in an official newspaper of the contracting unit and be provided to any person who has submitted a bid or who has received a bid package, in one of the following ways: i) in writing by certified mail or ii) by certified facsimile transmission, meaning that the sender's facsimile machine produces a receipt showing date and time of transmission and that the transmission was successful or iii) by a delivery service that provides certification of delivery to the sender.

2) For all contracts for construction work, notice shall be provided no later than seven days, Saturdays, Sundays, or holidays excepted, prior to the date for acceptance of bids, to any person who has submitted a bid or who has received a bid package in any of the following ways: i) in writing by certified mail or ii) by certified facsimile transmission, meaning that the sender's facsimile machine produces a receipt showing date and time of transmission and that the transmission was successful or iii) by a delivery service that provides certification of delivery to the sender.

3) For municipal solid waste collection and disposal contracts, notice shall be published in an official newspaper of the contracting unit and in at least one newspaper of general circulation published in the State no later than seven days, Saturdays, Sundays, and holidays excepted, prior to the date for acceptance of bids.

d. Failure of the contracting unit to advertise for the receipt of bids or to provide proper notification of revisions or addenda to advertisements or bid documents related to bids as prescribed by this section shall prevent the contracting unit from accepting the bids and require the readvertisement for bids pursuant to subsection a. of this section. Failure to obtain a receipt when good faith notice is sent or delivered to the address or telephone facsimile number on file with the contracting unit shall not be considered failure by the contracting unit to provide notice.

2. N.J.S.18A:18A-21 is amended to read as follows:

Advertisement for bids; bids; general requirements; notice of revisions.

18A:18A-21. a. Except as provided in section 5 of P.L.1985, c.490 (C.18A:18A-55), all advertisements for bids shall be published in an official newspaper sufficiently in advance of the date fixed for receiving the bids to promote competitive bidding, but in no event less than 10 days prior to such date. For all contracts, the date fixed for receiving the bids shall not fall on a Monday, or any day directly following a State or federal holiday.

b. The advertisement shall designate the manner of submitting and of receiving the bids and the time and place at which the bids will be received. If the published specifications provide for receipt of bids by mail, those bids which are mailed to the board of education shall be sealed and shall be opened only for examination at such time and place as all bids received are unsealed and announced. At such time and place the purchasing agent of the board of education shall publicly receive the bids and thereupon immediately proceed to unseal them and publicly announce the contents, which announcement shall be made in the presence of any parties bidding or their agents who are then and there present. A proper record of the prices and terms shall be made in the minutes of the board. No bids shall be received after the time designated in the advertisement.

c. Notice of revisions or addenda to advertisements or bid documents shall be provided as follows:

(1) For all contracts except those for construction work, notice shall be published no later than seven days, Saturdays, Sundays, and holidays excepted, prior to the date for acceptance of bids, in an official newspaper of the board of education and be provided to any person who has submitted a bid or who has received a bid package, in one of the following ways: (a) in writing by certified mail or (b) by certified facsimile transmission, meaning that the sender's facsimile machine produces a receipt showing date and

time of transmission and that the transmission was successful or (c) by a delivery service that provides certification of delivery to the sender.

(2) For all contracts for construction work, notice shall be provided no later than seven days, Saturdays, Sundays, or holidays excepted, prior to the date for acceptance of bids, to any person who has submitted a bid or who has received a bid package in any of the following ways: i) in writing by certified mail or ii) by certified facsimile transmission, meaning that the sender's facsimile machine produces a receipt showing date and time of transmission and that the transmission was successful or iii) by a delivery service that provides certification of delivery to the sender.

d. Failure of the board of education to advertise for the receipt of bids or to provide proper notification of revisions or addenda to advertisements or bid documents related to bids as prescribed by this section shall prevent the board of education from accepting the bids and require the readvertisement for bids pursuant to subsection a. of this section. Failure to obtain a receipt when good faith notice is sent or delivered to the address or telephone facsimile number on file with the board of education shall not be considered failure by the board of education to provide notice.

3. This act shall take effect immediately.

Approved January 17, 2007.

CHAPTER 5

AN ACT concerning the New Jersey World Trade Center Scholarship Program and amending P.L.2001, c.442.

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

1. Section 5 of P.L.2001, c.442 (C.18A:71B-23.5) is amended to read as follows:

C.18A:71B-23.5 Awarding of scholarships.

5. a. The board is hereby authorized to award scholarships from the fund for the costs of undergraduate study at an institution of higher education to the dependent children or surviving spouses of persons who were New Jersey residents on September 11, 2001 and:

- (1) who were killed in the terrorist attack on the United States on September 11, 2001; or
- (2) who died as a result of injuries received in the attack; or
- (3) who died as a result of illness caused by exposure to the attack sites, as established in medical records or other appropriate documentation as required by the board; or
- (4) who are missing and officially presumed dead as a direct result of the attack.

The terrorist attack on the United States shall include the hijackings of American Airlines Flight 11, American Airlines Flight 77, United Airlines Flight 93 and United Airlines Flight 175 and the subsequent crashes at the World Trade Center in New York City, the Pentagon in Washington, D.C. and in Somerset County, Pennsylvania.

b. Scholarships from the fund may be awarded annually upon proper application to the fund to any student who qualifies under the criteria developed by the board.

2. This act shall take effect immediately.

Approved January 17, 2007.

CHAPTER 6

AN ACT establishing a cause of divorce from the bond of matrimony and amending N.J.S.2A:34-2.

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

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

Causes for divorce from bond of matrimony.

2A:34-2. Divorce from the bond of matrimony may be adjudged for the following causes heretofore or hereafter arising:

- a. Adultery;
- b. Willful and continued desertion for the term of 12 or more months, which may be established by satisfactory proof that the parties have ceased to cohabit as man and wife;
- c. Extreme cruelty, which is defined as including any physical or mental cruelty which endangers the safety or health of the plaintiff or makes it im-

proper or unreasonable to expect the plaintiff to continue to cohabit with the defendant; provided that no complaint for divorce shall be filed until after 3 months from the date of the last act of cruelty complained of in the complaint, but this provision shall not be held to apply to any counterclaim;

d. Separation, provided that the husband and wife have lived separate and apart in different habitations for a period of at least 18 or more consecutive months and there is no reasonable prospect of reconciliation; provided, further that after the 18-month period there shall be a presumption that there is no reasonable prospect of reconciliation;

e. Voluntarily induced addiction or habituation to any narcotic drug as defined in the New Jersey Controlled Dangerous Substances Act, P.L.1970, c.226 or habitual drunkenness for a period of 12 or more consecutive months subsequent to marriage and next preceding the filing of the complaint;

f. Institutionalization for mental illness for a period of 24 or more consecutive months subsequent to marriage and next preceding the filing of the complaint;

g. Imprisonment of the defendant for 18 or more consecutive months after marriage, provided that where the action is not commenced until after the defendant's release, the parties have not resumed cohabitation following such imprisonment;

h. Deviant sexual conduct voluntarily performed by the defendant without the consent of the plaintiff;

i. Irreconcilable differences which have caused the breakdown of the marriage for a period of six months and which make it appear that the marriage should be dissolved and that there is no reasonable prospect of reconciliation.

2. This act shall take effect immediately.

Approved January 20, 2007.

CHAPTER 7

AN ACT concerning municipal dog license fees and amending P.L.1941, c.151.

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

1. Section 12 of P.L.1941, c.151 (C.4:19-15.12) is amended to read as follows:

C.4:19-15.12 License fee may be fixed by ordinance; fee otherwise.

12. a. The governing body of each municipality may, by ordinance, fix the sum to be paid annually for a dog license and each renewal thereof, as required by section 3 of this act, which sum shall be not less than \$1.50 or more than \$21; provided however, that the governing body may by ordinance, provide for a reduction or waiver of the sum to be paid by an owner who presents a certificate signed by a licensed veterinarian stating that the dog has been spayed or neutered. In the absence of any local ordinance, the fee for all dog licenses shall be \$1.50.

b. The governing body of each municipality, may, by ordinance, fix the sum to be paid for a 3-year dog license and each renewal thereof, which sum shall be not more than 3 times the sum charged for an annual license under subsection a. of this section. In the absence of such a local ordinance, the license fee for a 3-year dog license shall be \$4.50. The Department of Health and Senior Services shall promulgate appropriate regulations concerning veterinarians' certificates for rabies inoculations of dogs for 3-year periods in connection with licenses issued under this subsection.

2. This act shall take effect immediately, and shall apply to all dog licenses issued after the effective date of this act.

Approved January 24, 2007.

CHAPTER 8

AN ACT concerning State-subsidized rental housing and supplementing P.L.1983, c.530 (C.55:14K-1 et seq.).

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

C.55:14K-7.3 Tenants forum; State-subsidized rental housing, complaints.

1. a. The agency shall require every manager of rental housing which has been financed, in whole or in part, by the agency or any other State entity, to arrange meetings, to be held at least once every three months, with notification to tenants residing in such housing in order to provide a forum for the tenants to discuss complaints that the tenants may have concerning the rental housing. For the purposes of this section, "rental housing" means a multiple dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3).

b. Each meeting shall take place on the site of the rental housing at a time convenient for the tenants, although if the property has no suitable facility to accommodate the attendees, the meeting shall take place at a suitable nearby facility which is open to the public, such as a public library.

c. The tenants of a building, by a majority vote, may waive the holding of any meeting required pursuant to this section.

This section shall not apply to any property which is owned by a public housing authority, other than the Department of Community Affairs when acting as a public housing authority.

2. This act shall take effect immediately.

Approved January 24, 2007.

CHAPTER 9

AN ACT concerning the return of certain security deposits, supplementing and amending P.L.1971, c.223.

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

C.46:8-21.5 Deposit recovery, certain; court action not required for tenant receiving financial assistance.

1. A tenant who has received financial assistance through any State or federal program, including welfare or rental assistance, shall not be required to file an action in court to recover deposits withheld by a landlord in violation of P.L.1967, c.265 (C.46:8-19 et seq.) in order to continue participation in any such program.

2. Section 3 of P.L.1971, c.223 (C.46:8-21.1) is amended to read as follows:

C.46:8-21.1 Return of deposit; displaced tenant; civil penalties, certain.

3. Within 30 days after the termination of the tenant's lease or licensee's agreement, the owner or lessee shall return by personal delivery, registered or certified mail the sum so deposited plus the tenant's portion of the interest or earnings accumulated thereon, less any charges expended in accordance with the terms of a contract, lease, or agreement, to the tenant or

licensee, or, in the case of a lease terminated pursuant to P.L.1971, c.318 (C.46:8-9.1), the executor or administrator of the estate of the tenant or licensee or the surviving spouse of the tenant or licensee so terminating the lease. The interest or earnings and any such deductions shall be itemized and the tenant, licensee, executor, administrator or surviving spouse notified thereof by personal delivery, registered or certified mail. Notwithstanding the provisions of this or any other section of law to the contrary, no deductions shall be made from a security deposit of a tenant who remains in possession of the rental premises.

Within five business days after:

- a. the tenant is caused to be displaced by fire, flood, condemnation, or evacuation, and
- b. an authorized public official posts the premises with a notice prohibiting occupancy; or
- c. any building inspector, in consultation with a relocation officer, where applicable, has certified within 48 hours that displacement is expected to continue longer than seven days and has so notified the owner or lessee in writing, the owner or lessee shall have available and return to the tenant or the tenant's designated agent upon his demand the sum so deposited plus the tenant's portion of the interest or earnings accumulated thereon, less any charges expended in accordance with the terms of the contract, lease or agreement and less any rent due and owing at the time of displacement.

Such net sum shall continue to be available to be returned upon demand during normal business hours for a period of 30 days at a location in the same municipality in which the subject leased property is located and shall be accompanied by an itemized statement of the interest or earnings and any deductions. The owner or lessee may, by mutual agreement with the municipal clerk, have the municipal clerk of the municipality in which the subject leased property is located return said net sum in the same manner. Within three business days after receiving notification of the displacement, the owner or lessee shall provide written notice to a displaced tenant by personal delivery or mail to the tenant's last known address. Such notice shall include, but not be limited to, the location at which and the hours and days during which said net sum shall be available to him. The owner or lessee shall provide a duplicate notice in the same manner to the relocation officer. Where a relocation officer has not been designated, the duplicate notice shall be provided to the municipal clerk. When the last known address of the tenant is that from which he was displaced and the mailbox of that address is not accessible during normal business hours, the owner or lessee shall also post such notice at each exterior public entrance of the property from which

the tenant was displaced. Any such net sum not demanded by and returned to the tenant or the tenant's designated agent within the period of 30 days shall be redeposited or reinvested by the owner or lessee in an appropriate interest bearing or dividend yielding account in the same investment company, State or federally chartered bank, savings bank or savings and loan association from which it was withdrawn. In the event that said displaced tenant resumes occupancy of the premises, said tenant shall redeliver to the owner or lessee one-third of the security deposit immediately, one-third in 30 days and one-third 60 days from the date of reoccupancy. Upon the failure of said tenant to make such payments of the security deposit, the owner or lessee may institute legal action for possession of the premises in the same manner that is authorized for nonpayment of rent.

The Commissioner of Community Affairs, the Public Advocate, the Attorney General, or any State entity which made deposits on behalf of a tenant may impose a civil penalty against an owner or lessee who has willfully and intentionally withheld deposits in violation of section 1 of P.L.1967, c.265 (C.46:8-19), when the deposits were made by or on behalf of a tenant who has received financial assistance through any State or federal program, including welfare or rental assistance. An owner or lessee of a tenant on whose behalf deposits were made by a State entity and who has willfully and intentionally withheld such deposits in violation of this section shall be liable for a civil penalty of not less than \$500 or more than \$2,000 for each offense. The penalty prescribed in this paragraph 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.). The State entity which made such deposits on behalf of a tenant shall be entitled to any penalty amounts recovered pursuant to such proceedings.

In any action by a tenant, licensee, executor, administrator or surviving spouse, or other person acting on behalf of a tenant, licensee, executor, administrator or surviving spouse, for the return of moneys due under this section, the court upon finding for the tenant, licensee, executor, administrator or surviving spouse shall award recovery of double the amount of said moneys, together with full costs of any action and, in the court's discretion, reasonable attorney's fees.

3. This act shall take effect immediately.

Approved January 24, 2007.

CHAPTER 10

AN ACT concerning financing underground storage tank closures and remediations, and amending and supplementing P.L.1997, c.235.

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

1. Section 6 of P.L.1997, c.235 (C.58:10A-37.6) is amended to read as follows:

C.58:10A-37.6 Application for financial assistance; fee.

6. An eligible owner or operator seeking financial assistance from the fund shall file an application on a form to be developed by the authority. The application form shall be submitted with the application fee. The application fee per facility for residential petroleum underground storage tanks shall be \$250. The authority may establish the application fee per facility for nonresidential petroleum underground storage tanks.

The authority shall adopt rules and regulations listing the filing requirements for a complete application for financial assistance. If a financial assistance application is determined to be incomplete by the authority, an applicant shall have 30 days from the date of receipt of written notification of incompleteness to file such additional information as may be required by the authority for a completed application. If an applicant fails to file the additional information within the 30 days, the filing date for that application shall be the date that such additional information is received by the authority. If the additional information is filed within the 30 days and is satisfactory to the authority, the filing date for that application shall be the initial date of application with the authority. Notwithstanding the above, if a completed application has been submitted and the applicant fails to submit the filing fee, then the filing date for the application shall not be established until the date on which the authority receives the application fee. A change in the filing date resulting from failure to submit a completed application or from failure to submit the application fee in a timely fashion for applications filed for financial assistance for a regulated tank 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 shall not render the application ineligible for financial assistance as long as the initial date of application is prior to June 30, 2010, or for a regulated tank that is not operational, 18 months from the

date of discovery of the tank or June 30, 2010, whichever is later.

An applicant shall have 120 days from receipt of notice of approval of a financial assistance award to submit to the authority an executed contract for the upgrade, closure, or remediation, or all three, as the case may be, that is consistent with the terms and conditions of the financial assistance approval. Failure to submit an executed contract within the allotted time, without good cause, may result in an alteration of an applicant's priority ranking.

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. Except as provided in subsection g. of section 5 of P.L.1997, c.235 (C.58:10A-37.5), once financial assistance for an upgrade or closure is awarded for a facility, no additional award of financial assistance for upgrade or closure costs 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 P.L.1997, c.235 (C.58:10A-37.5). 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 in this subsection, and in subsection g. of section 5 of P.L.1997, c.235 (C.58:10A-37.5), no financial assistance for upgrade 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.), 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. Except as provided in subsection g. of section 5 of P.L.1997, c.235 (C.58:10A-37.5), no financial assistance for upgrade 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., unless the applicant has received an extension of the deadline for compliance with the standards pursuant to subsection b. of section 9 of P.L.1986, c.102 (C.58:10A-29), the application is filed with the authority prior to June 30,

2005 and the application is complete and the application fee is received by December 31, 2005.

No financial assistance for 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 June 30, 2010 and the application is complete and the application fee is received by December 31, 2010.

In the case of a regulated tank that is not operational, financial assistance for the closure or the remediation of any discharge therefrom may be awarded if the application is filed with the authority no more than 18 months after the date of discovery of the existence of the regulated tank, or no later than June 30, 2010, whichever is later.

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. through j. 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 of P.L.1997, c.235 (C.58:10A-37.1 et seq.) to the contrary, if an applicant has expended the applicant's own funds on a remediation after 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.

i. Notwithstanding any provision of P.L.1997, c.235 (C.58:10A-37.1 et seq.) to the contrary, if an applicant that is an independent institution of higher education 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 applicant for expenditures for the eligible project costs of the remediation made on or after December 1, 1996 in an amount not to exceed \$500,000 for each independent institution of higher education.

j. Notwithstanding any provision of P.L.1997, c.235 (C.58:10A-37.1 et seq.) to the contrary, if an applicant has expended the applicant's own funds for a remediation of a petroleum underground storage tank used to store heating oil at the applicant's primary residence 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 applicant for the eligible project costs of the remediation.

C.58:10A-37.3a DEP notification to municipalities of fund.

3. The Department of Environmental Protection shall notify the governing body of each municipality in the State of the existence of the Petroleum Underground Storage Tank Remediation, Upgrade, and Closure Fund and shall describe the eligibility criteria and the availability of loans and grants from the fund.

4. This act shall take effect immediately.

Approved January 24, 2007.

CHAPTER 11

AN ACT concerning higher education tuition assistance for New Jersey National Guard members and dependents 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; State payment.

21. a. 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 16 credits per semester tuition-free provided that:

(1) the member has completed Initial Active Duty Training and, except as otherwise provided pursuant to subsection c. of this section, is in good standing as an active member of the New Jersey National Guard;

(2) 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; and

(3) 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.

b. The State shall reimburse a public institution of higher education for the tuition cost of each National Guard member who enrolls in the institution pursuant to the provisions of this section.

c. Any member of the New Jersey National Guard whose enrollment in a public institution of higher education on a tuition-free basis pursuant to subsection a. of this section is interrupted by a deployment to active duty shall be permitted to receive the free tuition benefit after discharge from service under conditions other than dishonorable. In the event of a non-medical discharge or a medical discharge that is not caused by an illness or injury related to the performance of duties for the National Guard, eligibility for the free tuition benefit shall begin from the date of discharge and shall continue for one semester or a period of time equal to the length of the deployment, whichever is longer. In the event of medical discharge or

medical retirement as a result of illness or injury incurred in the combat theater, as a result of terrorist action, or in the response to a natural disaster, eligibility for the free tuition benefit shall begin from the date of discharge or retirement and shall continue until completion of the degree program in which enrolled or for five years, whichever occurs first.

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 16 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 24, 2007.

CHAPTER 12

AN ACT establishing a commuter transportation services public awareness campaign and supplementing Title 27 of the Revised Statutes.

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

C.27:1A-5.20 Legal commuter transportation services; public awareness campaign established.

1. a. The Commissioner of Transportation shall establish a public awareness campaign to inform the general public about legal commuter transportation services and to improve public awareness of safe, reliable transportation alternatives available to the residents of New Jersey. The commissioner shall work in conjunction with the Transportation Management Association Council of New Jersey as practical. The campaign shall include, but not be limited to, the dissemination of information relating to the provision of legal commuter transportation services, alternative transportation services available throughout the State, the importance of public safety on roads and highways, and resources for the general public to obtain more information on commuter transportation services.

b. The commissioner shall, at a minimum:

(1) provide for the development of printed educational materials and public service announcements in English and Spanish; and

(2) prepare information for distribution to the public, through a variety of entities, including, but not limited to, local transportation management associations, places of business, libraries, community centers, other community-based outreach programs and organizations, and the Department of Transportation's official website.

C.27:1A-5.21 Evaluation of campaign; report to Legislature.

2. The Commissioner of Transportation shall evaluate the campaign established by this act and shall report to the Legislature and the Governor within 18 months of the date the campaign becomes operational as to the effectiveness of the campaign in providing information relating to legal commuter transportation services and in improving safety on the roads and public highways in this State, along with recommendations as to whether the campaign should be continued, modified or expanded.

3. This act shall take effect immediately, but sections 1 and 2 shall be inoperative until the 90th day after enactment, except that the Commissioner of Transportation may take such anticipatory administrative action in advance as shall be necessary for the implementation of the act.

Approved January 24, 2007.

CHAPTER 13

AN ACT revising certain penalties relating to the operation of autobuses and amending R.S.48:4-3.

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

1. R.S.48:4-3 is amended to read as follows:

Certificate of public convenience and necessity; penalties.

48:4-3. a. No autobus, charter bus operation or special bus operation which is engaged, wholly or partly, in intrastate commerce shall be operated or run while carrying passengers for hire within the State of New Jersey unless there is in force with respect to such operation a certificate of public convenience and necessity issued by the Chief Administrator of the New Jersey Motor Vehicle Commission authorizing such operation upon a determination that such operation is in the public interest.

b. Any person who owns or causes to be operated or operates an autobus without a valid certificate of public convenience and necessity or in violation of the provisions thereof is subject to a civil penalty of: \$500 for the first violation, \$750 for the second violation, and \$1,000 for the third and each subsequent violation. Every day upon which a violation occurs shall be considered a separate violation.

c. When any person violates the provisions of this section on more than one occasion, the chief administrator may, by order, after notice and hearing, declare that person to be an unfit operator and cause the revocation of any certificates of public convenience and necessity issued to that person and declare that that person shall have no standing to petition for any further certificates. The chief administrator may stay or revoke any order made under this subsection when the chief administrator finds it to be in the public interest to do so.

2. This act shall take effect on the first day of the sixth month next following enactment but such anticipatory administrative action may be taken as necessary to effectuate the purposes of this act.

Approved January 24, 2007.

CHAPTER 14

AN ACT concerning temporary help service firms and amending P.L.1981, c.1.

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

1. Section 14 of P.L.1981, c.1 (C.56:8-1.1) is amended to read as follows:

C.56:8-1.1 Temporary help services; inclusion within definition of merchandise; rules, regulations; fees, charges on firms; transport of workers regulated.

14. Services provided by a temporary help service firm shall constitute services within the term "merchandise" pursuant to P.L.1960, c.39, s.1 (C.56:8-1(c)), and the provisions of P.L.1960, c.39 (C.56:8-1 et seq.) shall apply to the operation of a temporary help service firm.

The Attorney General shall promulgate rules and regulations pursuant to section 4 of P.L.1960, c.39 (C.56:8-4). The Attorney General shall, by rule or regulation, establish, prescribe or change an annual registration fee or other charge on temporary help service firms to such extent as shall be necessary to defray all proper expenses incurred by his office in the performance of its duties under this section of this act but such registration fees or other charges shall not be fixed at a level that will raise amounts in excess of the amount estimated to be so required. In addition to any other appropriate requirements, the Attorney General shall, by rule or regulation require the following:

a. Each temporary help service firm operating within the State of New Jersey shall, prior to the effective date of this act or commencement of operation and annually thereafter, notify the Attorney General as to its appropriate name, if applicable; the trade name of its operation; its complete address, including street and street number of the building and place where its business is to be conducted; and the names and resident addresses of its officers. Each principal or owner shall provide an affidavit to the Attorney General setting forth whether such principal or owner has ever been convicted of a crime.

b. When a temporary help service firm utilizes any location other than its primary location for the recruiting of applicants, including mobile locations, it shall notify the Office of the Attorney General of such fact in writing or by telephone, and subsequently confirm in writing prior to the utilization of such facility.

c. Each temporary help service firm shall at the time of its initial notification to the Attorney General, and annually thereafter, post a bond of \$1,000.00 with the Attorney General to secure compliance with P.L.1960, c. 39 (C. 56:8-1 et seq.), provided however that the Attorney General may waive such bond for any corporation or entity having a net worth of \$100,000 or more.

d. Any temporary help service firm, as the term is used in P.L.1960, c.39 (C.56:8-1 et seq.), P.L.1989, c.331 (C.34:8-43 et seq.) or this section, which places individuals in work which requires them to obtain transportation services to get to, or return from, the site of the work shall be subject to the provisions of this subsection, except that the provisions of this subsection shall not apply if the firm requires the individuals to use their own vehicles or other transportation of their choice, for transportation to and from work and shall not apply if public transportation is available at the times needed for them to get to, and return from, the site of the work and the firm permits them to use the public transportation. If the firm provides transportation services with any vehicle owned, leased or otherwise under the control of the firm, the firm shall be responsible for compliance with the provisions of R.S.48:4-3 et seq. and any other applicable law or regulation regarding the vehicle and its use and shall keep records in the manner required by regulations adopted by the Attorney General in consultation with the New Jersey Motor Vehicle Commission. If the firm does not provide transportation services, but refers, directs or requires the individuals to use any other provider or providers of transportation services, or provides no practical alternative to the use of services of the provider or providers, the firm shall obtain, and keep on file, documentation that each provider is in compliance with the provisions of R.S.48:4-3 et seq. and any other applicable law or regulation in the manner required by regulations adopted by the Attorney General in consultation with the New Jersey Motor Vehicle Commission. The firm may not require the individuals to use transportation provided by the firm or another provider of transportation services if they have other transportation available. A failure to comply with the provisions of this subsection, including all record-keeping requirements of this subsection, shall be regarded as an unlawful practice and a violation of this section, of P.L.1960, c.39 (C.56:8-1 et seq.) and of R.S.48:4-3 et seq. and a temporary help service firm found to be in violation shall be subject to penalties provided for violations of those acts, and shall be jointly and severally liable with the provider of transportation services for any injury which occurs to the individuals while being transported in a vehicle owned, leased or otherwise under the control of the provider. In the case of noncompliance with the provisions of this section on more than one occasion, the Attorney General may suspend or revoke the

firm's registration as a temporary help service firm for the purposes of this section, P.L.1960, c.39 (C.56:8-1 et seq.) and P.L.1989, c.331 (C.34:8-43 et seq.).

2. This act shall take effect immediately, except that no penalty shall be assessed for a violation of the record-keeping requirements of subsection d. of section 14 of P.L.1981, c.1 (C.56:8-1.1) before the 365th day after enactment.

Approved January 24, 2007.

CHAPTER 15

AN ACT concerning the withholding and diversion of wages by a temporary help service firm and supplementing P.L.1960, c.39(C.56:8-1 et seq.).

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

C.56:8-1.2 Unlawful withholding or diversion of wages by temporary help service firm; penalty.

1. It shall be an unlawful practice for a temporary help service firm, as the term is used in P.L.1960, c.39 (C.56:8-1 et seq.), section 14 of P.L.1981, c.1 (C.56:8-1.1) and P.L.1989, c.331 (C.34:8-43 et seq.), to willfully withhold or divert wages for any purpose not expressly permitted by section 4 of P.L.1965, c.173 (C.34:11-4.4). In addition to any fine or penalty, the Attorney General may refuse to issue or renew, and may suspend or revoke a firm's registration to operate as a temporary help service firm for the purposes of P.L.1960, c.39 (C.56:8-1 et seq.), section 14 of P.L.1981, c.1 (C.56:8-1.1), P.L.1989, c.331 (C.34:8-43 et seq.) and related regulations for a violation of this section. A refusal, suspension or revocation shall not be made except upon reasonable notice to, and the opportunity to be heard by, the applicant or registrant.

2. This act shall take effect immediately.

Approved January 24, 2007.

CHAPTER 16

AN ACT concerning school district monitoring, revising various parts of the statutory law and supplementing chapter 7A of Title 18A of the New Jersey Statutes.

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

1. Section 3 of P.L.1975, c.212 (C.18A:7A-3) is amended to read as follows:

C.18A:7A-3 Definitions.

3. For the purposes of this act, unless the context clearly requires a different meaning:

"Administrative order" means a written directive ordering specific corrective action by a district which has shown insufficient compliance with the quality performance indicators.

"Highly skilled professional" means a designee of the commissioner deemed to have the skills and experience necessary to assist a school district in improving its effectiveness or to provide oversight in a school district in one or more of the five key components of school district effectiveness.

"Joint Committee on the Public Schools" means the committee created pursuant to P.L.1975, c.16 (C.52:9R-1 et seq.).

"Technical assistance" means guidance and support provided to a school district to enable the district to meet State and federal policy and regulatory requirements and to ensure the provision of a thorough and efficient education. "Technical assistance" may include, but shall not be limited to, support of the teaching and learning process and overall school district effectiveness.

2. Section 10 of P.L.1975, c.212 (C.18A:7A-10) is amended to read as follows:

C.18A:7A-10 New Jersey Quality Single Accountability Continuum for evaluating school performance.

10. For the purpose of evaluating the thoroughness and efficiency of all the public schools of the State, the commissioner, with the approval of the State board and after review by the Joint Committee on the Public Schools, shall develop and administer the New Jersey Quality Single Accountability

Continuum for evaluating the performance of each school district. The goal of the New Jersey Quality Single Accountability Continuum shall be to ensure that all districts are operating at a high level of performance. The system shall be based on an assessment of the degree to which the thoroughness and efficiency standards established pursuant to section 4 of P.L.1996, c.138 (C.18A:7F-4) are being achieved and an evaluation of school district capacity in the following five key components of school district effectiveness: instruction and program; personnel; fiscal management; operations; and governance. A school district's capacity and effectiveness shall be determined using quality performance indicators comprised of standards for each of the five key components of school district effectiveness. The quality performance indicators shall take into consideration a school district's performance over time, to the extent feasible. Based on a district's compliance with the indicators, the commissioner shall assess district capacity and effectiveness and place the district on a performance continuum that will determine the type and level of oversight and technical assistance and support the district receives.

3. Section 11 of P.L.1975, c.212 (C.18A:7A-11) is amended to read as follows:

C.18A:7A-11 Reports by school districts, commissioner; interim review.

11. Each school district and county vocational school district shall make a report of its progress in complying with all of the quality performance indicators adopted pursuant to section 10 of P.L.1975, c.212 (C.18A:7A-10) every three years, pursuant to a schedule to be established by the commissioner. In the years intervening between the district's three-year review, whenever the commissioner determines that conditions exist in a district that significantly and negatively impact the educational program or operations of the district, the commissioner may direct that the department immediately conduct a comprehensive review of the district. Nothing in this section shall preclude the commissioner, in his discretion, from conducting a random review of a school district to assess the district's compliance with the quality performance indicators.

The district reports shall be submitted to the commissioner on a date and in such form as prescribed by the commissioner, who shall make them the basis for an annual report to the Governor and the Legislature, describing the condition of education in New Jersey, the efforts of New Jersey schools in meeting the standards of a thorough and efficient education, the steps underway to correct deficiencies in school performance, and the pro-

gress of New Jersey schools in comparison to other state education systems in the United States.

4. Section 14 of P.L.1975, c.212 (C.18A:7A-14) is amended to read as follows:

C.18A:7A-14 Review, evaluation of reports, performance continuum placement, procedure.

14. a. The commissioner shall review the results of the report submitted pursuant to sections 10 and 11 of P.L.1975, c.212 (C.18A:7A-10 and 18A:7A-11) and after examination of all relevant data, including student assessment data, determine where on the performance continuum the district shall be placed. The commissioner, through collaboration, shall establish a mechanism for parent, school employee and community resident input into the review process. If the commissioner finds that a school district or county vocational school district satisfies 80 percent to 100 percent of the quality performance indicators in each of the five key components of school district effectiveness, the commissioner shall issue to the district a letter of recognition designating the district as a high performing district, provided that the district has submitted to the department a statement of assurance which attests that the contents of the report are valid. The commissioner shall recommend that the State board certify the school district for a period of three years as providing a thorough and efficient system of education, contingent on continued progress in meeting the quality performance indicators.

b. If a school district satisfies 50 percent to 79 percent of the quality performance indicators in any of the five key components of school district effectiveness, the commissioner shall require the district to develop an improvement plan to address the quality performance indicators with which the district has not complied and to increase district capacity through the provision of technical assistance and other measures designed to meet the district's needs. The improvement plan shall be submitted to and approved by the commissioner. In accordance with the improvement plan, the commissioner shall provide technical assistance to the district. If necessary, the commissioner may authorize an in-depth evaluation of the district to determine the causes for the district's noncompliance with the quality performance indicators.

The commissioner shall review the district's progress in implementing the improvement plan not less than every six months. If the commissioner finds, based on those reviews, that after two years the district has not satis-

fied 80 to 100 percent of the quality performance indicators in each of the five key components of school district effectiveness, the commissioner may require the district to amend the improvement plan. The amended plan shall be submitted to the commissioner for approval.

If a district effectively implements its improvement plan and is able to satisfy 80 to 100 percent of the quality performance indicators in each of the five key components of school district effectiveness through the interventions set forth in this subsection, the commissioner shall issue the district a letter of recognition designating the district as a high performing district. The commissioner shall recommend that the State board certify the school district for a period of three years as providing a thorough and efficient system of education, contingent on continued progress in meeting the quality performance indicators. If the district has not effectively implemented its improvement plan and has not satisfied 80 to 100 percent of the quality performance indicators in each of the five key components of school district effectiveness through the interventions set forth in this subsection, the commissioner shall issue the district a letter detailing the areas in which the district remains deficient.

c. (1) If a school district satisfies less than 50 percent of the quality performance indicators in four or fewer of the five key components of school district effectiveness, the commissioner shall authorize an in-depth evaluation of the district's performance and capacity unless the commissioner determines that a comprehensive evaluation of the district by or directed by the department has occurred within the last year. Based on the findings and recommendations of that evaluation, the district, in cooperation with the department, shall develop an improvement plan to address the quality performance indicators with which the district has not complied and to increase district capacity through the provision of technical assistance and other measures designed to meet the district's needs. The improvement plan shall be submitted to the commissioner for approval. Upon approval, the commissioner shall provide the district with the technical assistance outlined in the plan and shall assure that the district's budget provides the resources necessary to implement the improvement plan.

The commissioner shall review the district's progress in implementing the improvement plan not less than every six months. The reviews shall include an on-site visit. If the commissioner finds, based on those reviews, that after two years the district has not satisfied at least 50% of the quality performance indicators in each of the key components of school district effectiveness, the commissioner may require the district to amend the improvement plan. The amended plan shall be submitted to the commissioner for approval.

Nothing in this paragraph shall be construed to prohibit the State board from directing the district to enter partial State intervention prior to the expiration of the two-year period.

(2) The district's improvement plan may include the appointment by the commissioner of one or more highly skilled professionals to provide technical assistance to the district in the areas in which it has failed to satisfy the quality performance indicators. Each highly skilled professional shall work collaboratively with the district to increase local capacity in the areas of need identified in the improvement plan. The cost for the compensation of the highly skilled professionals shall be a shared expense of the school district and the State, with the State assuming one-half of the cost and the school district being responsible for one-half of the cost.

(3) If the district satisfies less than 50% of the quality performance indicators in one to four of the five key components of school district effectiveness, the commissioner may also order the district board of education to show cause why an administrative order placing the district under partial State intervention should not be implemented. The plenary hearing before a judge of the Office of Administrative Law pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), upon said order to show cause, shall be conducted on an expedited basis and in the manner prescribed by subdivision B of article 2 of chapter 6 of Title 18A of the New Jersey Statutes. In the proceeding the State shall have the burden of showing that the recommended administrative order is not arbitrary, unreasonable or capricious.

If, after a plenary hearing, the commissioner determines that it is necessary to take corrective action, the commissioner shall have the power to order necessary budgetary changes within the district or other measures the commissioner deems appropriate to establish a thorough and efficient system of education.

If the board fails to show cause why an administrative order placing the district under partial State intervention should not be implemented, the commissioner shall recommend to the State board that it issue an order placing the district under partial State intervention. Notwithstanding any other provision of law to the contrary and upon its determining that the school district is not providing a thorough and efficient system of education, the State board may place the district under partial State intervention. Nothing herein shall limit the right of any party to appeal the State board's order to the Superior Court, Appellate Division.

(4) If the position of superintendent of schools is vacant in a district under partial State intervention, the State board upon the recommendation

of the commissioner may appoint a superintendent who shall serve for an initial period not to exceed two years.

(5) In addition to the highly skilled professionals appointed pursuant to paragraph (2) of this subsection to provide technical assistance to the district in implementing its improvement plan, the commissioner, in consultation with the local board of education, may appoint one or more highly skilled professionals in a district under partial State intervention to provide direct oversight in the district regarding the quality performance indicators with which the district has failed to comply. The highly skilled professional shall represent the interests of the commissioner in all matters relating to the component of school district effectiveness that is under intervention and over which the highly skilled professional is providing direct oversight. The powers and authorities of the highly skilled professional shall include, but not be limited to:

(a) overseeing the operations of the district in the area of intervention over which the highly skilled professional is assigned to provide direct oversight;

(b) ensuring the development and implementation of the district improvement plan with respect to the area over which the highly skilled professional is assigned to provide direct oversight;

(c) overriding a chief school administrator's action and a vote by the board of education regarding matters under direct oversight of the highly skilled professional;

(d) attending all meetings of the board of education, including closed sessions; and

(e) obligating district funds for matters relating to the area under State intervention over which the highly skilled professional is providing direct oversight.

In the event that there is a need to hire, promote, or terminate employees working in the area of intervention over which the highly skilled professional is assigned to provide direct oversight, the hiring, promotion, and termination of those employees shall be determined by the State board upon the recommendation of the commissioner.

The highly skilled professional shall work collaboratively with the superintendent, the board of education and the employees of the district working in the area of the oversight to address areas identified in the improvement plan.

When the commissioner appoints more than one highly skilled professional in a district under partial State intervention, he shall delineate the scope and extent of authority of each highly skilled professional appointed and shall establish a decision-making hierarchy for the highly skilled pro-

fessionals and personnel in the district. The highly skilled professional shall report directly to the commissioner or his designee on a bi-weekly basis and shall report monthly to the board of education and members of the public at the regularly scheduled board of education meeting. The salary of a highly skilled professional appointed pursuant to this paragraph shall be fixed by the commissioner and adjusted from time to time as the commissioner deems appropriate. The cost of the salaries of the highly skilled professionals shall be a shared expense of the school district and the State, with the State assuming one-half of the cost and the school district being responsible for one-half of the cost. For the purpose of the New Jersey Tort Claims Act, N.J.S.59:1-1 et seq., the highly skilled professional appointed pursuant to this paragraph shall be considered a State officer.

(6) With the State board's approval the commissioner may appoint up to three additional members to the board of education of a district under partial State intervention. The board of education's membership shall remain increased by these additional seats until the State withdraws from intervention. If the commissioner appoints three additional members pursuant to this paragraph, the commissioner shall appoint one of these additional members from a list of three candidates provided by the local governing body of the municipality in which the school district is located. The commissioner shall make every effort to appoint residents of the district. A board member appointed by the commissioner shall be a nonvoting member of the board and shall have all the other rights, powers and privileges of a member of the board. A board member appointed by the commissioner shall report to the commissioner on the activities of the board of education and shall provide assistance to the board of education on such matters as deemed appropriate by the commissioner, including, but not limited to, the applicable laws and regulations governing specific school board action. A member appointed by the commissioner shall serve for a term of two years. The commissioner shall obtain approval of the State board for any extension of the two-year term. Any vacancy in the membership appointed by the commissioner shall be filled in the same manner as the original appointment.

If a board of education is subject to additional appointments pursuant to section 67 of P.L.2002, c.43 (C.52:27BBB-63), then the provisions of this paragraph shall not be applicable during the period in which the board is subject to those appointments.

Six months following the district being placed under partial State intervention, the commissioner shall determine whether or not the board members he has appointed shall become voting members of the board of education. If the commissioner determines that the board members he has ap-

pointed shall become voting members, the school district shall have 30 days to appeal the commissioner's determination to the State Board of Education.

(7) Based on the district's success in implementing its improvement plan, the commissioner shall make a determination to withdraw from intervention in one or more of the areas that have been under State intervention, to leave one or more areas under State intervention or to recommend to the State Board of Education that the district be placed under full State intervention.

If the commissioner determines that the district has successfully implemented the improvement plan and achieved sufficient progress in satisfying the performance indicators in one or more areas under intervention, the State shall withdraw from intervention in the district in those areas.

d. (Deleted by amendment, P.L.2005, c.235.)

e. (1) If a school district satisfies less than 50 percent of the quality performance indicators in each of the five key components of school district effectiveness, the commissioner shall authorize an in-depth evaluation of the district's performance and capacity, unless the commissioner determines that a comprehensive evaluation of the district by or directed by the department has occurred within the last year. Based on the findings and recommendations of that evaluation, the district, in cooperation with the department, shall develop an improvement plan to address the quality performance indicators with which the district has not complied and to increase district capacity through the provision of technical assistance and other measures designed to meet the district's needs. The improvement plan shall be submitted to the commissioner for approval. Upon approval, the commissioner shall provide the district with the technical assistance outlined in the plan and shall assure that the district's budget provides the resources necessary to implement the improvement plan.

The commissioner shall review the district's progress in implementing the improvement plan not less than every six months. The reviews shall include an on-site visit. If the commissioner finds, based on those reviews, that after two years the district has not satisfied at least 50% of the quality performance indicators in each of the key components of school district effectiveness, the commissioner may require the district to amend the improvement plan. The amended plan shall be submitted to the commissioner for approval.

Nothing in this paragraph shall be construed to prohibit the State board from directing the district to enter full State intervention prior to the expiration of the two-year period.

(2) The district's improvement plan may include the appointment by the commissioner of one or more highly skilled professionals to provide technical assistance to the district in the areas in which it has failed to sat-

isfy the quality performance indicators. Each highly skilled professional shall work collaboratively with the district to increase local capacity in the areas of need identified in the improvement plan. The cost for the compensation of the highly skilled professionals shall be a shared expense of the school district and the State, with the State assuming one-half of the cost and the school district being responsible for one-half of the cost.

5. Section 15 of P.L.1975, c.212 (C.18A:7A-15) is amended to read as follows:

C.18A:7A-15 Hearing on State intervention, corrective action; full State intervention; withdrawal.

15. a. In addition to procedures established pursuant to subsection e. of section 14 of P.L.1975, c.212 (C.18A:7A-14), the commissioner may order the local board to show cause why an administrative order placing the district under full State intervention should not be implemented. The plenary hearing before a judge of the Office of Administrative Law, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), upon said order to show cause, shall be conducted on an expedited basis and in the manner prescribed by subdivision B of article 2 of chapter 6 of Title 18A of the New Jersey Statutes. In the proceeding the State shall have the burden of showing that the recommended administrative order is not arbitrary, unreasonable or capricious.

If, after a plenary hearing, the commissioner determines that it is necessary to take corrective action, the commissioner shall have the power to order necessary budgetary changes within the district or other measures the commissioner deems appropriate to establish a thorough and efficient system of education.

If the board fails to show cause why an administrative order placing the district under full State intervention should not be implemented, the commissioner shall recommend to the State board that it issue an order placing the district under full State intervention. Notwithstanding any other provision of law to the contrary and upon its determining that the school district is not providing a thorough and efficient system of education, the State board may place the district under full State intervention. Nothing herein shall limit the right of any party to appeal the State board's order to the Superior Court, Appellate Division.

b. In districts under full State intervention the State board, upon the recommendation of the commissioner, may appoint a State district superintendent to serve for an initial term not to exceed three years.

c. In addition to the highly skilled professionals appointed pursuant to paragraph (2) of subsection e. of section 14 of P.L.1975, c.212 (C.18A:7A-14), to provide technical assistance to the district in implementing its improvement plan, the commissioner, in consultation with the local board of education, may appoint one or more highly skilled professionals in a district under full State intervention to provide direct oversight in the district regarding the quality performance indicators with which the district has failed to comply. The highly skilled professional shall represent the interests of the commissioner in all matters relating to the component of school district effectiveness that is under the intervention and over which the highly skilled professional is providing direct oversight. The powers and authorities of the highly skilled professional shall include, but not be limited to:

(1) overseeing the operations of the district in the area of intervention over which the highly skilled professional is assigned to provide direct oversight;

(2) ensuring the development and implementation of the district improvement plan with respect to the area over which the highly skilled professional is assigned to provide direct oversight;

(3) overriding a chief school administrator's action and a vote by the board of education regarding matters under direct oversight of the highly skilled professional;

(4) attending all meetings of the board of education, including closed sessions; and

(5) obligating district funds for matters relating to the area under State intervention over which the highly skilled professional is providing direct oversight.

The highly skilled professional shall work collaboratively with the superintendent or the State district superintendent, as applicable, the board of education and the employees of the district working in the area of the oversight to address areas identified in the improvement plan.

When the commissioner appoints more than one highly skilled professional in a district under full State intervention, he shall delineate the scope and extent of authority of each highly skilled professional appointed and shall establish a decision-making hierarchy for the highly skilled professionals, district personnel and the State district superintendent, if applicable. The highly skilled professional shall report directly to the commissioner or his designee on a bi-weekly basis and shall report monthly to the board of education and members of the public at the regularly scheduled board of education meeting. The salary of the highly skilled professional appointed pursuant to this paragraph shall be fixed by the commissioner

and adjusted from time to time as the commissioner deems appropriate. The cost of the salaries of the highly skilled professionals shall be a shared expense of the school district and the State, with the State assuming one-half of the cost and the school district being responsible for one-half of the cost. For the purpose of the New Jersey Tort Claims Act, N.J.S.59:1-1 et seq., the highly skilled professional appointed pursuant to this paragraph shall be considered a State officer.

d. If the district has successfully implemented the improvement plan and achieved sufficient progress in satisfying the performance indicators in one or more areas under intervention, the State shall withdraw from intervention in the district in those areas in accordance with the provisions of section 16 of P.L.1987, c.399 (C.18A:7A-49).

6. Section 5 of P.L.1987, c.398 (C.18A:7A-15.1) is amended to read as follows:

C.18A:7A-15.1 Authority of State board.

5. Pursuant to section 15 of P.L.1975, c.212 (C.18A:7A-15), the State board shall have authority to:

- a. approve the appointment by the commissioner of up to three additional members to the school board;
- b. upon recommendation of the commissioner create a school district under full State intervention; and
- c. appoint, upon recommendation of the commissioner, a State district superintendent of schools to direct the operations of the district in accordance with the improvement plan established pursuant to section 14 of P.L.1975, c.212 (C.18A:7A-14).

7. Section 2 of P.L.1987, c.399 (C.18A:7A-35) is amended to read as follows:

C.18A:7A-35 State district superintendent.

2. a. The schools of a school district under full State intervention may be conducted by and under the supervision of a State district superintendent of schools appointed by the State board upon recommendation of the commissioner. The individual selected shall be qualified by training and experience for the particular district and shall work collaboratively with any highly skilled professionals appointed by the commissioner, in consultation with the local board of education.

The State board may, upon the recommendation of the commissioner, choose to retain the person who holds the position of superintendent of

schools in the school district at the time the State board issues the administrative order pursuant to section 15 of P.L.1975, c.212 (C.18A:7A-15). If the State board chooses to retain the superintendent of schools, the person shall have the powers and duties of a State district superintendent of schools and shall comply with the directives of the commissioner or his designee, including any highly skilled professional appointed by the commissioner.

b. If the State board appoints a State district superintendent the appointment shall be for an initial term not to exceed three years. Notwithstanding any other provision of law, no person so appointed shall acquire tenure nor shall the commissioner, with approval of the State board, be precluded from terminating the superintendent's services pursuant to the terms of the superintendent's individual contract of employment. For the purpose of the New Jersey Tort Claims Act, N.J.S.59:1-1 et seq., the State district superintendent shall be considered a State officer.

c. The salary of the State district superintendent shall be fixed by the commissioner and adjusted from time to time as the commissioner deems appropriate. The cost for said salary and for the salaries of all persons appointed pursuant to this amendatory and supplementary act, except the highly skilled professionals, shall be an expense of the local school district.

d. The State district superintendent shall perform such duties and possess such powers as deemed appropriate by the commissioner.

e. Except as otherwise provided in this amendatory and supplementary act, the State district superintendent shall have the power to perform all acts and do all things that the commissioner deems necessary for the proper conduct, maintenance and supervision of the schools in the district.

f. The State district superintendent may, if deemed appropriate by the commissioner, make, amend and repeal district rules, policies and guidelines, not inconsistent with law for the proper conduct, maintenance and supervision of the schools in the district.

g. The State district superintendent shall provide in each school a mechanism for parent, teacher and community involvement. In addition, the State district superintendent shall provide for at least one public meeting in both the fall and the spring semesters to advise parents and members of the community on the activities within the district and to provide an opportunity for those parents, teachers and community members who wish to be heard. The meetings shall be at such times and places as to ensure maximum public participation.

h. The State district superintendent shall ensure that the district is in compliance with all federal and State laws, rules and regulations relating to

equal employment opportunities, affirmative action and minority business opportunities.

8. Section 5 of P.L.1987, c.399 (C.18A:7A-38) is amended to read as follows:

C.18A:7A-38 Permissive powers of State district superintendent.

5. Except as otherwise provided in this amendatory and supplementary act, the State district superintendent in a school district under full State intervention may be given the power to:

- a. Enforce the rules of the State board; and
- b. Perform all acts and do all things, consistent with law and the rules of the State board, necessary for the lawful and proper conduct, equipment and maintenance of the public schools of the district.

9. Section 6 of P.L.1987, c.399 (C.18A:7A-39) is amended to read as follows:

C.18A:7A-39 Authority of State district superintendent.

6. a. The State district superintendent may in a school district under full State intervention:

(1) Sue in the district's corporate name and likewise submit to arbitration and determination disputes and controversies in the manner provided by law;

(2) Cause a report of the condition of the public schools and the public school property and an itemized account of the condition of the finances of the district to be printed and published as soon as practicable after the close of each school year; and

(3) Cause an exact census to be taken annually of all children residing in the district between the ages of five and 18 years, including such other information as he or she may deem necessary or proper and appoint, for the purpose of taking that census, as many suitable persons as may be necessary to act as enumerators and fix their compensation, which compensation shall be paid as a current expense.

b. A school district under full State intervention may be sued under its corporate name.

c. School districts under full State intervention may join with local boards of education for the purpose of affording the districts those benefits which may accrue pursuant to P.L.1983, c.108 (C.18A:18B-1 et seq.).

d. A school district under full State intervention shall be subject to all provisions of chapter 19 of Title 18A of the New Jersey Statutes except that all warrants for claims or expenditures approvable by a district board of

education or any action required of a district board of education pursuant to chapter 19 may be authorized by the State district superintendent.

e. Authority for the implementation of any provision of chapter 20 of Title 18A of the New Jersey Statutes relative to the acquisition and disposition of property which requires action by a district board of education may, in a school district under full State intervention, be exercised by the State district superintendent.

f. The authority and powers vested in boards of education by chapter 21 of Title 18A of the New Jersey Statutes may in a school district under full State intervention be vested in the State district superintendent.

g. School districts under full State intervention shall be subject to all requirements set forth in chapter 18A of Title 18A of the New Jersey Statutes except that such determination as may be required of a district board of education by the provisions of said law may be rendered by the State district superintendent.

10. Section 9 of P.L.1987, c.399 (C.18A:7A-42) is amended to read as follows:

C.18A:7A-42 Officers, employees, consultants.

9. a. In a school district under full State intervention, all officers, employees and consultants, professional and nonprofessional, certified and noncertified, shall be employed or retained, transferred and removed in accordance with the improvement plan which has been approved by the commissioner. In accordance with that plan:

(1) The State district superintendent may appoint, transfer and remove clerks, pursuant to the provisions of Title 11A (Civil Service) of the New Jersey Statutes and the provisions of N.J.S.18A:17-1 et seq.

(2) The State district superintendent, subject to the approval of the commissioner, shall appoint and set the salaries of such State assistant superintendents as the superintendent shall deem necessary and assign to them their duties and responsibilities. No State assistant superintendent shall acquire tenure, notwithstanding any other provision of law.

(3) The State district superintendent of schools shall, subject to the approval of the commissioner or his designee, make all personnel determinations relative to employment, transfer and removal of all officers and employees, professional and nonprofessional, except that the services of the district auditor or auditors and attorney or attorneys shall be immediately terminated by creation of a school district under full State intervention.

b. The State district superintendent may delegate to subordinate officers or employees in the district any of his powers and duties as he may deem desirable to be exercised under his supervision and direction.

11. Section 11 of P.L.1987, c.399 (C.18A:7A-44) is amended to read as follows:

C.18A:7A-44 Abolition of administrative positions; reorganization.

11. a. Notwithstanding any other provision of law or contract, the positions of the district's chief school administrator and those executive administrators responsible for curriculum, business and finance, and personnel may be abolished upon creation of the school district under full State intervention. The affected individuals shall be given 60 days' notice of termination or 60 days' pay. The notice or payment shall be in lieu of any other claim or recourse against the employing board or the school district based on law or contract. Any individual whose position is abolished by operation of this subsection shall be entitled to assert a claim to any position or to placement upon a preferred eligibility list for any position to which the individual may be entitled by virtue of tenure or seniority within the district. No individual whose position is abolished by operation of this subsection shall retain any right to tenure or seniority in the positions abolished herein.

b. Within 180 days of the establishment of the school district under full State intervention, the State district superintendent may prepare a reorganization of the district's central administrative and supervisory staff and may evaluate all individuals employed in central administrative and supervisory staff positions. The State district superintendent may implement the reorganization on the July 1 next following its preparation, unless otherwise directed by the commissioner. The State district superintendent shall retain the authority to prepare a reorganization and to evaluate all employed individuals after the expiration of the 180-day period.

c. Notwithstanding any other provision of law or contract, the positions of the central administrative and supervisory staff, instructional and noninstructional, other than those positions abolished pursuant to subsection a. of this section, may be abolished upon the reorganization of the staff of the school district under full State intervention. The State district superintendent may hire an individual whose position is so abolished, based upon the evaluation of the individual and the staffing needs of the reorganized district staff. These individuals shall be hired with tenure if they had tenure in their prior position. If they did not have tenure in their prior position, they may obtain tenure pursuant to the provisions of N.J.S.18A:28-6. Individuals hired as

State assistant superintendents shall not be hired with tenure and shall not acquire tenure. Employees or officers not hired for the reorganized staff shall be given 60 days' notice of termination or 60 days' pay. The notice or payment shall be in lieu of any other claim or recourse against the employing board or the school district based on law or contract. Notwithstanding this limitation, nothing herein shall preclude an individual from asserting upon separation from service any legal contractual right to health care coverage, annuities, accrued vacation days, accrued sick leave, insurance and approved tuition costs. Any employee whose position is abolished by operation of this subsection shall be entitled to assert a claim to any position or to placement upon a preferred eligibility list for any position to which the employee may be entitled by virtue of tenure or seniority within the district. No employee whose position is abolished by operation of this subsection shall retain any right to tenure or seniority in the positions abolished herein.

12. Section 12 of P.L.1987, c.399 (C.18A:7A-45) is amended to read as follows:

C.18A:7A-45 Evaluation of principals, vice-principals.

12. a. The Commissioner of Education shall adopt criteria for the evaluation of building principals and vice-principals in a school district under full State intervention.

b. Upon appointment, the State district superintendent may establish an assessment unit to conduct on-site evaluations of each building principal and vice-principal in accordance with the criteria established by the commissioner and render evaluation reports to the State district superintendent. No less than three evaluations shall be performed for each building principal and vice-principal within 18 months following the establishment of the school district under full State intervention. All personnel records for building principals and vice-principals prepared before the establishment of the district under full State intervention shall be sealed upon issuance of the State Board of Education order establishing the school district under full State intervention.

c. Notwithstanding any other provision of law or contract, the State district superintendent, after completion of an assessment cycle of not less than 12 months, may dismiss any tenured building principal or vice-principal for inefficiency, incapacity, unbecoming conduct or other just cause as defined by the criteria for principal or vice-principal performance in districts under full State intervention established by the commissioner pursuant to subsection a. of this section. Nothing herein shall preclude the

dismissal of a tenured building principal or vice-principal prior to the completion of an assessment cycle of not less than 12 months if the basis for the dismissal is incapacity or unbecoming conduct. All dismissals of tenured building principals or vice-principals shall be conducted in accordance with the procedures set forth in sections 10, 11, 13, 14, 16 and 17 of chapter 6 of Title 18A of the New Jersey Statutes, except that the State district superintendent shall act as the board of education in all respects.

d. The commissioner and the Office of Administrative Law are empowered and directed to take any necessary action to expedite hearings for dismissal of tenured principals or vice-principals, including relaxation of any time requirements established by law or practice. In no event shall a hearing commence later than 45 days after certification of charges. Hearings shall be completed within 45 days of commencement. In no event shall a final decision be issued later than 120 days following the certification of charges.

e. Evaluations of building principals or vice-principals conducted by district personnel prior to the establishment of the school district under full State intervention shall not be admissible in a tenure hearing for any building principal or vice-principal except in the following circumstances:

(1) Evaluations of building principals or vice-principals performed by members of the central administrative and supervisory staff who are hired to fill one of the positions in the reorganized central office of the district under full State intervention shall be admissible;

(2) Evaluations of building principals or vice-principals made by individuals who were no longer employed by the school district as of the date it became a school district under full State intervention shall be admissible only if the evaluation was performed more than five years preceding the date of the establishment of the district under full State intervention.

13. Section 1 of P.L.1991, c.139 (C.18A:7A-46.1) is amended to read as follows:

C.18A:7A-46.1 Capital Project Control Board.

1. a. In any school district under full State intervention created pursuant to the provisions of P.L.1975, c.212 (C.18A:7A-1 et seq.) there may be established a Capital Project Control Board, hereinafter the board, to be responsible for the review of any capital project proposed by the State district superintendent, provided that the State district superintendent proposes that the capital project be financed in whole or in part by school bonds or notes, or through a lease purchase agreement pursuant to subsection f. of N.J.S.18A:20-4.2. The board shall also be responsible for the certification

to the State district superintendent of schools and the commissioner of the necessity for the capital project and the certification of the appropriation to be made by the governing body of the municipality.

b. The board shall consist of five voting members. One member shall be appointed by the Commissioner of Education and two members shall be appointed by the chief executive officer with the consent of a majority of the full membership of the local governing body of the municipality or municipalities in which the school district is located. If the school district is comprised of two municipalities, each municipality shall be entitled to one member, appointed by the executive officer with the consent of the governing body. If the school district is comprised of more than two municipalities, each of the two municipalities with the largest population according to the most recent federal decennial census shall be entitled to one member, appointed by the executive officer with the consent of the governing body. However, if a local governing body fails to agree upon the selection of either board member appointed by an executive officer, then the Commissioner of Education shall make the appointment. One member shall be appointed by the Director of the Division of Local Government Services in the Department of Community Affairs who shall have experience in the area of local finance and capital projects. The fifth member shall be the State district superintendent of schools who shall serve ex-officio and shall act as chairperson of the board. The board members, except for the State district superintendent, shall each serve for a term of one year commencing on July 1 of each year and expiring on June 30 of the following year. Any vacancy in the membership of the board shall be filled for the unexpired term in the manner provided by the original appointment. Members of the board may be employees of the State or any subdivision thereof. All members of the board shall serve without compensation.

c. The board shall meet from time to time upon the request of the State district superintendent. All meetings of the board shall be conducted pursuant to the provisions of the "Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.). The State district superintendent shall be charged with the responsibility of preparing a transcript of the proceedings and all votes shall be recorded in writing.

14. Section 2 of P.L.1991, c.139 (C.18A:7A-46.2) is amended to read as follows:

C.18A:7A-46.2 Board to hear recommendations concerning proposed capital projects.

2. In the event that a capital project control board is established pursuant to section 1 of P.L.1991, c.139 (C.18A:7A-46.1) the board shall hear

the recommendation of the State district superintendent concerning any proposed capital project, which is to be financed in whole or in part by school bonds or notes, or through a lease purchase agreement pursuant to subsection f. of N.J.S.18A:20-4.2, and shall undertake all actions necessary to review the proposed capital project to determine whether the project will assist the school district under full State intervention in providing a thorough and efficient system of education in that district. In making this determination it may take into consideration factors such as the conditions in the school district, any applicable educational goals, the objectives and standards established by the State, the need for the capital project, the reasonableness of the amount to be expended for the capital project, the estimated time for the undertaking and completion of the capital project, and any other factors which the board may deem necessary including the relationship of the capital project to the long-term capital budget or plan of the school district and the fiscal implications thereof.

Following its review and within 60 days of the date on which the State district superintendent submits the recommendation to the board, the board shall adopt a resolution as to whether the school district under full State intervention should undertake the capital project and providing its reasons therefor. The board shall adopt a resolution indicating the necessity for the capital project and shall also fix and determine by resolution the amount necessary to be raised locally for the capital project. If the board fails to act within 60 days of the submission date, the State district superintendent shall submit the recommendation to the commissioner who shall approve or disapprove the capital project. If the board makes a decision which is contrary to the recommendation of the superintendent, the superintendent may, within 30 days from the date of the board's action, submit the matter to the commissioner for final decision. If the commissioner determines that a capital project should be undertaken, the commissioner shall so notify the board and shall indicate the amount necessary to be raised locally for the capital project. Upon notification, the board shall adopt a resolution indicating the necessity for the capital project and shall also fix and determine by resolution the amount necessary for the capital project as indicated by the commissioner. Certified copies of any resolution requesting the authorization and issuance of bonds and notes or the authorization of a lease purchase agreement shall be delivered to the State district superintendent, the Commissioner of Education, the Director of the Division of Local Government Services in the Department of Community Affairs and the governing body of the municipality or municipalities in which the school district is

located. The board shall not approve or recommend any capital project which is inconsistent with the provisions of N.J.S.18A:21-1.

15. Section 3 of P.L.1991, c.139 (C.18A:7A-46.3) is amended to read as follows:

C.18A:7A-46.3 Capital projects financed by issuance of bonds, notes.

3. Notwithstanding the provisions of any law to the contrary, the cost of any capital project authorized pursuant to this act which is to be funded by bonds or notes and certified by the board to the State district superintendent, the Commissioner of Education, the Director of the Division of Local Government Services in the Department of Community Affairs and the governing body of the municipality or municipalities in which the school district is located shall be financed by the issuance of school bonds or notes pursuant to the provisions of chapter 24 of Title 18A of the New Jersey Statutes and the "Local Bond Law" (N.J.S.40A:2-1 et seq.) and the notes, school bonds or other obligations shall be authorized, issued, sold and delivered in the manner prescribed by the "Local Bond Law" (N.J.S.40A:2-1 et seq.).

16. Section 4 of P.L.1991, c.139 (C.18A:7A-46.4) is amended to read as follows:

C.18A:7A-46.4 Issuance of authorization of notes, bonds.

4. Any authorization of notes or bonds effective prior to the date of the appointment of the State district superintendent shall be issued in the manner prescribed by the "Local Bond Law" (N.J.S.40A:2-1 et seq.).

17. Section 14 of P.L.1987, c.399 (C.18A:7A-47) is amended to read as follows:

C.18A:7A-47 Board of Education.

14. a. The State board shall retain the board of education in place at the time that the State board issues the administrative order creating the school district under full State intervention. With the State board's approval the commissioner may appoint up to three additional nonvoting members to the board of education. The board of education's membership shall remain increased by these additional seats until the State withdraws from intervention in the governance component of school district effectiveness. If the commissioner appoints three additional members pursuant to this subsection, the commissioner shall appoint one of these additional members from a list of three candidates provided by the local governing body of the municipality in

which the school district is located. The commissioner shall make every effort to appoint residents of the district. The board of education shall have only those rights, powers and privileges of an advisory board. The members appointed by the commissioner shall serve for a term of two years. The commissioner shall obtain approval of the State board for any extension of the two-year term. Any vacancy in the membership appointed by the commissioner shall be filled in the same manner as the original appointment.

Six months following the district being placed under full State intervention, the commissioner shall determine whether or not the board members he has appointed shall become voting members of the advisory board of education. If the commissioner determines that the board members he has appointed shall become voting members, the school district shall have 30 days to appeal the commissioner's determination to the State Board of Education.

b. The State district superintendent may meet with the board as frequently as necessary for the effective operation of the school district. The meetings of the board shall be convened and scheduled at the direction of the State district superintendent, and the State district superintendent shall determine the agenda. At the meetings, the State district superintendent shall report to the board on all actions taken and on pending actions in a timely fashion, and provide an opportunity for a full discussion by the board and by the public of those actions. Meetings shall be conducted pursuant to the provisions of the "Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.). On a regular basis, but no less than twice each year, the board of education shall report in writing directly to the State district superintendent concerning its assessment of the progress of the district. Copies of the report shall be forwarded to the commissioner and the State board. The State district superintendent shall make such clerical and other resources available as are necessary for the effective operation of the board of education.

c. The commissioner, in consultation with the New Jersey School Boards Association, shall provide the members of the board of education with appropriate in-service training in school matters.

18. Section 16 of P.L.1987, c.399 (C.18A:7A-49) is amended to read as follows:

C.18A:7A-49 Reports of progress under full State intervention; transition to local control.

16. a. A school district under full State intervention shall make an annual report of its progress in complying with the quality performance indicators adopted pursuant to section 10 of P.L.1975, c.212 (C.18A:7A-10).

The commissioner shall formally report to the State board and to the Governor and the Legislature on the district's progress.

b. Based upon the annual report of progress, but not sooner than three years after the establishment of the school district under full State intervention, the commissioner may recommend that the State board place the school district under partial State intervention or elsewhere on the performance continuum. If the State board so determines, the school district shall be placed under partial State intervention or designated as transitioning to local control or placed elsewhere on the performance continuum effective on the July 1 next ensuing.

c. Notwithstanding any other provision of law to the contrary, if a district under full State intervention is placed under partial State intervention, the board of education shall continue to have the rights, powers, and duties of an advisory board, until the district successfully meets the quality performance indicators for the governance component of school district effectiveness.

Despite the continuation of the board of education as an advisory board, the State board, upon the recommendation of the commissioner, may return some voting functions to the board of education as part of and in furtherance of the process of a transition to local control. If some voting functions are returned to the board of education, the commissioner or his designee shall have the authority to veto any action by the board of education until the governance component of school district effectiveness is returned to local control. A true copy of the minutes of every meeting of the board of education shall be forthwith delivered by and under the certification of the secretary thereof to the commissioner or his designee. No action taken at that meeting of the board of education shall have force or effect until 15 days after a copy of the minutes shall have been so delivered unless during that 15-day period the commissioner or his designee shall approve those minutes, in which case the action shall become effective upon that approval. If, in the 15-day period, the commissioner or his designee returns the copy of those minutes with a veto of any action taken by the board of education or any member thereof at that meeting, the action shall be null and void and of no effect.

d. In the event that the State board, upon the recommendation of the commissioner, has appointed a State district superintendent in a district under full State intervention, the State district superintendent shall continue to hold that position until the district successfully meets the quality performance indicators for the governance component of school district effectiveness. If the district is placed under partial State intervention and has suc-

cessfully met the quality performance indicators for the governance component of school district effectiveness, or if the State has completely withdrawn from intervention and returned the district to local control, then the board of education shall be permitted to extend the contract of the superintendent who holds the position at the time that the district is placed under partial State intervention or is returned to local control, provide 18-months' notice to the superintendent to modify the contract, or allow the contract in effect to expire with the appropriate statutory notice pursuant to subsection b. of section 4 of P.L.1991, c.267 (C.18A:17-20.1).

e. If the district successfully meets the quality performance indicators for the governance component of school district effectiveness, not more than one year following the placement of the district under partial State intervention or return to local control, the board shall call a special election for purposes of placing the question of classification status before the voters of the district, which election shall be conducted in accordance with the provisions of Title 19 of the Revised Statutes concerning school elections.

f. If the voters of the district shall elect to become a type I district, it shall be governed by the provisions of chapter 9 of Title 18A of the New Jersey Statutes relating to type I districts after January 31 next ensuing, unless the district is established in a city of the first class, in which case it shall be governed after June 30 next ensuing. The members of the district board of education at the time of said election shall continue in office until expiration of their respective terms and the qualification in office of their successors.

g. If the voters of the district shall so select that the district shall become a type II district, it shall be governed by the provisions of chapter 9 of Title 18A relating to type II districts and the members of the board of education at the time of said election shall remain and continue in office until the expiration of their respective terms and the qualification of their respective successors.

h. If the commissioner cannot recommend that the school district under full State intervention be placed under partial State intervention within three years, then the commissioner shall provide a comprehensive report to the State board and to the Governor and the Legislature, including a detailed analysis of the causes for the failure of the district to comply with the quality performance indicators and an assessment of the amount of time necessary for the continuation of the school district under full State intervention. On the basis of that report the State board shall determine whether to continue the school district under full State intervention or return the district to partial State intervention.

19. Section 17 of P.L.1987, c.399 (C.18A:7A-50) is amended to read as follows:

C.18A:7A-50 Budget development, presentation.

17. The State district superintendent in a school district under full State intervention shall develop a budget on or before March 22 and shall present this budget to the board of education to elicit the board's comments and recommendations. This budget shall conform in all respects with the requirements of chapter 22 of Title 18A of the New Jersey Statutes and shall be subject to the limitations on spending by local school districts otherwise required by P.L.1996, c.138 (C.18A:7F-1 et al.).

20. Section 18 of P.L.1987, c.399 (C.18A:7A-51) is amended to read as follows:

C.18A:7A-51 Public hearing.

18. Upon the preparation of its budget, the State district superintendent shall fix a date, place and time for the holding of a public hearing upon the budget and the amounts of money necessary to be appropriated for the use of the public schools for the ensuing school year, and the various items and purposes for which the same are to be appropriated, which hearing shall be held between March 22 and March 29. Notice of the hearing, contents of the notice and the format and purpose of the hearing shall be as provided in N.J.S.18A:22-11, N.J.S.18A:22-12 and N.J.S.18A:22-13.

21. Section 19 of P.L.1987, c.399 (C.18A:7A-52) is amended to read as follows:

C.18A:7A-52 Determination of amount of appropriation for following school year.

19. a. After the public hearing provided for by section 18 of P.L.1987, c.399 (C.18A:7A-51) but not later than April 8, the State district superintendent shall fix and determine the amount of money necessary to be appropriated for the ensuing school year and shall certify the amounts to be raised by special district tax for school purposes as well as the sum necessary for interest and debt redemption, if any, to the county board of taxation and the amount or amounts so certified shall be included in the taxes assessed, levied and collected in the municipality or municipalities comprising the district. The State district superintendent shall follow the procedures established pursuant to section 5 of P.L.1996, c.138 (C.18A:7F-5).

b. (Deleted by amendment, P.L.1996, c.138).

c. (Deleted by amendment, P.L.1996, c.138).

22. Section 37 of P.L.2005, c.235 (C.18A:7A-53) is amended to read as follows:

C.18A:7A-53 Evaluation of Level I district, Level II or III districts, methodology; transition to local control.

37. a. A district which has been certified as a Level I district by the State Board of Education as of the effective date of this act, shall be phased into the three-year evaluation process and, in accordance with a schedule established by the commissioner, be evaluated by the commissioner in the five key components of school district effectiveness as set forth in section 10 of P.L.1975, c.212 (C.18A:7A-10). Based on a district's compliance with the quality performance indicators, the commissioner shall assess district effectiveness and place the district on the performance continuum. During the phase-in, a district which has not undergone an evaluation in the five key components of school district effectiveness shall continue to complete and submit a quality assurance annual report in accordance with State board regulations in effect prior to the effective date of P.L.2007, c.16.

b. A State-operated district or a district which has been certified as a Level II or a Level III district by the State Board of Education as of the effective date of this act, shall be evaluated by a team of highly skilled professionals in the five key components of school district effectiveness as set forth in section 10 of P.L.1975, c.212 (C.18A:7A-10). The evaluation shall be completed within 120 days of the date on which rules promulgated by the commissioner pursuant to section 39 of this act (C.18A:7A-53.1) become effective. The commissioner shall establish a process for the receipt of comments from the public during the evaluation. The commissioner shall provide a report of the evaluation to the district within 30 days of the completion of the evaluation. The report shall contain the commissioner's determination of the district's placement on the performance continuum. The district shall have 30 days from the date of receipt of the report to appeal the placement decision to the State board. The commissioner shall make a recommendation to the State Board of Education if the recommendation is to place the district under partial or full State intervention. The commissioner and State board shall take whatever action is appropriate based on the district's placement on the performance continuum.

c. Notwithstanding any other provision of law to the contrary, if a State-operated district is placed under partial State intervention, the board of education shall continue to have the rights, powers, and duties of an ad-

visory board, until the district successfully meets the quality performance indicators for the governance component of school district effectiveness.

Despite the continuation of the board of education as an advisory board, the State board, upon the recommendation of the commissioner, may return some voting functions to the board of education as part of and in furtherance of the process of a transition to local control. If some voting functions are returned to the board of education, the commissioner or his designee shall have the authority to veto any action by the board of education until the governance component of school district effectiveness is returned to local control. A true copy of the minutes of every meeting of the board of education shall be forthwith delivered by and under the certification of the secretary thereof to the commissioner or his designee. No action taken at that meeting of the board of education shall have force or effect until 15 days after a copy of the minutes shall have been so delivered unless during that 15-day period the commissioner or his designee shall approve those minutes, in which case the action shall become effective upon that approval. If, in the 15-day period, the commissioner or his designee returns the copy of those minutes with a veto of any action taken by the board of education or any member thereof at that meeting, the action shall be null and void and of no effect.

d. If a State-operated school district evaluated pursuant to subsection b. of this section successfully meets the quality performance indicators for the governance component of school district effectiveness, then one year following the State's withdrawal from intervention in that component, the board of education shall call a special election for purposes of placing the question of classification status before the voters of the district, which election shall be conducted in accordance with the provisions of Title 19 of the Revised Statutes concerning school elections.

If the voters of the district elect to become a type I district, it shall be governed by the provisions of chapter 9 of Title 18A of the New Jersey Statutes relating to type I districts after January 31 next ensuing, unless the district is established in a city of the first class, in which case it shall be governed after June 30 next ensuing. The members of the district board of education at the time of said election shall continue in office until expiration of their respective terms and the qualification in office of their successors.

If the voters of the district elect to become a type II district, it shall be governed by the provisions of chapter 9 of Title 18A relating to type II districts and the members of the board of education at the time of said election shall remain and continue in office until the expiration of their respective terms and the qualification of their respective successors.

e. The board of education of a State-operated school district that successfully meets the quality performance indicators for the governance component of school district effectiveness shall be permitted to extend the contract of the superintendent who holds the position at the time of the evaluation conducted pursuant to subsection b. of this section, provide 18-months' notice to the superintendent to modify the contract, or allow the contract in effect to expire with the appropriate statutory notice pursuant to subsection b. of section 4 of P.L.1991, c.267 (C.18A:17-20.1).

23. Section 39 of P.L.2005, c.235 is amended to read as follows:

C.18A:7A-53.1 Rules, regulations; procedure for 36 months following enactment.

39. a. The State Board of Education 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 provisions of this act; except that notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the commissioner may for a period of 12 months following the effective date of P.L.2007, c.16, adopt, immediately upon filing with the Office of Administrative Law, such rules and regulations as the commissioner deems necessary to implement the New Jersey Quality Single Accountability Continuum. The commissioner shall engage in a collaborative process with interested stakeholders in the education community prior to the adoption of rules and regulations for the 12-month period. All such rules and regulations adopted by the commissioner shall expire no later than 12 months following the effective date of P.L.2007, c.16 and shall thereafter be amended, adopted or re-adopted during the following 24-month period by the commissioner in accordance with the provisions of P.L.1968, c.410 (C.52:14B-1 et seq.).

b. All such rules and regulations adopted by the commissioner pursuant to subsection a. of this section shall expire no later than 36 months following the effective date of P.L.2007, c.16 and shall thereafter be amended, adopted or re-adopted by the State board in accordance with the provisions of P.L.1968, c.410 (C.52:14B-1 et seq.).

C.18A:7A-14a Findings, declarations relative to school district evaluation and monitoring.

24. The Legislature finds and declares that:

a. It is the constitutional obligation of the Legislature to provide all children in New Jersey with a thorough and efficient system of free public schools;

b. The breadth and scope of such a system are defined by the Legislature through the commissioner and the State board pursuant to P.L.1996, c.138 (C.18A:7F-1 et al.) so as to insure quality educational programs for all children;

c. It is imperative that the program in every school district in this State includes all of the major elements identified as essential for that system consistent with standards adopted pursuant to section 10 of P.L.1975, c.212 (C.18A:7A-10);

d. It is the responsibility of the State to insure that any school district which is shown to be deficient in one or more of these major elements takes corrective actions without delay in order to remedy those deficiencies;

e. This responsibility can be fulfilled, in addition to the mechanism for ensuring compliance established pursuant to section 6 of P.L.1996, c.138 (C.18A:7F-6), through an effective and efficient system of evaluation and monitoring which will insure quality and comprehensive instructional programming in every school district and provide for immediate and direct corrective action to insure that identified deficiencies do not persist, and which does so within the context of the maximum of local governance and management and the minimum of paperwork and unnecessary procedural requirements.

Repealer.

25. The following section is repealed:

Section 36 of P.L.2005, c.235 (C.18A:7A-15.2).

26. This act shall take effect immediately.

Approved January 24, 2007.

CHAPTER 17

AN ACT clarifying the authority of the Department of Transportation to enter into certain agreements with local governments and supplementing Title 27 of the Revised Statutes.

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

C.27:7-21.13 DOT, agreements, certain, with local governments, authority clarified.

1. Notwithstanding the provisions of R.S.27:7-11, R.S.27:7-21, R.S.27:7-29, P.L.1966, c.185 (C.27:7-35.1 et seq.), and any other law, rule, or regulation to the contrary, the Commissioner of Transportation may enter into a contract or agreement with a county or municipality for repair or routine maintenance of State highways without advertisement for bids therefor, if the scope of the work required does not contemplate the award of a contract by the county or municipality to an outside contractor. This authorization shall not apply if approval by the Federal Highway Administration of the repair or maintenance is required.

2. This act shall take effect immediately.

Approved January 26, 2007.

CHAPTER 18

AN ACT concerning self insurance by boards of education for certain insurance, amending N.J.S. 40A:10-6 and P.L.1992, c.51, and supplementing Title 18A of the New Jersey Statutes.

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

1. N.J.S.40A:10-6 is amended to read as follows:

Establishment of insurance fund; purposes; appropriations.

40A:10-6. The governing body of any local unit may establish an insurance fund for the following purposes:

- a. To insure against any loss or damage however caused to any property, motor vehicles, equipment or apparatus owned by it, or owned by or under the control of any of its departments, boards, agencies or commissions;
- b. To insure against liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by it, or owned by or under the control of any of its departments, boards, agencies or commissions;
- c. To insure against liability for its negligence and that of its officers, employees and servants, whether or not compensated or part-time, who are authorized to perform any act or services, but not including an independent

contractor within the limitations of the "New Jersey Tort Claims Act" (N.J.S.59:1-1 et seq.);

d. To insure against any loss or damage from liability as established by chapter 15 of Title 34 of the Revised Statutes;

e. To provide contributory or noncontributory self-funded, or partially self-funded, health benefits to employees or their dependents, or both, in accordance with rules and regulations of the Director of the Division of Local Government Services in the Department of Community Affairs. The establishment and operation of a fund to provide health benefits by a local unit prior to the effective date of P.L.2000, c.126 (C.52:13H-21 et al.) is hereby validated; however, any such health benefits fund shall comply with all rules and regulations promulgated by the director pursuant to this subsection.

The governing body may appropriate the moneys necessary for the purposes of this section.

2. Section 11 of P.L.1992, c.51 (C.40A:10-36.1) is amended to read as follows:

C.40A:10-36.1 "Local unit" for purposes of C.40A:10-36 et seq.

11. For the purposes of P.L.1983, c.372 (C.40A:10-36 et seq.), "local unit" shall be deemed to include boards of education which join together with municipalities pursuant to P.L.1992, c.51 (C.40A:10-52 et al.).

3. Section 1 of P.L.1992, c.51 (C.40A:10-52) is amended to read as follows:

C.40A:10-52 Joint insurance for municipality, school district.

1. The governing body of any municipality and the board of education of any school district, provided that the district is not part of a limited purpose regional school district, an all purpose regional school district or a consolidated school district, may by ordinance or resolution, as the case may be, adopted by a majority of the full membership of the governing body and by a majority of the full membership of the board, agree to join together for the purpose of insuring pursuant to the provisions of: a. Article 1 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-1 et seq.); b. Article 3 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-6 et seq.); c. Article 4 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-12 et seq.); or d. P.L.1983, c.372 (C.40A:10-36 et seq.).

4. Section 2 of P.L.1992, c.51 (C.40A:10-53) is amended to read as follows:

C.40A:10-53 Joint insurance for municipality, all purpose regional, consolidated school district.

2. In the case of an all purpose regional school district or a consolidated school district, the governing body of any municipality and the board of education of the regional or consolidated school district may by resolution adopted by a majority of the full membership of the governing body and a majority of the full membership of the board, agree to join together for the purpose of insuring pursuant to the provisions of: a. Article 1 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-1 et seq.); b. Article 3 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-6 et seq.); c. Article 4 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-12 et seq.); or d. P.L.1983, c.372 (C.40A:10-36 et seq.).

5. Section 3 of P.L.1992, c.51 (C.40A:10-54) is amended to read as follows:

C.40A:10-54 Joint insurance for municipality, limited purpose regional school district.

3. In the case of a limited purpose regional school district, the governing body of any municipality and the board of education of the regional district may by ordinance or resolution, as the case may be, adopted by a majority of the full membership of the governing body and a majority of the full membership of the board, agree to join together for the purpose of insuring pursuant to the provisions of: a. Article 1 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-1 et seq.); b. Article 3 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-6 et seq.); c. Article 4 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-12 et seq.); or d. P.L.1983, c.372 (C.40A:10-36 et seq.).

6. Section 4 of P.L.1992, c.51 (C.40A:10-55) is amended to read as follows:

C.40A:10-55 Additional joint insurance for municipality, limited purpose regional school district, other district.

4. In the case of a limited purpose regional school district, in addition to any contract entered into by a municipality pursuant to section 3 of this act, the governing body of any municipality and the board of education of any school district may, in accordance with section 1 of this act, agree to join together for the purpose of insuring pursuant to the provisions of: a. Article 1 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-1 et seq.); b. Article 3 of chapter 10 of Title 40A of the New Jersey Statutes

(N.J.S.40A:10-6 et seq.); c. Article 4 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-12 et seq.); or d. P.L.1983, c.372 (C.40A:10-36 et seq.).

7. Section 5 of P.L.1992, c.51 (C.40A:10-56) is amended to read as follows:

C.40A:10-56 Joint insurance for municipality, county vocational school district.

5. In the case of a county vocational school district, the governing body of any municipality and the board of education of the county vocational school district may by ordinance or resolution, as the case may be, adopted by a majority of the full membership of the governing body and a majority of the full membership of the board, agree to join together for the purpose of insuring pursuant to the provisions of: a. Article 1 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-1 et seq.); b. Article 3 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-6 et seq.); or c. Article 4 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-12 et seq.).

8. Section 6 of P.L.1992, c.51 (C.40A:10-57) is amended to read as follows:

C.40A:10-57 Additional joint insurance for municipality, county vocational school district, other district.

6. In the case of a county vocational school district, in addition to any contract entered into by a municipality pursuant to section 5 of this act, the governing body of any municipality and any board of education may, in accordance with section 1 of this act, agree to join together for the purpose of insuring pursuant to the provisions of: a. Article 1 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-1 et seq.); b. Article 3 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-6 et seq.); c. Article 4 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-12 et seq.); or d. P.L.1983, c.372 (C.40A:10-36 et seq.).

C.18A:16-13.1 Provision of group insurance, certain, by board of education for employees, dependents.

9. A board of education may provide contributory or non-contributory group health insurance or group term life insurance, or both, for employees or their dependents, or both, through self insurance, the purchase of commercial insurance or reinsurance or any combination thereof. The maxi-

num risk to be retained for group term life insurance by a board of education on a self insured basis shall not exceed a face amount of \$5,000 per covered employee or dependent or such greater amount as approved by the Commissioners of Banking and Insurance and Education. Notwithstanding any other provision of law to the contrary, the board shall be subject to the surcharge levied pursuant to section 3 of P.L.1993, c.8 (C.52:14-17.38c) for claims paid within the retained amount. For any claims paid in excess of the retained amount, the surcharge shall be paid by the entity insuring the excess amount.

10. This act shall take effect immediately.

Approved January 26, 2007.

CHAPTER 19

AN ACT concerning the registration of sex offenders and amending and supplementing P.L.1994, c.133.

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

1. Section 2 of P.L.1994, c.133 (C.2C:7-2) is amended to read as follows:

C.2C:7-2 Registration of sex offenders; definition; requirements; penalties.

2. a. (1) A person who has been convicted, adjudicated delinquent or found not guilty by reason of insanity for commission of a sex offense as defined in subsection b. of this section shall register as provided in subsections c. and d. of this section.

(2) A person who in another jurisdiction is required to register as a sex offender and (a) is enrolled on a full-time or part-time basis in any public or private educational institution in this State, including any secondary school, trade or professional institution, institution of higher education or other post-secondary school, or (b) is employed or carries on a vocation in this State, on either a full-time or a part-time basis, with or without compensation, for more than 14 consecutive days or for an aggregate period exceeding 30 days in a calendar year, shall register in this State as provided in subsections c. and d. of this section.

(3) A person who fails to register as required under this act shall be guilty of a crime of the third degree.

b. For the purposes of this act a sex offense shall include the following:

(1) Aggravated sexual assault, sexual assault, aggravated criminal sexual contact, kidnapping pursuant to paragraph (2) of subsection c. of N.J.S.2C:13-1 or an attempt to commit any of these crimes if the court found that the offender's conduct was characterized by a pattern of repetitive, compulsive behavior, regardless of the date of the commission of the offense or the date of conviction;

(2) A conviction, adjudication of delinquency, or acquittal by reason of insanity for aggravated sexual assault; sexual assault; aggravated criminal sexual contact; kidnapping 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 (3) or (4) or subparagraph (a) of paragraph (5) 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); criminal sexual contact pursuant to N.J.S.2C:14-3b. if the victim is a minor; kidnapping pursuant to N.J.S.2C:13-1, criminal restraint pursuant to N.J.S.2C:13-2, or false imprisonment pursuant to N.J.S.2C:13-3 if the victim is a minor and the offender is not the parent of the victim; knowingly promoting prostitution of a child pursuant to paragraph (3) or paragraph (4) of subsection b. of N.J.S.2C:34-1; or an attempt to commit any of these enumerated offenses if the conviction, adjudication of delinquency or acquittal by reason of insanity is entered on or after the effective date of this act or the offender is serving a sentence of incarceration, probation, parole or other form of community supervision as a result of the offense or is confined following acquittal by reason of insanity or as a result of civil commitment on the effective date of this act;

(3) A conviction, adjudication of delinquency or acquittal by reason of insanity for an offense similar to any offense enumerated in paragraph (2) or a sentence on the basis of criteria similar to the criteria set forth in paragraph (1) of this subsection entered or imposed under the laws of the United States, this State or another state.

c. A person required to register under the provisions of this act shall do so on forms to be provided by the designated registering agency as follows:

(1) A person who is required to register and who is under supervision in the community on probation, parole, furlough, work release, or a similar program, shall register at the time the person is placed under supervision or no later than 120 days after the effective date of this act, whichever is later, in

accordance with procedures established by the Department of Corrections, the Department of Human Services, the Juvenile Justice Commission established pursuant to section 2 of P.L.1995, c.284 (C.52:17B-170) or the Administrative Office of the Courts, whichever is responsible for supervision;

(2) A person confined in a correctional or juvenile facility or involuntarily committed who is required to register shall register prior to release in accordance with procedures established by the Department of Corrections, the Department of Human Services or the Juvenile Justice Commission and, within 48 hours of release, shall also register with the chief law enforcement officer of the municipality in which the person resides or, if the municipality does not have a local police force, the Superintendent of State Police;

(3) A person moving to or returning to this State from another jurisdiction shall register with the chief law enforcement officer of the municipality in which the person will reside or, if the municipality does not have a local police force, the Superintendent of State Police within 120 days of the effective date of this act or 10 days of first residing in or returning to a municipality in this State, whichever is later;

(4) A person required to register on the basis of a conviction prior to the effective date who is not confined or under supervision on the effective date of this act shall register within 120 days of the effective date of this act with the chief law enforcement officer of the municipality in which the person will reside or, if the municipality does not have a local police force, the Superintendent of State Police;

(5) A person who in another jurisdiction is required to register as a sex offender and who is enrolled on a full-time or part-time basis in any public or private educational institution in this State, including any secondary school, trade or professional institution, institution of higher education or other post-secondary school shall, within ten days of commencing attendance at such educational institution, register with the chief law enforcement officer of the municipality in which the educational institution is located or, if the municipality does not have a local police force, the Superintendent of State Police;

(6) A person who in another jurisdiction is required to register as a sex offender and who is employed or carries on a vocation in this State, on either a full-time or a part-time basis, with or without compensation, for more than 14 consecutive days or for an aggregate period exceeding 30 days in a calendar year, shall, within ten days after commencing such employment or vocation, register with the chief law enforcement officer of the municipality in which the employer is located or where the vocation is carried on, as the

case may be, or, if the municipality does not have a local police force, the Superintendent of State Police;

(7) In addition to any other registration requirements set forth in this section, a person required to register under this act who is enrolled at, employed by or carries on a vocation at an institution of higher education or other post-secondary school in this State shall, within ten days after commencing such attendance, employment or vocation, register with the law enforcement unit of the educational institution, if the institution has such a unit.

d. Upon a change of address, a person shall notify the law enforcement agency with which the person is registered and shall re-register with the appropriate law enforcement agency no less than 10 days before he intends to first reside at his new address. Upon a change of employment or school enrollment status, a person shall notify the appropriate law enforcement agency no later than five days after any such change. A person who fails to notify the appropriate law enforcement agency of a change of address or status in accordance with this subsection is guilty of a crime of the fourth degree.

e. A person required to register under paragraph (1) of subsection b. of this section or under paragraph (3) of subsection b. due to a sentence imposed on the basis of criteria similar to the criteria set forth in paragraph (1) of subsection b. shall verify his address with the appropriate law enforcement agency every 90 days in a manner prescribed by the Attorney General. A person required to register under paragraph (2) of subsection b. of this section or under paragraph (3) of subsection b. on the basis of a conviction for an offense similar to an offense enumerated in paragraph (2) of subsection b. shall verify his address annually in a manner prescribed by the Attorney General. One year after the effective date of this act, the Attorney General shall review, evaluate and, if warranted, modify pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) the verification requirement. Any person who knowingly provides false information concerning his place of residence or who fails to verify his address with the appropriate law enforcement agency or other entity, as prescribed by the Attorney General in accordance with this subsection, is guilty of a crime of the fourth degree.

f. Except as provided in subsection g. of this section, a person required to register under this act may make application to the Superior Court of this State to terminate the obligation upon proof that the person has not committed an offense within 15 years following conviction or release from a correctional facility for any term of imprisonment imposed, whichever is later, and is not likely to pose a threat to the safety of others.

g. A person required to register under this section who has been convicted of, adjudicated delinquent, or acquitted by reason of insanity for more than one sex offense as defined in subsection b. of this section or who has been convicted of, adjudicated delinquent, or acquitted by reason of insanity for aggravated sexual assault pursuant to subsection a. of N.J.S.2C:14-2 or sexual assault pursuant to paragraph (1) of subsection c. of N.J.S.2C:14-2 is not eligible under subsection f. of this section to make application to the Superior Court of this State to terminate the registration obligation.

C.2C:7-2.1 Verification of residence prior to release from confinement of certain offenders.

2. a. No person confined in a correctional or juvenile facility or involuntarily committed who is required to register under the provisions of P.L.1994, c.133 (C.2C:7-1 et seq.) shall be released from that confinement prior to expiration of sentence or termination from supervision or of custody, as the case may be, until the address set forth on his form of registration as his proposed place of residence has been verified as valid in accordance with procedures established by the Attorney General, which shall include provisions governing written notification of appropriate State and local officials. The address verification shall take place prior to the scheduled date of release and shall be provided to the department to which the individual is confined or committed or the commission, as appropriate. Nothing in this section shall be construed to require a person to be held in confinement or involuntary commitment beyond the date of expiration of that person's sentence, termination from supervision, or judicially ordered termination of custody, as the case may be.

b. No person under supervision in the community on probation, parole, furlough, work release or any similar program who is required to register under the provisions of P.L.1994, c.133 (C.2C:7-1 et seq.) shall be released from that supervision until the address set forth on his form of registration as his proposed place of residence has been verified as valid. The address verification shall take place prior to the scheduled date of release.

3. This act shall take effect on the first day of the second month following enactment.

Approved January 26, 2007.

CHAPTER 20

AN ACT concerning accident reports and amending R.S.39:4-131.

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

1. R.S.39:4-131 is amended to read as follows:

Accident reports; availability.

39:4-131. The commission 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 chief administrator 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 commission, 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 6 of P.L.2001, c.404 (C.47:1A-5). 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. Upon request, a police department shall send an accident report to a person through the mail or via fax as defined in section 2 of P.L.1976, c.23 (C.19:59-2). The police department may require the person requesting the report to provide a completed request form and the appropriate fee prior to faxing or mailing the report. The police department shall provide the person requesting the report with the option of submitting the form and providing the appropriate fee either in person, through the mail, or via fax as defined in section 2 of P.L.1976, c.23 (C.19:59-2).

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).

2. This act shall take effect immediately.

Approved January 26, 2007.

CHAPTER 21

AN ACT authorizing certain use of scooters on public land and amending P.L.2005, c.159 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*:

1. Section 2 of P.L.2005, c.159 (C.39:4-14.12) is amended to read as follows:

C.39:4-14.12 Motorized scooter, prohibited from operation on public street, highway, sidewalk; exceptions.

2. a. No person, except for an operator with a mobility-related disability, as authorized by section 2 of P.L.2007, c.21 (C.39:4-14.15), shall operate a motorized scooter upon any public street, highway or sidewalk.

b. Except as otherwise provided in section 4 of P.L.2005, c.159 (C.39:4-14.14), no person, except for an operator with a mobility-related disability, as authorized by section 2 of P.L.2007, c.21 (C.39:4-14.15), shall operate a motorized scooter upon any public property or lands.

c. No person shall operate a motorized scooter on the property of another without the consent of the owner of that property or the person who has a contractual right to the use of that property.

C.39:4-14.15 Issuance of placard, sticker authorizing operation of motorized scooter by handicapped person; regulations; definition.

2. a. Upon request, the Chief Administrator of the New Jersey Motor Vehicle Commission shall issue to any holder of a handicapped person identification card, a placard or sticker of such size and design as shall be determined by the chief administrator in consultation with the Division of Vocational Rehabilitation Services in the Department of Labor and Workforce Development and the Division of Disability Services in the Department of Human Services, indicating that a handicapped person identification card has been issued to the person designated therein and that the person so designated may operate the motorized scooter on public streets as provided in subsection e. of this section. The placard or sticker shall be displayed in

such manner as the chief administrator shall determine on the motorized scooter used by the named individual with a mobility-related disability.

b. Any motorized scooter operated by a person with a mobility-related disability shall be registered with the municipality in which the operator resides. As a condition for such registration, the owner or operator shall produce or display appropriate proof that a policy of liability insurance is in effect for that motorized scooter. The municipality or county may impose a reasonable fee to cover the costs of registration.

c. Any person with a mobility-related disability who operates a motorized scooter shall wear a properly fitted and fastened helmet which meets the Consumer Product Safety Commission standard or such other standard, as appropriate.

d. Any motorized scooter operated by a person with a mobility-related disability shall be equipped with a brake that will enable the operator to stop the scooter in a safe and effective manner.

e. A properly registered motorized scooter may be operated by a properly designated person with a mobility-related disability on any public street with a posted speed limit not exceeding 25 miles per hour. If the authority having jurisdiction over the public street determines that a properly registered motorized scooter operated by a properly designated person with a mobility-related disability may be operated on a public street with a posted speed limit in excess of 25 miles per hour, but not exceeding 35 miles per hour, or any portion thereof, without posing a danger to the safety and well-being of the operator of the motorized scooter or impeding the safe flow and operation of traffic, a properly registered motorized scooter may be operated on that designated public street, or designated portion thereof, by a properly designated person. A municipality or county may make such a determination by ordinance or resolution, as appropriate, but such ordinance or resolution shall not require the approval of the Commissioner of Transportation.

f. No motorized scooter that is capable of a maximum speed of more than 15 miles per hour shall be registered or operated on a public street under the provisions of this section.

g. Neither the State nor any municipality or county, nor any agency, official or employee thereof, shall assume responsibility for or incur liability for any injury to person or property caused by any act of a person with a mobility-related disability who operates a motorized scooter upon its designated municipal, county or State property.

h. For the purposes of this section, "motorized scooter" shall mean a gas or electric powered scooter or mini scooter which is capable of a maximum speed of not more than 15 miles per hour on a flat surface. Nothing

in this section shall be construed to authorize or permit the registration or operation of any pocket bike, super pocket bike, sport scooter, mini chopper, mini motorcycle, or motorized skateboard on any public street by a person with a mobility-related disability.

3. This act shall take effect on the first day of the fourth month following enactment, provided, however, that no person with a mobility-related disability shall be deemed in violation of section 2 or 4 of P.L.2005, c.159 (C.39:4-14.12 or C.39:4-14.14) prior to this effective date, but the Chief Administrator of the Motor Vehicle Commission may take such anticipatory acts in advance of that date as may be necessary for the timely implementation of this act upon its effective date.

Approved January 26, 2007.

CHAPTER 22

AN ACT concerning gang violence prevention and supplementing chapter 35 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:35-4.26 Instruction in gang violence prevention; required for elementary school students.

1. Each board of education that operates an educational program for elementary school students shall offer instruction in gang violence prevention and in ways to avoid membership in gangs. The instruction shall take place as part of the district's implementation of the Core Curriculum Content Standards in Comprehensive Health and Physical Education, and the comprehensive health and physical education curriculum framework shall provide school districts with sample materials that may be used to support implementation of the instructional requirement.

2. This act shall take effect immediately.

Approved January 26, 2007.

CHAPTER 23

AN ACT concerning employee expenses in suits against third parties in workers' compensation cases and amending R.S.34:15-40.

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

1. R.S.34:15-40 is amended to read as follows:

Liability of third party.

34:15-40. Where a third person is liable to the employee or his dependents for an injury or death, the existence of a right of compensation from the employer or insurance carrier under this statute shall not operate as a bar to the action of the employee or his dependents, nor be regarded as establishing a measure of damage therein. In the event that the employee or his dependents shall recover and be paid from the said third person or his insurance carrier, any sum in release or in judgment on account of his or its liability to the injured employee or his dependents, the liability of the employer under this statute thereupon shall be only such as is hereinafter in this section provided.

(a) The obligation of the employer or his insurance carrier under this statute to make compensation payments shall continue until the payment, if any, by such third person or his insurance carrier is made.

(b) If the sum recovered by the employee or his dependents from the third person or his insurance carrier is equivalent to or greater than the liability of the employer or his insurance carrier under this statute, the employer or his insurance carrier shall be released from such liability and shall be entitled to be reimbursed, as hereinafter provided, for the medical expenses incurred and compensation payments theretofore paid to the injured employee or his dependents less employee's expenses of suit and attorney's fee as hereinafter defined.

(c) If the sum recovered by the employee or his dependents as aforesaid is less than the liability of the employer or his insurance carrier under this statute, the employer or his insurance carrier shall be liable for the difference, plus the employee's expenses of suit and attorney's fee as hereinafter defined, and shall be entitled to be reimbursed, as hereinafter provided for so much of the medical expenses incurred and compensation payments theretofore paid to the injured employee or his dependents as exceeds the amount of such difference plus such employee's expenses of suit and attorney's fee.

(d) If at any time prior to the payment by the third person or his insurance carrier to the injured employee or his dependents, the employer or his insurance carrier shall serve notice, as hereinafter provided, upon such third person or his insurance carrier that compensation has been applied for by the injured employee or his dependents it shall thereupon become the duty of such third person or his insurance carrier, before making any payment to the injured employee or his dependents, to inquire from such employer or his insurance carrier the amount of medical expenses incurred and compensation theretofore paid to the injured employee or to his dependents. Where such notice shall have been served, it shall further become the duty of such third person or his insurance carrier, before making any payment as aforesaid, to inquire from such injured employee or his dependents the amount of the expenses of suit and attorney's fee, or either of them in the action or settlement of the claim against such third person or his insurance carrier. Thereafter, out of that part of any amount about to be paid in release or in judgment by such third person or his insurance carrier on account of his or its liability to the injured employee or his dependents, the employer or his insurance carrier shall be entitled to receive from such third person or his insurance carrier so much thereof as may be due the employer or insurance carrier pursuant to subparagraph (b) or (c) of this section. Such sum shall be deducted by such third person or his insurance carrier from the sum to be paid in release or in judgment to the injured employee or his dependents and shall be paid by such third person or his insurance carrier to the employer or his insurance carrier. Service of notice, hereinbefore required to be made by the employer or his insurance carrier upon such third person or his insurance carrier, shall be by registered mail, return receipt and in cases other than an individual shall be mailed to the registered office of such other third person or his insurance carrier.

(e) As used in this section, "expenses of suit" shall mean such expenses, but not in excess of \$750 and "attorney's fee" shall mean such fee, but not in excess of 33 1/3 % of that part of the sum paid in release or in judgment to the injured employee or his dependents by such third person or his insurance carrier to which the employer or his insurance carrier shall be entitled in reimbursement under the provisions of this section, but on all sums in excess thereof, this percentage shall not be binding.

(f) When an injured employee or his dependents fail within 1 year of the accident to either effect a settlement with the third person or his insurance carrier or institute proceedings for recovery of damages for his injuries and loss against the third person, the employer or his insurance carrier, 10 days after a written demand on the injured employee or his dependents, can

either effect a settlement with the third person or his insurance carrier or institute proceedings against the third person for the recovery of damages for the injuries and loss sustained by such injured employee or his dependents and any settlement made with the third person or his insurance carrier or proceedings had and taken by such employer or his insurance carrier against such third person, and such right of action shall be only for such right of action that the injured employee or his dependents would have had against the third person, and shall constitute a bar to any further claim or action by the injured employee or his dependents against the third person. If a settlement is effected between the employer or his insurance carrier and the third person or his insurance carrier, or a judgment is recovered by the employer or his insurance carrier against the third person for the injuries and loss sustained by the employee or his dependents and if the amount secured or obtained by the employer or his insurance carrier is in excess of the employer's obligation to the employee or his dependents and the expense of suit, such excess shall be paid to the employee or his dependents. The legal action contemplated hereinabove shall be a civil action at law in the name of the injured employee or by the employer or insurance carrier in the name of the employee to the use of the employer or insurance carrier, or by the proper party for the benefit of the next of kin of the employee. Where an injured employee or his dependents have instituted proceedings for recovery of damages for his injuries and loss against a third person and such proceedings are dismissed for lack of prosecution, the employer or insurance carrier shall, upon application made within 90 days thereafter, be entitled to have such dismissal set aside, and to continue the prosecution of such proceedings in the name of the injured employee or dependents in accordance with the provisions of this section.

(g) If such employee or his dependents effect a settlement with the third person or his insurance carrier or institute proceedings against the third person prior to the service of notice upon the third person or his insurance carrier of the compensation obligation of the employer or his insurance carrier or prior to the institution of any proceedings against the third person by the employer or his insurance carrier for the injuries and loss sustained by such employee or his dependents, such employer or his insurance carrier is barred from instituting any action or proceedings against the third person for the injuries and loss sustained by such employee or his dependents.

The words "third person" as used in this section include corporations, companies, associations, societies, firms, partnerships and joint stock companies as well as individuals.

2. This act shall take effect immediately.

Approved January 26, 2007.

CHAPTER 24

AN ACT concerning firearms and amending N.J.S.2C:39-4.

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

1. N.J.S.2C:39-4 is amended to read as follows:

Possession of weapons for unlawful purposes.

2C:39-4. Possession of weapons for unlawful purposes.

a. Firearms. (1) Any person who has in his possession any firearm with a purpose to use it unlawfully against the person or property of another is guilty of a crime of the second degree.

(2) Any person who possesses, receives or transfers a community gun is guilty of a crime of the second degree and shall be sentenced to a term of imprisonment by the court. The term of imprisonment shall include the imposition of a minimum term. The minimum term shall be fixed at one-half of the sentence imposed by the court or three years, whichever is greater and during which the defendant shall be ineligible for parole. As used in this paragraph, "community gun" means a firearm that is transferred among, between or within any association of two or more persons who, while possessing that firearm, engage in criminal activity or use it unlawfully against the person or property of another.

b. Explosives. Any person who has in his possession or carries any explosive substance with a purpose to use it unlawfully against the person or property of another is guilty of a crime of the second degree.

c. Destructive devices. Any person who has in his possession any destructive device with a purpose to use it unlawfully against the person or property of another is guilty of a crime of the second degree.

d. Other weapons. Any person who has in his possession any weapon, except a firearm, with a purpose to use it unlawfully against the person or property of another is guilty of a crime of the third degree.

e. Imitation firearms. Any person who has in his possession an imitation firearm under circumstances that would lead an observer to reasonably

believe that it is possessed for an unlawful purpose is guilty of a crime of the fourth degree.

2. This act shall take effect immediately.

Approved January 26, 2007.

CHAPTER 25

AN ACT concerning the allocation of grant moneys for hazardous site cleanup 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; purposes.

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. A written report shall be sent to the Senate Environment Committee, and the Assembly Environment and Solid Waste Committee, or their successors at the end of each calendar quarter detailing the allocation and expenditures related to the financial assistance and grants from the fund.

(1) Moneys shall be allocated for financial assistance to persons, 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) Moneys shall be allocated to: (a) municipalities, counties, or redevelopment entities authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4), for:

(i) projects in brownfield development areas pursuant to subsection f. of section 27 of P.L.1993, c.139 (C.58:10B-5),

(ii) matching grants up to a cumulative total amount from the fund of \$5,000,000 per year of up to 75% of the costs of the remedial action for projects involving the redevelopment of contaminated property for recreation and conservation purposes, provided that the use of the property for recreation and conservation purposes is included in the comprehensive plan for the development or redevelopment of contaminated property, or up to

50% of the costs of the remedial action for projects involving the redevelopment of contaminated property for affordable housing pursuant to P.L.1985, c.222 (C.52:27D-301 et seq.),

(iii) grants for preliminary assessment, site investigation or remedial investigation of a contaminated site,

(iv) financial assistance for the implementation of a remedial action, or

(v) financial assistance 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; or

(b) persons for financial assistance 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.

Except as provided in subsection f. of section 27 of P.L.1993, c.139 (C.58:10B-5), financial assistance and grants to municipalities, counties, or redevelopment entities authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4) may be made 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, in the case of a county governed by a board of chosen freeholders, have passed a resolution or, in the case of a municipality or a county operating under the "Optional County Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), have passed an ordinance or other appropriate document to acquire, by voluntary conveyance for the purpose of redevelopment, or for recreation and conservation purposes. 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 and financial assistance provided pursuant to this paragraph shall be used for performing preliminary assessments, site investigations, remedial investigations, and remedial actions on real property in order to determine the existence or extent of any hazardous substance or hazardous waste contamination, and to remediate the site in compliance with the applicable health risk and environmental standards on those properties. No financial

assistance or grants for a remedial action shall be awarded until the municipality, county, or redevelopment entity authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4), actually owns the real property, provided that a matching grant for 75% of the costs of a remedial action for a project involving the redevelopment of contaminated property for recreation and conservation purposes, or a matching grant for 50% of the costs of a remedial action for a project involving the redevelopment of contaminated property for affordable housing pursuant to P.L.1985, c.222 (C.52:27D-301 et seq.) may be made to a municipality, county, or redevelopment entity authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 even if it does not own the real property and a grant may be made to a municipality, county, or redevelopment entity authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4) for a remediation in a brownfield development area pursuant to subsection f. of section 27 of P.L.1993, c.139 (C.58:10B-5) even if the entity does not own the real property. No grant shall be awarded for a remedial action for a project involving the redevelopment of contaminated property for recreation or conservation purposes unless the use of the property is preserved for recreation and conservation purposes by conveyance of a development easement, conservation restriction or easement, or other restriction or easement permanently restricting development, which shall be recorded and indexed with the deed in the registry of deeds for the county. A municipality 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 municipality, a county, or a redevelopment entity authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4) 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) Moneys shall be allocated for financial assistance to persons who voluntarily perform a remediation of a hazardous substance or hazardous waste discharge;

(4) 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, 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. 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 may exceed \$1,000,000;

(5) Moneys shall be allocated for (a) 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), or (b) matching grants for up to 25% of the project costs to qualifying persons, municipalities, counties, and redevelopment entities authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4), who propose to perform a remedial action that uses an innovative technology, or 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 may exceed \$250,000; and

(6) Twenty 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 (5) of this subsection.

For the purposes of paragraph (5) 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. The unpaid balance of a loan for the remediation of real property that is transferred by devise or succession shall not become immediately payable in full, and loan repayments shall be made by the person who acquires the property. Loans to municipalities, counties, and redevelopment entities authorized to exercise redevelopment powers

pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4), 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 municipality, county, or redevelopment entity authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4) may not exceed \$3,000,000 in any calendar year except as provided in subsection f. of section 27 of P.L.1993, c.139 (C.58:10B-5). Grants to a municipality, county, or redevelopment entity authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 may be for up to 100% of the total costs of the preliminary assessment, site investigation, or remedial investigation regardless of when the application was received by the department. Grants to a municipality, a county, or a redevelopment entity authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4) may not exceed 75% of the total costs of the remedial action at any one site for any application received by the department on or after September 15, 2005. 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 Environment and Solid Waste 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 be retroactive to September 1, 2006.

Approved January 26, 2007.

CHAPTER 26

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 \$6,193,500 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) Canal Society of New Jersey	Morris Canal Greenway	Morris Sussex	All municipalities Stanhope Boro	\$200,000

(b) Delaware and Raritan Greenway Land Trust	Greenway Acq			400,000
	Central Stony Brook Greenway	Hunterdon	Delaware Twp	
			East Amwell Twp	
		Mercer	Hopewell Twp	
			Pennington Boro	
			Princeton Twp	
		Middlesex	Cranbury Twp	
	Delaware River Tributaries Acq	Burlington	Bordentown City	
			Bordentown Twp	
			Chesterfield Twp	
		Mercer	Hamilton Twp	
			Hopewell Twp	
			Lawrence Twp	
			Washington Twp	
			West Windsor Twp	
(c) East Windsor Green Space, Inc.			Trenton Cit	
		Middlesex	Monroe Twp	
	Griggstown Canal Acq	Monmouth	Upper Freehold Twp	
		Middlesex	Highland Park Boro	
		Somerset	Franklin Twp	
			Rocky Hill Boro	
	Sourlands Mountain Acq	Hunterdon	East Amwell Twp	
			Lambertville City	
			West Amwell Twp	
		Mercer	Hopewell Twp	
		Somerset	Branchburg Twp	
			Hillsborough Twp	
			Montgomery Twp	
	Upper Millstone Greenway	Mercer	West Windsor Twp	
		Middlesex	Cranbury Twp	
(d) Friends of Hopewell Valley Open Space			Highland Park Boro	
			Monroe Twp	
			Plainsboro Twp	
			South Brunswick Twp	
		Monmouth	Millstone Twp	
	Millstone River-Rocky Brook Acq	Mercer	East Windsor Twp	200,000
	Hopewell Valley Park Acq	Mercer	Hopewell Boro	200,000
			Hopewell Twp	
			Lawrence Twp	

(e) Friends of Princeton Open Space	Millstone River Watershed	Mercer	Princeton Twp	200,000
(f) Hackensack Riverkeeper, Inc.	Open Space Acq	Bergen	All municipalities	200,000
(g) Harding Land Trust	Open Spaces & Natural Places of Harding Twp	Morris	Harding Twp	200,000
(h) Helping People Help Themselves	Open Space Acq	Passaic	West Milford Twp	200,000
(i) Hunterdon County Education Foundation	Alexandria Equestrian Facility	Hunterdon	Alexandria Twp	200,000
(j) Hunterdon Land Trust Alliance	Hunterdon Open Space	Hunterdon	All municipalities	200,000
(k) Ironbound Community Corporation	Riverfront Property Acquisition	Essex	Newark City	200,000
(l) Lamington Conservancy	Central Lamington Project	Hunterdon	Tewksbury Twp	200,000
		Morris	Chester Twp Washington Twp Bedminster Twp Peapack-Gladstone Boro	
		Somerset	Lawrence Twp	
(m) Lawrence Township Conservation Foundation	Lawrence Township Watershed Acquisitions	Mercer	Lawrence Twp	200,000
(n) Monmouth Conservation Foundation	Open Space Plans 2	Monmouth	All municipalities	200,000
(o) Morris Land Conservancy	Priority Areas Acq	Bergen	Mahwah Twp Oakland Boro	400,000
		Essex	Livingston Twp West Orange Twp	

		Morris	Boonton Twp Chatham Boro Chatham Twp Denville Twp East Hanover Twp Florham Park Boro Hanover Twp Jefferson Twp Kinnelon Boro Madison Boro Mine Hill Twp Montville Twp Morris Twp Morristown Town Mount Olive Twp Parsippany-Troy Hills Twp Pequannock Twp Randolph Twp Rockaway Twp Roxbury Twp Washington Twp	
		Passaic	Ringwood Boro	
		Somerset	Peapack-Gladstone Boro	
		Sussex	Byram Twp Frankford Twp Fredon Twp Green Twp Hampton Twp Vernon Twp	
		Warren	Franklin Twp Greenwich Twp Harmony Twp	
(p) New Jersey Conservation Foundation	Priority Area Acquisitions			400,000
	Appalachian Trail Buffers	Sussex	Wantage Twp	
	Arthur Kill Greenway	Middlesex	Edison Twp	
		Union	Linden City Springfield Twp Union Twp	
	Black River Greenway	Hunterdon	Clinton Twp Lebanon Boro Lebanon Twp Readington Twp Tewksbury Twp	

	Morris	Chester Boro Chester Twp Mendham Boro Mendham Twp Mine Hill Twp Mount Arlington Boro Randolph Twp Roxbury Twp Washington Twp
	Somerset	Bedminster Twp Bernards Twp Bernardsville Boro Branchburg Twp Bridgewater Twp Far Hills Boro Hillsborough Twp Peapack-Gladstone Boro Raritan Boro
Burden Hill Forest Protection Initiative	Cumberland	Greenwich Twp Hopewell Twp Stow Creek Twp
	Salem	Alloway Twp Lower Alloways Creek Twp Quinton Twp
Camden Greenway Ellwood Corridor	Camden	Camden City
	Atlantic	Buena Vista Twp Egg Harbor City Egg Harbor Twp Estell Manor City Folsom Boro Hamilton Twp Hammonton Town Mullica Twp Weymouth Twp
Forked River Mountain Add	Ocean	Lacey Twp Ocean Twp
Four Mile Circle	Burlington	Bass River Twp Burlington Twp Pemberton Twp Tabernacle Twp Washington Twp Woodland Twp
Greater Kettle Run	Burlington	Evesham Twp Medford Twp
Highlands Region: Arcadia Lake/ Newark Watershed	Passaic	West Milford Twp

(q) New York - New Jersey Trail Conference	Kittatinny Forest Area	Sussex	Frankford Twp Hampton Twp	200,000
	Musconetcong Valley	Warren	Franklin Twp Greenwich Twp Mansfield Twp Washington Twp	
	Pyramid Mountain Addition	Morris	Boonton Twp Kinnelon Boro Montville Twp	
	Scotts Mtn Acq	Warren	Harmony Twp Lopatcong Twp White Twp Jefferson Twp	
	Sparta Mountain Greenway	Morris		
		Sussex	Byram Twp Hopatcong Boro Sparta Twp Vernon Twp	
	Vernon Marsh Western Piedmont: Back Brook	Sussex		
		Hunterdon	East Amwell Twp Lambertville City West Amwell Twp	
	Sourland Mountain	Hunterdon	East Amwell Twp West Amwell Twp	
		Mercer Somerset	Princeton Twp Hillsborough Twp Montgomery Twp	
	Wickecheoke Creek Acq	Hunterdon	Delaware Twp Franklin Twp Kingwood Twp Raritan Twp Stockton Boro	
	Green Corridors	Bergen	Mahwah Twp	
		Hunterdon	Alexandria Twp Bethlehem Twp Holland Twp	
		Morris	Chester Twp Jefferson Twp Morris Twp Washington Twp	
		Passaic	Ringwood Boro Wanaque Boro West Milford Twp	
		Sussex	Byram Twp Sparta Twp Vernon Twp	

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		Warren	Franklin Twp Hope Twp Liberty Twp Mansfield Twp Washington Twp White Twp	
(r) Old Pine Farm Natural Lands Trust	Old Pine Farm Greenway	Camden	Gloucester Twp	200,000
		Gloucester	Deptford Twp	
(s) P.A.R.K.S.	Secure Park Project	Passaic	Paterson City	80,000
(t) Passaic River Coalition	Passaic River Preservation Project	Bergen	Allendale Boro Elmwood Park Boro Fair Lawn Boro Garfield City Ho-Ho-Kus Boro Lyndhurst Twp Mahwah Twp Oakland Boro Ridgewood Village Rutherford Boro Saddle River Boro Upper Saddle River Boro Wallington Boro	200,000
		Essex	Cedar Grove Twp Fairfield Twp Livingston Twp Newark City Roseland Boro Verona Twp West Caldwell Twp	
		Morris	Butler Boro Chatham Boro Chatham Twp Denville Twp East Hanover Twp Florham Park Boro Hanover Twp Jefferson Twp Kinnelon Boro Lincoln Park Boro Long Hill Twp Mendham Boro Mendham Twp Montville Twp Morris Twp Parsippany-Troy Hills Twp	

		Passaic Somerset	Pequannock Twp Riverdale Boro Rockaway Twp All municipalities Bernards Twp Bernardsville Boro Warren Twp	
		Sussex	Hardyston Twp Sparta Twp	
		Union	Berkeley Heights Twp New Providence Boro Summit City	
(u) Project HEAL	Project Heal Addition	Burlington	Evesham Twp	113,500
(v) Ridge and Valley Conservancy	Open Space Conservation Plan	Sussex	Andover Boro Andover Twp Frankford Twp Fredon Twp Green Twp Hampton Twp Hardyston Twp Lafayette Twp Sandyston Twp Stillwater Twp Wantage Twp	200,000
		Warren	Allamuchy Twp Blairstown Twp Frelinghuysen Twp Hardwick Twp Hope Twp Knowlton Twp Mansfield Twp White Twp	
(w) Schiff Natural Lands Trust, Inc.	Schiff Mount Paul Greenway	Morris	Chester Twp Mendham Boro Mendham Twp	200,000
(x) South Jersey Land Trust	Raccoon and Oldmans Creek Watersheds	Gloucester	All municipalities	200,000
		Salem	Carneys Point Twp Pilesgrove Twp Upper Pittsgrove Twp	
(y) Tewksbury Land Trust	Land Acq	Hunterdon	Tewksbury Twp	200,000

(z) The Conservation Fund	Cape May Conservation Fund Acq	Cape May	Middle Twp	200,000
(aa) Trust For Public Land	Project Priority Areas			400,000
	Atlantic Balanced Communities Acq	Atlantic	Egg Harbor City Egg Harbor Twp Galloway Twp Hamilton Twp All municipalities	
	Bergen Co. Open Space Partnership Beyond the Century Plan - Barnegat Bay Initiative	Bergen	Freehold Twp	
		Monmouth		
		Ocean	Barnegat Light Boro Berkeley Twp Brick Twp Dover Twp Eagleswood Twp Jackson Twp Lacey Twp Little Egg Harbor Twp Long Beach Twp Manchester Twp Ocean Twp Stafford Twp Tuckerton Boro	
	Camden Balanced Communities Acq	Camden	Berlin Boro Cherry Hill Twp Clementon Boro Gloucester Twp Haddon Twp Lindenwold Boro Voorhees Twp Cape May City	
	Congress Hall Lawn Acq	Cape May		
	Delaware River Inland	Burlington	Mansfield Twp Mount Laurel Twp Springfield Twp All municipalities	
	Essex Co. Open Space Harbor Estuary Acq	Essex		
		Bergen	East Rutherford Boro	
		Hudson	Jersey City Secaucus Town	
		Middlesex	Carteret Boro	

	Monmouth	Old Bridge Twp Woodbridge Twp Aberdeen Twp Atlantic Highlands Boro Fair Haven Boro Hazlet Twp Highlands Boro Keansburg Boro Keyport Boro Matawan Boro Middletown Twp Rumson Boro Union Beach Boro
	Union	Linden City Rahway City
Hudson Co. Open Space Hunterdon Co. Open Space Partnership	Hudson	All municipalities
	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 Readington Twp Tewksbury Twp Union Twp Washington Twp
Long Valley Open Space Metedeconk Watershed Protection	Morris	
	Monmouth	Freehold Twp Howell Twp Millstone Twp Wall Twp
	Ocean	Brick Twp Jackson Twp Lakewood Twp
Morris Open Space Acq	Morris	Harding Twp Jefferson Twp Mount Olive Twp Rockaway Twp Roxbury Twp
Sussex Open Space Partnership	Sussex	All municipalities
Upper Delaware River Watershed	Hunterdon	Alexandria Twp Bethlehem Twp

			Bloomsbury Boro	
			Hampton Boro	
			Holland Twp	
			Lebanon Boro	
			Lebanon Twp	
		Morris	Mount Arlington Boro	
			Mount Olive Twp	
			Netcong Boro	
			Roxbury Twp	
			Washington Twp	
		Sussex	Andover Boro	
			Andover Twp	
			Branchville Boro	
			Byram Twp	
			Frankford Twp	
			Fredon Twp	
			Green Twp	
			Hampton Twp	
			Hardyston Twp	
			Hopatcong Boro	
			Lafayette Twp	
			Montague Twp	
			Newton Town	
			Sandyston Twp	
			Sparta Twp	
			Stanhope Boro	
			Stillwater Twp	
			Walpack Twp	
			Wantage Twp	
		Warren	All municipalities	
		Bergen	Mahwah Twp	
	Wanaque Gap Acq	Passaic	Ringwood Boro	
(bb) Unexpected Wildlife Refuge	Refuge Expansion	Atlantic	Buena Boro	200,000
			Buena Vista Twp	
		Gloucester	Franklin Twp	
TOTAL				<u>\$6,193,500</u>

(2) There is appropriated from the Garden State Green Acres Preservation Trust Fund to the Department of Environmental Protection the sum of \$2,086,250 to provide grants to assist qualifying tax exempt nonprofit organizations to develop 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
Cooper's Ferry Development Association, Inc.	Waterfront Park Enhancement Project	Camden	Camden City	\$200,000
Eagle Rock Conservancy, Inc.	Eagle Rock Reservation Improvements	Essex	West Orange Twp	200,000
Friends of Essex County Parks	South Mountain Reservation Improvements	Essex	Maplewood Twp Millburn Twp South Orange Village Twp West Orange Twp	200,000
Friends of Belmar Harbor, Inc.	Shark River Bay Community Sailing Center	Monmouth	Belmar Boro	200,000
Isles Inc.	Perry St. Children's Garden/Roberto Clemente Park	Mercer	Trenton City	170,750
Lincoln Park Coast Cultural District	Lincoln Park/ Coast Cultural Revitalization Greenway	Essex	Newark City	200,000
Montclair Grass Roots, Inc.	Glenfield Park Improvements	Essex	Glen Ridge Twp Boro Montclair Twp	200,000
Natural Lands Trust, Inc.	Peek Preserve Visitor Center	Cumberland	Millville City	115,500
North Ward Center	Branch Brook Park Ext. Rehabilitation	Essex	Belleville Twp Newark City	200,000
Northgate Park Inc.	Northgate Park Rehabilitation	Camden	Camden City	200,000
Roberto Clemente League	Branch Brook Park Ext. Rehabilitation	Essex	Belleville Twp Newark City	200,000
TOTAL				<u>\$2,086,250</u>

(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 January 26, 2007.

CHAPTER 27

AN ACT appropriating moneys from the "Garden State Green Acres Preservation Trust Fund" and various Green Acres bond funds to assist local government units in southern New Jersey 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. 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), and from the Green Trust funds established pursuant to the Green Acres bond acts, the sum of \$8,552,405 to provide grants or loans, or both, to assist local government units in southern New Jersey to acquire or develop lands for recreation and conservation purposes. The following projects to acquire or develop lands for recreation and conservation purposes are eligible for funding with the moneys appropriated pursuant to this subsection:

(1) Planning Incentive Acquisition Projects:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Atlantic County	Atlantic	Atlantic County	\$600,000
Port Republic City	Atlantic	Open Space Acq Clarks Mill Pond Acq Project	110,000
Burlington County	Burlington	Planning Incentive Acq	600,000
Bordentown Twp	Burlington	Bordentown Twp Open Space Acq	300,000
Delran Twp	Burlington	Open Space & Rec Plan Acq	300,000
Eastampton Twp	Burlington	Planning Incentive Acq	300,000
Hainesport Twp	Burlington	Open Space & Recreation Plan Acq	35,630
Moorestown Twp	Burlington	Open Space Preservation Plan Acq	300,000
Westhampton Twp	Burlington	Planning Incentive Acq	300,000
Clementon Boro	Camden	Clementon Open Space Acq	300,000
Gloucester County	Gloucester	Open Space Plan Acq	600,000
Ocean County	Ocean	Planning Incentive Grant Acq	600,000
Barnegat Twp	Ocean	Planning Incentive Acq	250,000
Ocean Twp	Ocean	Planning Incentive Acq	300,000
Stafford Twp	Ocean	Stafford Twp Planning Incentive Program Acq	232,775

Pilesgrove Twp	Salem	Pilesgrove Twp PI Acq	300,000
Pittsgrove Twp	Salem	Open Space and Recreation Plan Acq	300,000

SUBTOTAL

\$5,728,405

(2) Site Specific Incentive Acquisition Projects:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Cinnaminson Twp	Burlington	Route 90 Land Acq	\$300,000
Delanco Twp	Burlington	Waterfront Acq	300,000
SUBTOTAL			<u>\$600,000</u>

(3) Standard Acquisition Projects:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Galloway Twp	Atlantic	Heron Rookery Acq	\$41,000
Hamilton Twp	Atlantic	Liepe Tract Extension Acq	230,500
Burlington Twp	Burlington	Tillinghast Property Acq	300,000
New Hanover Twp	Burlington	Cookstown Village Green Acq	152,500
SUBTOTAL			<u>\$724,000</u>

(4) Development Projects:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Egg Harbor Twp	Atlantic	Bargaintown Park Dev	\$300,000
Delanco Twp	Burlington	Pennington Farm Park Dev	300,000
Cape May County	Cape May	County Park Zoo Enhancement (Middle Twp)	600,000
Lower Twp	Cape May	Multi Parks Dev	300,000

SUBTOTAL	<u>\$1,500,000</u>
GRAND TOTAL ALL CATEGORIES	<u>\$8,552,405</u>

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 P.L.2007, c.26, P.L.2007, c.28, or P.L.2007, c.29, 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, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

2. This act shall take effect immediately.

Approved January 26, 2007.

CHAPTER 28

AN ACT appropriating moneys from the "Garden State Green Acres Preservation Trust Fund" and various Green Acres bond funds to assist local government units in central New Jersey 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. 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), and from the Green Trust funds established pursuant to the Green Acres bond acts, the

sum of \$8,100,000 to provide grants or loans, or both, to assist local government units in central New Jersey to acquire or develop lands for recreation and conservation purposes. The following projects to acquire or develop lands for recreation and conservation purposes are eligible for funding with the moneys appropriated pursuant to this subsection:

(1) Planning Incentive Acquisition Projects:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Delaware Twp	Hunterdon	Open Space Acq	\$300,000
High Bridge Boro	Hunterdon	Open Space Plan Acq	300,000
Readington Twp	Hunterdon	Greenway Incentive Plan Acq	300,000
Tewksbury Twp	Hunterdon	Recreation and Open Space Plan Acq	300,000
Union Twp	Hunterdon	Union Township Open Space Plan Acq	300,000
East Windsor Twp	Mercer	East Windsor Open Space Acq	300,000
Hopewell Twp	Mercer	Hopewell Open Space Acq	300,000
Lawrence Twp	Mercer	Open Space Plan Acq	300,000
Princeton Twp	Mercer	Princeton Open Space Acq	300,000
West Windsor Twp	Mercer	West Windsor Planning Inc. Acq	300,000
Cranbury Twp	Middlesex	Cranbury Twp Acq	50,000
Plainsboro Twp	Middlesex	Plainsboro Preservation Acq	50,000
Atlantic Highlands Boro	Monmouth Highlands Boro	Atlantic	300,000
Colts Neck Twp	Monmouth	Open Space Acq Planning Incentive Acq	300,000
Holmdel Twp	Monmouth	Holmdel Planning Incentive Acq	300,000
Little Silver Boro	Monmouth	Open Space Acq	200,000
Manasquan Boro	Monmouth	Manasquan Boro Open Space Acq	300,000

Millstone Twp	Monmouth	Millstone Planning Incentive Acq - Project Evergreen	300,000
Ocean Twp	Monmouth	Ocean Twp Planning Incentive Acq	300,000
Upper Freehold Twp	Monmouth	Upper Freehold Open Space Acq - 2000	300,000
Somerset County	Somerset	County Open Space Acq	600,000
Bedminster Twp Somerset		Bedminster Parks Exp Acq	300,000
Montgomery Twp	Somerset	Open Space Acq 5	300,000
Peapack-Gladstone Boro	Somerset	Open Space Acq	300,000
SUBTOTAL			<u>\$6,900,000</u>

(2) Site Specific Incentive Acquisition Projects:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Hopewell Boro	Mercer	St. Michael's Orphanage Site Acq	\$300,000
Spring Lake Heights Boro	Monmouth	Fletcher Property Acq	300,000
SUBTOTAL			<u>\$600,000</u>

(3) Development Projects:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Princeton Twp	Mercer	Coventry Farm Park Dev	\$300,000
Freehold Twp	Monmouth	Opatut Park Dev	300,000
SUBTOTAL			<u>\$600,000</u>
GRAND TOTAL ALL CATEGORIES			<u>\$8,100,000</u>

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 P.L.2007, c.26, P.L.2007, c.27, or P.L.2007, c.29, 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, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

2. This act shall take effect immediately.

Approved January 26, 2007.

CHAPTER 29

AN ACT appropriating moneys from the "Garden State Green Acres Preservation Trust Fund" and various Green Acres bond funds to assist local government units in northern New Jersey 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. 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), and from the Green Trust funds established pursuant to the Green Acres bond acts, the sum of \$9,066,000 to provide grants or loans, or both, to assist local government units in northern New Jersey to acquire or develop lands for recreation and conservation purposes. The following projects to acquire or develop lands for recreation and conservation purposes are eligible for funding with the moneys appropriated pursuant to this subsection:

(1) *Planning Incentive Acquisition Projects*:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Cresskill Boro	Bergen	Cresskill Open Space Acq	\$300,000

Franklin Lakes Boro	Bergen	Woodside Ave Acq	300,000
Montvale Boro	Bergen	Park Acq	300,000
Park Ridge Boro	Bergen	Open Space Plan	66,000
		Acq	
Livingston Twp	Essex	Livingston Twp	300,000
		Open Space Acq	
Boonton Twp	Morris	Open Space Acq	300,000
Chatham Twp	Morris	Chatham	300,000
		Open Space Acq	
Chester Twp	Morris	Chester Twp	300,000
		Open Space Acq	
East Hanover Twp	Morris	East Hanover	300,000
		Twp PI Acq	
Florham Park Boro	Morris	Open Space Acq	300,000
Hanover Twp	Morris	Open Space Acq	300,000
Harding Twp	Morris	Harding Open	300,000
		Space Acq	
Kinnelon Boro	Morris	Open Space Acq	300,000
Mendham Twp	Morris	Mendham Twp	300,000
		Open Space Acq	
Montville Twp	Morris	Montville Open	300,000
		Space Acq	
Morris Twp	Morris	Morris Twp Open	300,000
		Space Acq	
Mount Olive Twp	Morris	Mt. Olive	300,000
		Greenway Acq	
Pequannock Twp	Morris	Planning	200,000
		Incentive Acq	
Randolph Twp	Morris	Randolph Acq	300,000
		Program	
Roxbury Twp	Morris	Roxbury Open	300,000
		Space Plan Acq	
Ringwood Boro	Passaic	Ringwood Boro	300,000
		Open Space Acq	
Lafayette Twp	Sussex	Open Space &	300,000
		Recreation Plan Acq	
Stillwater Twp	Sussex	Stillwater Open	300,000
		Space Plan Acq	
Franklin Twp	Warren	Planning	300,000
		Incentive Acq	
Frelinghuysen Twp	Warren	Frelinghuysen Twp	300,000
		Open Space &	
		Recreation Plan Acq	
Harmony Twp	Warren	Harmony Twp	300,000
		Open Space &	
		Recreation Plan Acq	
Pohatcong Twp	Warren	Pohatcong Twp	112,500
		Acq	

SUBTOTAL **\$7,578,500**

(2) Site Specific Incentive Acquisition Projects:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Chester Boro	Morris	Chester Open Space Acq	\$300,000
Riverdale Boro	Morris	Van Ness House Acq	75,000
Pompton Lakes Boro	Passaic	Feinbloom and Sherman Acq	300,000
SUBTOTAL			<u>\$675,000</u>

(3) Standard Acquisition Projects:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Alpine Boro	Bergen	Booth Tract Acq	\$300,000
Oradell Boro	Bergen	Lafayette's Revol. War Encampment Soldier Hill Acq	212,500
SUBTOTAL			<u>\$512,500</u>

(4) Development Projects:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Greenwich Twp	Warren	Greenwich Recreation Complex Dev	\$300,000
SUBTOTAL			<u>\$300,000</u>
GRAND TOTAL ALL CATEGORIES			<u>\$9,066,000</u>

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 appro-

priated 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 P.L.2007, c.26, P.L.2007, c.27, or P.L.2007, c.28, 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, P.L.1989, c.183, P.L.1987, c.265, and P.L.1983, c.354.

2. This act shall take effect immediately.

Approved January 26, 2007.

CHAPTER 30

AN ACT authorizing the creation of a sports and entertainment district, the imposition of additional taxes within that district to promote the development of certain sports and entertainment facilities, and supplementing Title 34 of the Revised Statutes.

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

C.34:1B-190 Short title.

1. This act shall be known and may be cited as the "Sports and Entertainment District Urban Revitalization Act."

C.34:1B-191 Findings, declarations relative to sports and entertainment districts.

2. The Legislature finds and declares that:

a. The blighted condition of the land and buildings in certain areas of the State discourages serious private investment, therein, a situation which is often exacerbated by the onerous tax rates which beset those municipalities.

b. The development and expansion of significant commercial and entertainment establishments can generate tangible long-term benefits for the State, its local political subdivisions, its businesses and its citizens. These benefits include increases in State sales and use tax revenues, employment and local property tax revenues, and new employment opportunities.

c. It is in the public interest to provide the means to finance certain costs of development and redevelopment in order to promote private investment, to create jobs, stimulate commercial, recreational, cultural, entertainment, civic and educational enterprises, and otherwise create favorable conditions for increases in economic activity, property values and employment opportunities.

d. The potential for substantial gains in new tax revenues, job creation, economic activity, increased recreational opportunities, and the enhancement of the quality of life in the State justifies the use of public financing to encourage private investment and to promote development and redevelopment projects that would be spurred by such State assistance.

e. It is appropriate to authorize the issuance of bonds and other notes and obligations and to provide the basis upon which to secure contract bonds, notes or other financial obligations issued in accordance with P.L.2007, c.30 (C.34:1B-190 et seq.) with respect to financing or refinancing the project costs authorized in P.L.2007, c.30 (C.34:1B-190 et seq.).

C.34:1B-192 Definitions relative to sports and entertainment districts

3. As used in this act:

"Authority" means the New Jersey Economic Development Authority established pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.).

"Developer" means any person or entity, whether public or private, including a State entity, that proposes to undertake a project pursuant to a development agreement.

"District" or "sports and entertainment district" means a geographic area which includes a project as set forth in the ordinance pursuant to section 4 of P.L.2007, c.30 (C.34:1B-193).

"Eligible municipality" means a municipality: (1) in which is located part of an urban enterprise zone that has been designated pursuant to P.L.1983, c.303 (C.52:27H-60 et seq.) or any supplement thereto; and (2) which has a population greater than 25,000 and less than 29,000 according to the latest federal decennial census in a county of the third class with a population density greater than 295 and less than 304 persons per square mile according to the latest federal decennial census.

"Infrastructure improvements" means the construction or rehabilitation of any street, highway, utility, transportation or parking facilities, or other similar improvements; the acquisition of any interest in land as necessary or convenient for the acquisition of any right-of-way or other easement for the purpose of constructing infrastructure improvements; the acquisition, construction or reconstruction of land and site improvements, including

demolition, clearance, removal, construction, reconstruction, fill, environmental enhancement or abatement, or other site preparation for development of a sports and entertainment district.

"Project" means a sports and entertainment facility and may include infrastructure improvements that are associated with the sports and entertainment facility.

"Project cost" means the cost of a project, including the financing, acquisition, development, construction, redevelopment, rehabilitation, reconstruction and improvement costs thereof, financing costs and the administrative costs, including any administrative costs of the authority if bonds are issued pursuant to section 16 of P.L.2007, c.30 (C.34:1B-205) and incurred in connection with a sports and entertainment facility which is financed, in whole or in part, by the revenues dedicated by a municipality to a project as authorized pursuant to section 5 of P.L.2007, c.30 (C.34:1B-194).

"Sports and entertainment facility" means any privately or publicly owned or operated facility located in a sports and entertainment district that is used primarily for sports contests, entertainment, or both, such as a theater, stadium, museum, arena, automobile racetrack, or other place where performances, concerts, exhibits, games or contests are held.

"State Treasurer" or "treasurer" means the treasurer of the State of New Jersey.

C.34:1B-193 Establishment of a sports and entertainment district.

4. The governing body of any eligible municipality may, by ordinance, establish a sports and entertainment district in order to encourage and promote the development of a project within the district. A sports and entertainment district shall consist of an area of the municipality designated in a project plan prepared by the developer. The project plan shall be approved by municipal ordinance, duly adopted by the governing body.

The ordinance shall include or incorporate:

- a. a description of the proposed project, the anticipated period of construction, and a description and map of the proposed sports and entertainment district;
- b. an estimate of the amount of tax revenues that are anticipated to be generated annually within the sports and entertainment district for that period of time covered by the project plan and an estimate of those revenues to be allocated to the project;
- c. an assessment of the economic benefits of the project, including a projection of the value of private investment that is anticipated to be generated, directly or indirectly, in the sports and entertainment district as a

result of the undertaking of the project or other proposed development within the sports and entertainment district;

- d. documentation as to the necessary approvals relating to the project;
- e. demonstration that at least \$20 million in private investment has been committed to the project; and
- f. documentation that the district has been identified in the appropriate plan.

C.34:1B-194 Tax revenues dedicated to sports and entertainment district; imposition of taxes.

5. The governing body of a municipality that establishes a sports and entertainment district may, as part of the ordinance establishing the district: impose one or more of the taxes enumerated in subsection a. of this section; dedicate some or all of those taxes; and dedicate some or all of the taxes enumerated in subsection b. of this section solely for the purposes of financing the project costs of a sports and entertainment facility for the life of the project, as appropriate, except that none of the taxes enumerated in subsection a. or b. of this section shall be imposed or dedicated for a period of more than 30 years.

a. The municipality may, by ordinance, impose any or all of the following:

(1) a tax at the rate of 2% on the receipts from every sale within the district of tangible personal property subject to taxation pursuant to subsection (a) of section 3 of P.L.1966, c.30 (C.54:32B-3);

(2) a tax at the rate of 2% on the receipts from every sale within the district of food and drink subject to taxation pursuant to subsection (c) of section 3 of P.L.1966, c.30 (C.54:32B-3);

(3) a tax at the rate of 2% on charges of rent for every occupancy of a room or rooms in a hotel located within the district and subject to taxation pursuant to subsection (d) of section 3 of P.L.1966, c.30 (C.54:32B-3); or

(4) a tax at the rate of 2% on the admission charge to a place of amusement within the district and subject to taxation pursuant to subsection (e) of section 3 of P.L.1966, c.30 (C.54:32B-3).

b. The municipality may dedicate, by ordinance, any hotel and motel occupancy tax revenues collected within the district that the municipality is authorized to impose pursuant to section 3 of P.L.2003, c.114 (C.40:48F-1) and, at the discretion of the municipality, an additional charge of 2%.

c. A tax imposed under subsection a. of this section shall be in addition to any other tax or fee imposed pursuant to statute or local ordinance or resolution by any governmental entity upon the same transaction.

d. A copy of an ordinance adopted pursuant to section 4 of P.L.2007, c.30 (C.34:1B-193) shall be transmitted upon adoption or amendment thereof to the State Treasurer. An ordinance so adopted or any amendment thereto shall provide that the tax provisions of the ordinance or any amendment to the tax provisions shall take effect on the first day of the first full month occurring 90 days after the date of transmittal to the State Treasurer.

e. A municipality that creates a district pursuant to section 4 of P.L.2007, c.30 (C.34:1B-193), which overlaps, in whole or in part, with an urban enterprise zone in which the receipts of certain sales are exempt to the extent of 50% of the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80), shall continue to administer those sales tax revenues collected within the designated urban enterprise zone as otherwise provided pursuant to P.L.1983, c.303 (C.52:27H-60 et seq.).

C.34:1B-195 Provisions of ordinance imposing tax.

6. An ordinance imposing a tax pursuant to subsection a. of section 5 of P.L.2007, c.30 (C.34:1B-194) shall contain the following provisions:

- a. All taxes imposed by the ordinance shall be paid by the purchaser;
- b. A vendor shall not assume or absorb any tax imposed by the ordinance;
- c. A vendor shall not in any manner advertise or hold out to any person or to the public in general, in any manner, directly or indirectly, that the tax will be assumed or absorbed by the vendor, that the tax will not be separately charged and stated to the customer, or that the tax will be refunded to the customer;
- d. Each assumption or absorption by a vendor of the tax shall be deemed a separate offense and each representation or advertisement by a vendor for each day the representation or advertisement continues shall be deemed a separate offense; and
- e. Penalties as fixed in the ordinance, for violation of the foregoing provisions.

C.34:1B-196 Collection of tax.

7. a. A tax imposed pursuant to a municipal ordinance adopted under the provisions of subsection a. of section 5 of P.L.2007, c.30 (C.34:1B-194) shall be collected on behalf of the municipality by the person collecting the receipts, charges or rent from the customer.

b. Each person required to collect a tax imposed by the ordinance shall be personally liable for the tax imposed, collected or required to be

collected hereunder. Any such person shall have the same right in respect to collecting the tax from a customer as if the tax were a part of the rent and payable at the same time; provided, however, that the chief fiscal officer of the municipality shall be joined as a party in any action or proceeding brought to collect the tax.

C.34:1B-197 Forwarding of tax collected to Director of Taxation.

8. a. A person required to collect a tax imposed pursuant to the provisions of subsection a. of section 5 of P.L.2007, c.30 (C.34:1B-194) shall, on or before the dates required pursuant to section 17 of P.L.1966, c.30 (C.54:32B-17), forward to the Director of the Division of Taxation in the Department of the Treasury the tax collected in the preceding month and make and file a return for the preceding month with the director on any form and containing any information as the director shall prescribe as necessary to determine liability for the tax in the preceding month during which the person was required to collect the tax.

b. The director may permit or require returns to be made covering other periods and upon any dates as the director may specify. In addition, the director may require payments of tax liability at any intervals and based upon any classifications as the director may designate. In prescribing any other periods to be covered by the return or intervals or classifications for payment of tax liability, the director may take into account the dollar volume of tax involved as well as the need for ensuring the prompt and orderly collection of the tax imposed.

c. The director may require amended returns to be filed within 20 days after notice and to contain the information specified in the notice.

C.34:1B-198 Submission of ordinance as application to State Treasurer; criteria for approval.

9. When an ordinance establishing or amending a district has passed first reading, it shall be submitted to the State Treasurer as an application, together with all included and incorporated certificates and documents and such additional documentation as the treasurer shall require.

The treasurer shall approve the ordinance if it is determined that:

- a. the planned sports and entertainment facility is likely to be realized and would not likely be accomplished by private enterprise without the creation of the district and the financing of the proposed project or projects;
- b. the \$20 million commitment of private investment is assured;
- c. the creation of the district will contribute to the economic development of the municipality; and
- d. the size of the proposed district, the financial needs in order to ac-

comply with the project and the amount of the revenues anticipated to be raised from the discretionary taxes do not exceed the size and amount necessary to accomplish the purposes of the plan.

C.34:1B-199 Treasurer's recommendations; approval; adoption of ordinance.

10. a. The treasurer may make written recommendations as to any aspect of the ordinance and the plan and any related fiscal matters which in the opinion of the treasurer shall be changed in order to effectuate the plan. The treasurer may condition the approval of the ordinance upon the adoption of the treasurer's recommendations by the municipality.

b. The treasurer shall approve, approve with conditions, or disapprove the ordinance within 60 days of receipt of an application which the treasurer has deemed to be complete. If the treasurer disapproves the ordinance the treasurer shall, within 30 days of signifying disapproval thereof, set forth reasons in writing for the disapproval. The municipality may amend the ordinance and resubmit it to the treasurer.

c. Upon receipt of the approved ordinance from the treasurer, the municipal governing body may adopt the ordinance at a meeting of the governing body by a majority of the authorized membership thereof in the same manner as the adoption of other ordinances of the governing body.

C.34:1B-200 Amending ordinance required for changing district boundaries, pledged revenues.

11. After adoption of the ordinance establishing a district, there shall be no expansion or contraction of the boundaries of the district or the designation of the pledged revenues without adoption of an amending ordinance approved by the treasurer as provided in sections 9 and 10 of P.L.2007, c.30 (C.34:1B-198 and C.34:1B-199).

C.34:1B-201 Preparation of final financial plan by developer.

12. Before any tax revenues are made available to the developer for the purposes of undertaking the sports and entertainment facility, the developer shall prepare a final financial plan for that project, which shall be consistent with the project plan prepared by the developer and approved by the treasurer pursuant to section 9 of P.L.2007, c.30 (C.34:1B-198), which shall be submitted to the governing body pursuant to section 13 of P.L.2007, c.30 (C.34:1B-202). That plan shall include:

a. a description of the project or projects to be financed, including the projected cost and construction schedule;

b. a description of any development to be undertaken by any developer in connection with the project, including an estimate of the eligible

revenues anticipated from the development;

c. demonstration that the developer has complied with the investment commitment required pursuant to subsection e. of section 4 of P.L.2007, c.30 (C.34:1B-193);

d. a description of the eligible revenues to be pledged to the support of the project, or to the bonds or other obligations to be issued or incurred; and

e. a description of other anticipated projects for the district and the anticipated means of financing those projects.

C.34:1B-202 Submission of final financial plan to municipality, approval by treasurer.

13. The final financial plan prepared pursuant to section 12 of P.L.2007, c.30 (C.34:1B-201) shall be submitted to the governing body of the municipality for approval by ordinance. When an ordinance approving a final financial plan has been introduced in writing at a meeting of the governing body and passed first reading, which may be by title, by a majority of the authorized membership thereof, it shall be submitted to the treasurer, together with all included and incorporated certificates and documents and such additional supporting documentation as the treasurer may by rule prescribe.

The treasurer shall approve the plan if the treasurer determines that:

a. the project is likely to be realized and would not be accomplished by private enterprise without the public support authorized pursuant to P.L.2007, c.30 (C.34:1B-190 et seq.);

b. the pledged revenues will be sufficient to assist in the financing of the sports and entertainment facility, as anticipated in the financial forecasts;

c. eligible revenues to be made available for project costs will be sufficient to back the bonds or other obligations to be issued or incurred pursuant to subsection a. of section 16 of P.L.2007, c.30 (C.34:1B-205) or to otherwise fulfill any financial commitments made by the developer to the State pursuant to subsection c. of section 16 of P.L.2007, c.30 (C.34:1B-205);

d. the developer has demonstrated, to the satisfaction of the treasurer, that the commitment of private funds required pursuant to subsection e. of section 4 of P.L.2007, c.30 (C.34:1B-193) has been satisfied; and

e. there are no other factors which, in the determination of the treasurer, should prevent the undertaking of the project.

C.34:1B-203 Treasurer's recommendations relative to final financial plan.

14. a. The treasurer may make written recommendations as to any aspect of the final financial plan and any related fiscal matters which, in the determination of the treasurer, must be addressed in order to effectuate the plan, and the treasurer may condition approval of the plan upon the adop-

tion of the treasurer's recommendations.

b. The treasurer shall approve, approve with conditions, or disapprove the plan within 60 days of the receipt of an application which the treasurer has deemed to be complete. If the treasurer disapproves the plan, the treasurer shall set forth the reasons in writing within 30 days of the disapproval thereof. The governing body may amend the ordinance and re-submit it to the treasurer.

c. Upon receipt of the approved ordinance from the treasurer, the municipal governing body may adopt the ordinance at a meeting of the governing body by a majority of the authorized membership thereof. Any changes to the plan as embodied in the ordinance, including the pledge or utilization of eligible revenues subject, however, to any rights of bondholders shall be by amendment of the ordinance adopted and approved by the same method as the ordinance was initially approved in connection with the proposed final financial plan included in the ordinance establishing the district.

C.34:1B-204 Collection, administration of tax.

15. a. The Director of the Division of Taxation shall collect and administer any tax imposed pursuant to the provisions of subsection a. of section 5 of P.L.2007, c.30 (C.34:1B-194). In carrying out the provisions of this section, the director shall have all the powers granted in P.L.1966, c.30 (C.54:32B-1 et seq.);

b. The director shall determine and certify to the treasurer on a quarterly or more frequent basis, as prescribed by the treasurer, the amount of revenues collected in each municipality pursuant to subsection a. of section 5 of P.L.2007, c.30 (C.34:1B-194);

c. The treasurer, upon the certification of the director and upon the warrant of the State Comptroller, shall pay and distribute on a quarterly or more frequent basis, as prescribed by the treasurer, those amounts determined and certified under subsection a. of this section into the fund established pursuant to subsection b. of section 16 of P.L.2007, c.30 (C.34:1B-205);

d. A tax imposed pursuant to the provisions of subsection a. of section 5 of P.L.2007, c.30 (C.34:1B-194) shall be governed by the provisions of the "State Uniform Tax Procedure Law," R.S.54:48-1 et seq.

C.34:1B-205 Use of revenues; fund, uses.

16. a. Revenues collected pursuant to the taxes imposed pursuant to section 5 of P.L.2007, c.30 (C.34:1B-194) shall be used to finance project costs whether those costs are incurred through the issuance of bonds or other financial assistance. In the event that bonds are to be issued to cover

project costs, the New Jersey Economic Development Authority may serve as the issuing agent of bonds to finance the undertaking of a project pursuant to P.L.2007, c.30 (C.34:1B-190 et seq.).

b. Upon the approval by the treasurer of a final financial plan pursuant to section 13 of P.L.2007, c.30 (C.34:1B-202), the treasurer shall establish the "(name of municipality) Sports and Entertainment Facility Revenue Fund" into which shall be deposited those revenues collected through the imposition of taxes authorized under section 5 of P.L.2007, c.30 (C.34:1B-194), and any interest or other income earned thereon. Moneys in the "(name of municipality) Sports and Entertainment Facility Revenue Fund" shall be managed and invested by the Division of Investment in the Department of the Treasury. All moneys in the fund shall be disbursed by the treasurer either to be directed toward the repayment of the principal and interest on bonds issued for the purposes of undertaking a project or as financial assistance undertaken pursuant to subsection c. of this section.

c. Moneys deposited in the fund may be used to provide financial assistance to a developer toward the costs of financing the infrastructure improvements of a project, except that such financial assistance shall only be given to a developer for infrastructure improvements that were undertaken after the date of an approval of the ordinance by the treasurer under section 9 of P.L.2007, c.30 (C.34:1B-198). Financial assistance provided from the fund shall be limited to loans, loan guarantees, grants or secondary mortgages and provided solely for the purposes as provided in this subsection. The form, amount and terms of financial assistance provided shall be determined by the treasurer, subject to the availability of funds, the terms of the financial plan, and any other requirements of P.L.2007, c.30 (C.34:1B-190 et seq.).

C.34:1B-206 Bonds not considered debt, liability of State.

17. Bonds issued by the New Jersey Economic Development Authority or other State entity for the purposes as provided in section 16 of P.L.2007, c.30 (C.34:1B-205) shall not be a debt or liability of the State or any agency or instrumentality thereof, except as otherwise provided by section 16 of P.L.2007, c.30 (C.34:1B-205), either legal, moral or otherwise.

18. This act shall take effect immediately.

Approved January 26, 2007.

CHAPTER 31

AN ACT concerning toxic chemicals and amending section 7 of P.L.1999, c.90, N.J.S.2C:36-1, N.J.S.2C:36-2 and N.J.S.2C:36-3.

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

1. Section 7 of P.L.1999, c.90 (C.2C:35-10.4) is amended to read as follows:

C.2C:35-10.4 Toxic chemicals.

7. Toxic Chemicals a. As used in this section the term "toxic chemical" means any chemical or substance having the property of releasing toxic fumes. "Toxic chemical" includes, but is not limited to, acetone, acetate, benzene, butyl alcohol, ethyl alcohol, ethylene dichloride, isopropyl alcohol, methyl alcohol, methyl ethyl ketone, nitrous oxide, pentachlorophenol, petroleum ether, toluol, toluene and any glue, cement, adhesive, paint remover or other substance containing a chemical capable of releasing vapors or fumes causing a condition of intoxication, inebriation, excitement, stupefaction, or dulling of the brain or nervous system.

b. A person commits a disorderly persons offense if the person:

(1) inhales the fumes of any toxic chemical for the purpose of causing a condition of intoxication; or

(2) possesses any toxic chemical for the purpose of causing a condition of intoxication.

This subsection shall not apply to the possession and use of nitrous oxide or any material containing nitrous oxide for the purpose of medical, surgical, or dental care by a person duly licensed to administer nitrous oxide.

c. A person commits a fourth degree offense if the person sells, or offers to sell, any substance containing a toxic chemical knowing that the intended use of the product is to cause a condition of intoxication, or knowing that the product does not include an additive required by the Commissioner of the State Department of Health and Senior Services to discourage the inhalation of vapors of toxic chemicals for the purpose of causing a condition of intoxication. This subsection does not apply to adhesives manufactured only for industrial application or to the sale of nitrous oxide or any material containing nitrous oxide lawfully distributed pursuant to sections 1 through 6 of P.L.1982, c.127 (C.24:6G-1 et seq.).

2. N.J.S.2C:36-1 is amended to read as follows:

Drug paraphernalia, defined; determination.**2C:36-1. Drug paraphernalia, defined; determination.**

As used in this act, "drug paraphernalia" means all equipment, products and materials of any kind which are used or intended for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, ingesting, inhaling, or otherwise introducing into the human body a controlled dangerous substance, controlled substance analog or toxic chemical in violation of the provisions of chapter 35 of this title. It shall include, but not be limited to: a. kits used or intended for use in planting, propagating, cultivating, growing or harvesting of any species of plant which is a controlled dangerous substance or from which a controlled dangerous substance can be derived; b. kits used or intended for use in manufacturing, compounding, converting, producing, processing, or preparing controlled dangerous substances or controlled substance analogs; c. isomerization devices used or intended for use in increasing the potency of any species of plant which is a controlled dangerous substance; d. testing equipment used or intended for use identifying, or in analyzing the strength, effectiveness or purity of controlled dangerous substances or controlled substance analogs; e. scales and balances used or intended for use in weighing or measuring controlled dangerous substances or controlled substance analogs; f. dilutants and adulterants, such as quinine hydrochloride, mannitol, mannite, dextrose and lactose, used or intended for use in cutting controlled dangerous substances or controlled substance analogs; g. separation gins and sifters used or intended for use in removing twigs and seeds from, or in otherwise cleaning or refining, marihuana; h. blenders, bowls, containers, spoons and mixing devices used or intended for use in compounding controlled dangerous substances or controlled substance analogs; i. capsules, balloons, envelopes and other containers used or intended for use in packaging small quantities of controlled dangerous substances or controlled substance analogs; j. containers and other objects used or intended for use in storing or concealing controlled dangerous substances, controlled substance analogs or toxic chemicals; k. objects used or intended for use in ingesting, inhaling, or otherwise introducing marihuana, cocaine, hashish, hashish oil, nitrous oxide or the fumes of a toxic chemical into the human body, such as (1) metal, wooden, acrylic, glass, stone, plastic, or ceramic pipes with or without screens, permanent screens, hashish heads, or punctured metal bowls; (2) water pipes; (3) carburetion tubes and devices; (4) smoking and carburetion masks; (5) roach clips, meaning objects used to hold burning material, such as a marihuana cigarette, that has

become too small or too short to be held in the hand; (6) miniature cocaine spoons, and cocaine vials; (7) chamber pipes; (8) carburetor pipes; (9) electric pipes; (10) air-driven pipes; (11) chillums; (12) bongs; (13) ice pipes or chillers; (14) compressed gas containers, such as tanks, cartridges or canisters, that contain food grade or pharmaceutical grade nitrous oxide as a principal ingredient; (15) chargers or charging bottles, meaning metal, ceramic or plastic devices that contain an interior pin that may be used to expel compressed gas from a cartridge or canister; and (16) tubes, balloons, bags, fabrics, bottles or other containers used to concentrate or hold in suspension a toxic chemical or the fumes of a toxic chemical.

In determining whether or not an object is drug paraphernalia, the trier of fact, in addition to or as part of the proofs, may consider the following factors: a. statements by an owner or by anyone in control of the object concerning its use; b. the proximity of the object of illegally possessed controlled dangerous substances, controlled substance analogs or toxic chemicals; c. the existence of any residue of illegally possessed controlled dangerous substances, controlled substance analogs or toxic chemicals on the object; d. direct or circumstantial evidence of the intent of an owner, or of anyone in control of the object, to deliver it to persons whom he knows intend to use the object to facilitate a violation of this act; the innocence of an owner, or of anyone in control of the object, as to a direct violation of this act shall not prevent a finding that the object is intended for use as drug paraphernalia; e. instructions, oral or written, provided with the object concerning its use; f. descriptive materials accompanying the object which explain or depict its use; g. national or local advertising whose purpose the person knows or should know is to promote the sale of objects intended for use as drug paraphernalia; h. the manner in which the object is displayed for sale; i. the existence and scope of legitimate uses for the object in the community; and j. expert testimony concerning its use.

3. N.J.S.2C:36-2 is amended to read as follows:

Use or possession with intent to use, disorderly persons offense.

2C:36-2. Use or possession with intent to use, disorderly persons offense.

It shall be unlawful for any person to use, or to possess with intent to use, drug paraphernalia to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, ingest, inhale, or otherwise introduce into the human body a controlled dangerous substance, controlled substance analog or toxic

chemical in violation of the provisions of chapter 35 of this title. Any person who violates this section is guilty of a disorderly persons offense.

4. N.J.S.2C:36-3 is amended to read as follows:

Distribute, dispense or possess with intent to distribute or manufacture, crime of fourth degree.

2C:36-3. Distribute, dispense or possess with intent to distribute or manufacture, crime of fourth degree.

It shall be unlawful for any person to distribute or dispense, or possess with intent to distribute or dispense, or manufacture with intent to distribute or dispense, drug paraphernalia, knowing that it will be used to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, ingest, inhale or otherwise introduce into the human body a controlled dangerous substance, controlled substance analog or toxic chemical in violation of the provisions of chapter 35 of this title. Any person who violates this section commits a crime of the fourth degree.

5. This act shall take effect immediately.

Approved January 29, 2007.

CHAPTER 32

AN ACT concerning the packaging and marketing of fresh or salt water food products, and amending R.S.4:10-1.

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

1. R.S.4:10-1 is amended to read as follows:

Definitions.

4:10-1. As used in this chapter:

"Department" means the department of agriculture.

"Secretary" means the secretary of agriculture.

"Farm products" means any agricultural, dairy, poultry or horticultural product, or any product designed for food purposes, manufactured, derived

or prepared principally from any agricultural, dairy, poultry or horticultural product or products, including any fresh or salt water food product.

2. This act shall take effect immediately.

Approved January 29, 2007.

CHAPTER 33

AN ACT prohibiting identity theft discrimination by creditors, and supplementing Title 17 of the Revised Statutes.

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

C.56:11-51 Denial, reduction of credit to victims of identity theft, certain, prohibited.

1. a. A creditor shall not deny credit to, or reduce the credit limit of, an individual solely because that individual was a victim of identity theft pursuant to N.J.S.2C:21-1, section 1 of P.L.1983, c.565 (C.2C:21-2.1) or N.J.S.2C:21-17. For purposes of this section, "victim of identity theft" means any individual who, prior to or at the time of applying for credit, or for increasing the individual's credit limit, presents to a creditor:

(1) a copy of a police report filed pursuant to section 3 of P.L.2005, c.226 (C.2C:21-17.6); or

(2) either:

(a) a properly completed copy of a standardized affidavit of identity theft, as established by the Federal Trade Commission pursuant to section 609 of the federal "Fair Credit Reporting Act," Pub.L.91-508 (15 U.S.C. s.1681g); or

(b) a similar, duly executed affidavit concerning the victim's identity theft.

b. The provisions of subsection a. of this section shall not abrogate the right of a creditor to deny credit to, or reduce the credit limit of, a victim of identity theft for any other reason authorized by law.

C.56:11-52 Violations, penalties.

2. Any creditor who violates any provision of this act shall be liable for a penalty of not more than \$5,000 for each violation, to be collected by and in the name of the Commissioner of Banking and Insurance in a sum-

mary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

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

Approved January 29, 2007.

CHAPTER 34

AN ACT concerning unemployment compensation benefits and the rollover of certain retirement funds and amending P.L.1980, c.13.

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

1. Section 1 of P.L.1980, c.13 (C.43:21-5a) is amended to read as follows:

C.43:21-5a Reduction by pension amount; rollover, certain; no reduction.

1. The amount of benefits payable to an individual for any week which begins in a period with respect to which such individual is receiving a governmental or other pension, retirement or retired pay, annuity, or other similar periodic payment which is based on the previous work of such individual shall be reduced, but not below zero, by an amount equal to the amount of such pension, retirement or retired pay, annuity, or other payment, which is reasonably attributable to such week; provided that such reduced weekly benefit rate shall be computed to the next lower multiple of \$1.00 if not already a multiple thereof and that any such reduction in the weekly benefit rate shall reduce the maximum total benefits of the individual during the benefit year; provided further that, if the provisions of the federal Unemployment Tax Act permit, the Commissioner of Labor and Workforce Development may prescribe in regulations which are consistent with the federal Unemployment Tax Act any of the following:

a. The requirements of this section shall only apply in the case of a pension, retirement or retired pay, annuity, or other similar periodic payment under a plan maintained or contributed to by a base period or chargeable employer as determined under the chapter to which this act is a supplement;

b. The amount of any such reduction shall be determined taking into account contributions made by the individual for the pension, retirement or retired pay, annuity or other similar periodic payment;

c. An individual shall not have his benefits reduced where there has been a transfer of an eligible rollover distribution from a qualified trust to an eligible retirement plan, as defined in section 402(c)(8) of the federal Internal Revenue Code of 1986, 26 U.S.C.S.402(c)(8), provided that, pursuant to that section, the transfer of payments is made within 60 days of receipt. If, however, any distribution from the qualified trust is made which is subject to federal income tax, then unemployment benefits for which the base year earnings include pay from the employer who paid into the qualified trust shall be reduced by the amount of the distribution if otherwise required by section 3304(a)(15) of the Internal Revenue Code of 1986, 26 U.S.C.s.3304(a)(15).

The amount of benefits payable to an individual who is involuntarily and permanently separated from employment prior to the date at which the individual may retire with full pension rights shall not be reduced pursuant to this section because the individual receives a lump sum payment in lieu of periodic pension, retirement or annuity payments, except that the benefits payable to the individual may be reduced during the week in which the individual receives the lump sum payment.

2. This act shall take effect immediately.

Approved January 29, 2007.

CHAPTER 35

AN ACT concerning limousines and amending P.L.2001, c 416.

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

1. Section 9 of P.L.2001, c.416 (C.48:16-22.3a) is amended to read as follows:

C.48:16-22.3a Requirements for applicants as limousine operator, driver.

9. a. Any person who owns a limousine service shall require an applicant for employment as a limousine operator or driver to provide the applicant's name, address, citizenship status, a form of photographic identification, birth certificate, and such other information as the Chief Administrator of the New Jersey Motor Vehicle Commission (hereinafter the "chief administrator") may require.

b. An applicant subject to the provisions of subsection a. of this section shall submit to being fingerprinted by the Division of State Police in the Department of Law and Public Safety or by agents appointed by or under contract to the division. The applicant also shall provide written consent to the performance of a criminal history record background check. The chief administrator is authorized to exchange fingerprint data and photographic identification with and receive criminal history record background information results from the Federal Bureau of Investigation and the Division of State Police. The division shall inform the chief administrator if an applicant's criminal history record background check reveals a conviction of a disqualifying crime as specified in subsection d. of this section. The applicant shall bear the cost of fingerprinting and the cost for the background checks, including all costs of administering and processing the checks. As used in this section, "criminal history record background check" means a determination of whether a person has a criminal record by cross-referencing that person's name and fingerprint data with those on file with the Federal Bureau of Investigation, Identification Division and the State Bureau of Identification in the Division of State Police.

c. No applicant shall be permitted to operate or drive a limousine unless the applicant is 21 years of age or older and unless the chief administrator provides written notification to the owner of the limousine service of the chief administrator's determination that the applicant is qualified for employment as a limousine operator or driver.

d. An applicant shall be disqualified from operating or driving a limousine if the applicant's criminal history record background check reveals a record of conviction of any of the following crimes:

(1) In New Jersey or elsewhere any crime as follows: aggravated assault, arson, burglary, escape, extortion, homicide, kidnapping, robbery, aggravated sexual assault, sexual assault or endangering the welfare of a child pursuant to N.J.S.2C:24-4, whether or not armed with or having in his possession any weapon enumerated in subsection r. of N.J.S.2C:39-1, a crime pursuant to the provisions of N.J.S.2C:39-3, N.J.S.2C:39-4 or N.J.S.2C:39-9, or other than a disorderly persons or petty disorderly persons offense for the unlawful use, possession or sale of a controlled dangerous substance as defined in N.J.S.2C:35-2.

(2) In any other state, territory, commonwealth or other jurisdiction of the United States, or any country in the world, as a result of a conviction in a court of competent jurisdiction, a crime which in that other jurisdiction or country is comparable to one of the crimes enumerated in paragraph (1) of subsection d. of this section.

e. The chief administrator is authorized to 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 section.

f. The provisions of this section shall apply to persons making applications for employment on or after the effective date of P.L.2001, c.416 (C.48:16-18.1 et al.).

2. Section 10 of P.L.2001, c.416 (C.48:16-22.3b) is amended to read as follows:

C.48:16-22.3b Applicants to be tested for controlled dangerous substances; regulations.

10. Any person who owns a limousine service shall require an applicant for employment as a limousine operator or driver to be tested, at the applicant's expense, for dangerous controlled substances as defined in N.J.S.2C:35-2. Upon the advice of the State Limousine Advisory Committee, the Chief Administrator of the New Jersey Motor Vehicle Commission shall adopt regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), for the licensing and testing of applicants for employment as limousine operators or drivers. The regulations shall be substantially similar to the regulations of New York City concerning the testing of an applicant for a for-hire vehicle driver's license pursuant to section 6-15 of Title 35 of the New York City Rules and Regulations.

3. This act shall take effect immediately.

Approved January 29, 2007.

CHAPTER 36

AN ACT concerning the disposition of parts of human bodies, supplementing Title 2C of the New Jersey Statutes, and amending N.J.S.2C:20-2.

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

C.2C:22-2 Disposition of body parts, criminal penalties imposed for certain offenses.

1. a. A person who knowingly, for valuable consideration, purchases or sells a part for transplantation or therapy, if removal of a part from a donor is intended to occur after the donor's death, is guilty of a crime of the third degree and, notwithstanding the provisions of N.J.S.2C:43-3, shall be sub-

ject to a fine of not more than \$50,000, as well as the term of imprisonment provided under N.J.S.2C:43-6, or both.

Nothing in this subsection shall be construed to prohibit a person from charging a reasonable amount for the removal, processing, disposal, preservation, quality control, storage, transportation, or implantation of a part.

b. A person who intentionally falsifies, forges, conceals, defaces, or obliterates a document by which a gift of all or part of a human body may be made pursuant to P.L.1969, c.161 (C.26:6-57 et seq.), an amendment or revocation of such a document, or any death record or document of medical or social history pertaining to the body or part of the donor, or a refusal to make a gift, in order to obtain a financial benefit or gain, is guilty of a crime of the second degree and, notwithstanding the provisions of N.J.S.2C:43-3, shall be subject to a fine of not more than \$50,000, as well as the term of imprisonment provided under N.J.S.2C:43-6, or both.

c. As used in this section, the terms “decedent,” “donor,” “part,” and “person” have the meaning ascribed to them in section 1 of P.L.1969, c.161 (C.26:6-57).

2. N.J.S.2C:20-2 is amended to read as follows:

Consolidation of theft and computer criminal activity offenses; grading; provisions applicable to theft generally.

2C:20-2. a. Consolidation of Theft and Computer Criminal Activity Offenses. Conduct denominated theft or computer criminal activity in this chapter constitutes a single offense, but each episode or transaction may be the subject of a separate prosecution and conviction. A charge of theft or computer criminal activity may be supported by evidence that it was committed in any manner that would be theft or computer criminal activity under this chapter, notwithstanding the specification of a different manner in the indictment or accusation, subject only to the power of the court to ensure fair trial by granting a bill of particulars, discovery, a continuance, or other appropriate relief where the conduct of the defense would be prejudiced by lack of fair notice or by surprise.

b. Grading of theft offenses.

(1) Theft constitutes a crime of the second degree if:

(a) The amount involved is \$75,000.00 or more;

(b) The property is taken by extortion;

(c) The property stolen is a controlled dangerous substance or controlled substance analog as defined in N.J.S.2C:35-2 and the quantity is in excess of one kilogram;

(d) The property stolen is a person's benefits under federal or State law, or from any other source, which the Department of Human Services or an agency acting on its behalf has budgeted for the person's health care and the amount involved is \$75,000.00 or more; or

(e) The property stolen is human remains or any part thereof; except that, if the human remains are stolen by deception or falsification of a document by which a gift of all or part of a human body may be made pursuant to P.L.1969, c.161 (C.26:6-57 et seq.), the theft constitutes a crime of the first degree.

(2) Theft constitutes a crime of the third degree if:

(a) The amount involved exceeds \$500.00 but is less than \$75,000.00;

(b) The property stolen is a firearm, motor vehicle, vessel, boat, horse, domestic companion animal or airplane;

(c) The property stolen is a controlled dangerous substance or controlled substance analog as defined in N.J.S.2C:35-2 and the amount involved is less than \$75,000.00 or is undetermined and the quantity is one kilogram or less;

(d) It is from the person of the victim;

(e) It is in breach of an obligation by a person in his capacity as a fiduciary;

(f) It is by threat not amounting to extortion;

(g) It is of a public record, writing or instrument kept, filed or deposited according to law with or in the keeping of any public office or public servant;

(h) The property stolen is a person's benefits under federal or State law, or from any other source, which the Department of Human Services or an agency acting on its behalf has budgeted for the person's health care and the amount involved is less than \$75,000.00;

(i) The property stolen is any real or personal property related to, necessary for, or derived from research, regardless of value, including, but not limited to, any sample, specimens and components thereof, research subject, including any warm-blooded or cold-blooded animals being used for research or intended for use in research, supplies, records, data or test results, prototypes or equipment, as well as any proprietary information or other type of information related to research;

(j) The property stolen is a New Jersey Prescription Blank as referred to in R.S.45:14-14;

(k) The property stolen consists of an access device or a defaced access device; or

(1) The property stolen consists of anhydrous ammonia and the actor intends it to be used to manufacture methamphetamine.

(3) Theft constitutes a crime of the fourth degree if the amount involved is at least \$200.00 but does not exceed \$500.00. If the amount involved was less than \$200.00 the offense constitutes a disorderly persons offense.

(4) The amount involved in a theft or computer criminal activity shall be determined by the trier of fact. The amount shall include, but shall not be limited to, the amount of any State tax avoided, evaded or otherwise unpaid, improperly retained or disposed of. Amounts involved in thefts or computer criminal activities committed pursuant to one scheme or course of conduct, whether from the same person or several persons, may be aggregated in determining the grade of the offense.

c. Claim of right. It is an affirmative defense to prosecution for theft that the actor:

(1) Was unaware that the property or service was that of another;

(2) Acted under an honest claim of right to the property or service involved or that he had a right to acquire or dispose of it as he did; or

(3) Took property exposed for sale, intending to purchase and pay for it promptly, or reasonably believing that the owner, if present, would have consented.

d. Theft from spouse. It is no defense that theft or computer criminal activity was from or committed against the actor's spouse, except that misappropriation of household and personal effects, or other property normally accessible to both spouses, is theft or computer criminal activity only if it occurs after the parties have ceased living together.

3. This act shall take effect immediately.

Approved January 29, 2007.

CHAPTER 37

AN ACT concerning automobile insurance urban enterprise zones and amending P.L.1970, c.215.

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

1. Section 1 of P.L.1970, c.215 (C.17:29D-1) is amended to read as follows:

C.17:29D-1 Rules, regulations for insurance plans; administration; requirements for automobile plan.

1. The Commissioner of Banking and Insurance may adopt, issue and promulgate rules and regulations establishing a plan for the providing and apportionment of insurance coverage for applicants therefor who are in good faith entitled to, but are unable to procure the same, through ordinary methods. Every insurer admitted to transact and transacting any line, or lines, of insurance in the State of New Jersey shall participate in such plan and provide insurance coverage to the extent required in such rules and regulations.

The governing board of any plan established pursuant to the commissioner's rules and regulations shall continue to exercise such administrative authority, subject to the commissioner's oversight and as provided in any rules and regulations promulgated pursuant to this section, as is necessary to ensure the plan's efficient operation, including, but not limited to, the authority to investigate complaints and hear appeals from applicants, insureds, producers, servicing carriers or participants about any matter pertaining to the plan's proper administration, as well as the authority to appoint subcommittees to hear such appeals. Any determination of an appeal by a plan's governing board shall be subject to review by the commissioner on the record below, and shall not be considered a contested case under the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). The commissioner's determination shall be a final order and shall be subject to review by the Superior Court.

Any plan established pursuant to this section to provide insurance for automobiles, as defined in section 2 of P.L.1972, c.70 (C.39:6A-2), shall provide:

a. For a rating system which shall produce rates for each coverage which are adequate for the safeness and soundness of the plan, and are not excessive nor unfairly discriminatory with regard to risks in the plan involving essentially the same hazards and expense elements, which rates may be changed from time to time by a filing with the commissioner in a manner and form approved by the commissioner;

b. For rates charged to plan insureds which shall be sufficient to meet the plan's expenses and the plan's losses on an incurred basis, including the establishment and maintenance of actuarially sound loss reserves to cover all future costs associated with the exposure;

c. For a limited assignment distribution system permitting insurers to enter into agreements with other mutually agreeable insurers or other qualified entities to transfer their applicants and insureds under such plan to such insurers or other entities, including applicants and insureds who may be covered by special automobile insurance policies issued pursuant to section 45 of P.L.2003, c.89 (C.39:6A-3.3);

d. That it shall not provide insurance coverage for more than 10 percent of the aggregate number of private passenger automobile non-fleet exposures being written in the total private passenger automobile insurance market in this State. The plan shall provide for the cessation of the acceptance of applications or the issuance of new policies to eligible persons at any time it reaches 10 percent of marketshare, as certified by the commissioner, until such time that the commissioner certifies that the plan is insuring less than 10 percent of the aggregate number of private passenger automobile non-fleet exposures being written in the total private passenger automobile insurance market in this State;

e. Except for risks written in automobile insurance urban enterprise zones pursuant to subsection i., or risks written pursuant to subsection j. of this section, that it shall not provide coverage to an eligible person as defined pursuant to section 25 of P.L.1990, c.8 (C.17:33B-13);

f. (Deleted by amendment, P.L.1997, c.151.)

g. That the plan shall not be subsidized by any source external to the plan;

h. That a qualified insurer who writes automobile insurance risks in those automobile insurance urban enterprise zones designated by the commissioner pursuant to section 20 of P.L.1997, c.151 (C.17:33C-2) shall receive assigned risk credits for voluntary risks written in those designated automobile insurance urban enterprise zones as a direct writer or through a UEZ agent or agents or through any agent with whom the insurer has an in-force contract as of the effective date of P.L.1997, c.151 (C.17:33B-64 et al.). The commissioner shall establish by regulation the manner in which any qualified automobile insurer may utilize the provisions of this subsection. In no event shall that credit apply to reduce an insurer's obligations under subsection i. of this section;

i. (1) For a voluntary rating tier to accommodate eligible persons, as defined in section 25 of P.L.1990, c.8 (C.17:33B-13), residing in automobile insurance urban enterprise zones, designated by the commissioner pursuant to section 20 of P.L.1997, c.151 (C.17:33C-2), to provide increased availability and encourage the voluntary writing of eligible persons residing in those zones;

(2) The rates utilized in this voluntary rating tier shall be the voluntary market rates in use by the insurer to whom the risk is assigned in that territory;

(3) The voluntary rating tier shall not provide insurance coverage for more than five percent of the aggregate number of private passenger automobile non-fleet exposures being written in the total private passenger automobile insurance market in this State, and the number of exposures written in the voluntary rating tier shall be included for computing the maximum number of exposures permitted to be written in the plan;

(4) The plan shall distribute risks submitted by qualified producers to insurers authorized to write automobile insurance in this State pursuant to a fair and nondiscriminatory formula established by the commissioner. The formula shall provide that insurers which have, and maintain, an aggregate voluntary automobile insurance marketshare in automobile insurance urban enterprise zones, which is reasonably equal to the insurer's voluntary Statewide marketshare excluding risks written in automobile insurance urban enterprise zones, shall be exempt from these distributions;

(5) Qualified producers may submit eligible person risks from automobile insurance urban enterprise zones to the plan for coverage in the voluntary rating tier. As used in this subsection i.: a "qualified producer" means a UEZ agent, as defined in section 19 of P.L.1997, c.151 (C.17:33C-1), who has met any limit on exposures that may be written in accordance with the UEZ agent's agreement with the appointing insurer pursuant to section 22 of P.L.1997, c.151 (C.17:33C-4); and a producer who: is duly licensed with property/casualty authority for the three years immediately preceding the effective date of P.L.1997, c.151 (C.17:33B-64 et al.); has no affiliation with a voluntary market insurer for the placement of automobile insurance; had an affiliation with a voluntary market insurer for the placement of automobile insurance that was terminated by the insurer in the last three years; demonstrates to the plan his competency, efficiency and effectiveness in the solicitation, negotiation and effectuation of automobile insurance as evidenced by any history of disciplinary actions or complaints against the producer, and other relevant factors; conducts his business in an office in an automobile insurance urban enterprise zone; and meets such other requirements as may be established by the commissioner by regulation. For purposes of this subsection i., "insurer" means an insurer or group of affiliated insurers admitted or authorized to transact the business of automobile insurance in this State;

(6) This subsection shall expire on April 1, 2009;

j. For a voluntary rating tier to accommodate eligible persons, as defined in section 25 of P.L.1990, c.8 (C.17:33B-13), denied or refused re-

newal of automobile insurance in a rating territory by an insurer granted relief pursuant to subsection d. of section 27 of P.L.1990, c.8 (C.17:33B-15);

k. That an insurer granted relief pursuant to subsection d. of section 27 of P.L.1990, c.8 (C.17:33B-15) shall receive assigned risk credits for voluntary risks written in excess of the percentage growth standard established by that subsection d. The commissioner shall establish by regulation the manner in which such an insurer may utilize the provisions of this subsection. In no event shall that credit apply to reduce an insurer's obligations under subsection i. of this section; and

l. That an insurer granted relief pursuant to subsection d. of section 27 of P.L.1990, c.8 (C.17:33B-15) shall also receive assigned risk credits for the voluntary first renewal of an eligible person written pursuant to subsection j. of this section.

Prior to the adoption or amendment of such rules and regulations, the commissioner shall consult with such members of the insurance industry as he deems appropriate. Such consultation shall be in addition to any otherwise required public hearing or notice with regard to the adoption or amendment of rules and regulations.

The governing body administering the plan shall report annually to the Legislature and the Governor on the activities of the plan. The report shall contain an actuarial analysis regarding the adequacy of the rates for each coverage for the safeness and soundness of the plan.

2. This act shall take effect immediately.

Approved January 29, 2007.

CHAPTER 38

AN ACT concerning grants for wastewater treatment system projects, and amending P.L.2005, c.301.

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

1. Section 4 of P.L.2005, c.301 is amended to read as follows:

4. The authorization for the making of grants pursuant to subsection a. of section 1 of this act shall expire on December 31, 2007, and any project

sponsor which has not executed and delivered an agreement with the department for a grant authorized in this act shall no longer be entitled to that grant.

2. This act shall take effect immediately.

Approved January 29, 2007.

CHAPTER 39

AN ACT to eliminate inactive commissions, committees, councils and boards, and amending and repealing various parts of the statutory law.

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

Repealer.

1. The following are repealed:

P.L.1911, c.198 (R.S.43:20-1 through 43:20-3, inclusive)

P.L.1931, c.70 (R.S.9:13-1 through 9:13-6, inclusive)

P.L.1938, c.92

P.L.1954, JR 4

P.L.1955, JR 16

P.L.1958, c.55 (R.S.18:15-20)

P.L.1959, c.22 (C.4:1A-1 et seq.)

Section 7 of P.L.1962, c.45 (C.34:5-172)

P.L.1965, c.118

Sections 1 through 6 of P.L.1966, c.28 (C.40A:1A-2 through 40A:1A-7, inclusive)

Section 18 of P.L.1966, c.126

Sections 6 and 7 of P.L.1967, c.23 (C.52:17B-5.11 and 52:17B-5.12)

P.L.1967, c.240

P.L.1968, c.259

Section 8 of P.L.1969, c.95 (C.18A:61A-8)

P.L.1969, c.121

P.L.1971, c.205 (C.5:11-1 through 5:11-14, inclusive)

Sections 12 through 14 of P.L.1972, c.186 (C.48:5A-12 through 48:5A-14, inclusive)

Section 13 of P.L.1973, c.375 (C.26:12-13)

Section 3 of P.L.1978, c.176 (C.52:17B-144)

Section 5 of P.L.1978, c.176 (C.52:17B-146)

Sections 6, 7 and 8 of P.L.1981, c.279 (C.13:1E-54 through 13:1E-56, inclusive)

Section 35 of P.L.1983, c.65 (C.17:30E-23)

Sections 3 and 4 of P.L.1983, c.222 (C.58:10-23.22 and 58:10-23.23)

Sections 1 through 45 of P.L.1983, c.272 (C.13:17A-1 through 13:17A-45, inclusive)

P.L.1983, c.333 (C.52:17B-151 et seq.)

P.L.1983, c.352 (C.26:2M-1 et seq.)

Sections 4 through 10 of P.L.1983, c.467 (C.52:17B-9.9 through 52:17B-9.15, inclusive)

Section 8 of P.L.1984, c.198 (C.9:25-8)

Section 3 of P.L.1985, c.160 (C.52:27H-22.3)

Sections 1 through 6 of P.L.1985, c.363 (C.52:9Y-1 through 52:9Y-6, inclusive)

P.L.1985, c.383 (C.4:26-1 et seq.)

P.L.1986, c.111 (C.28:2-20 et seq.)

Section 4 of P.L.1987, c.55 (C.52:27H-21.10)

Sections 4 and 5 of P.L.1989, c.243 (C.13:1E-55.2 and 13:1E-55.3)

P.L.1989, c.289

Sections 2 and 9 through 11 of P.L.1991, c.165 (C.40A:1A-1, 40A:1A-8 through 40A:1A-10, inclusive)

Sections 6 and 7 of P.L.1991, c.194

Section 20 of P.L.1991, c.201 (C.26:2H-72)

Sections 1 through 5 of P.L.1991, c.450 (C.13:1DD-1 et seq.)

P.L.1991, c.528 (C.52:27D-150.1 through 52:27D-150.3, inclusive)

Sections 1 through 7 of Joint Resolution No. 2 of 1991 (C.52:9DD-1 through 52:9DD-7, inclusive)

P.L.1993, c.195

Section 8 of P.L.1993, c.268 (C.34:15E-8)

Sections 7 and 8 of P.L.1995, c.209 (C.34:1B-99 and 34:1B-100)

Section 17 of P.L.1998, c.43 (C.26:2H-7.9)

Section 33 of P.L.1998, c.44 (C.52:27C-93).

2. Section 8 of P.L.1991, c.90 (C.26:6A-8) is amended to read as follows:

C.26:6A-8 Rules, regulations, policies, practices to gather reports, data.

8. Pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) the Department of Health and Senior Services shall establish rules, regulations, policies and practices as may be necessary to collect annual reports from health care institutions, to gather additional data

as is reasonably necessary, to oversee and evaluate the implementation of this act. The department shall seek to minimize the burdens of record-keeping imposed by these rules, regulations, policies and practices, and shall seek to assure the appropriate confidentiality of patient records.

3. Section 4 of P.L.1995, c.209 (C.34:1B-96) is amended to read as follows:

C.34:1B-96 Investment of moneys in export financing company.

4. The authority is authorized, notwithstanding any law to the contrary, to invest such moneys from the "Economic Recovery Fund," established pursuant to section 3 of P.L.1992, c.16 (C.34:1B-7.12), or from other export or business assistance programs administered by the authority, as may be available and which the authority deems appropriate for the purposes of this act, in an export financing company, hereinafter "the company," to be incorporated or organized pursuant to the provisions of this act, which, together with those investments which may be made in the stock or interest of the company by other public entities involved in international export markets that may include, but not necessarily be limited to, the Delaware River Port Authority and the Port Authority of New York and New Jersey, shall be at a minimum amount to be determined by the authority. The moneys shall be used for the purchase of stock or an interest in the company, provided that the class of stock or interest purchased by the authority and other public entities shall be of such type and character as to require the company to repay the investment of funds from the authority and other public entities prior to the repayment of funds from private sources, but in no event shall the amount of such stock or interest purchased by the authority and other public entities exceed 49% of the total outstanding stock or total shared interest of the company. The authority is authorized in its discretion to sell or otherwise dispose of the stock or interest purchased by the authority as shall be in the interest of the authority but the authority shall sell or otherwise dispose of the stock or interest no later than three years after the date of purchase.

Nothing in this act shall be construed to preclude the company from being organized as a limited liability company or to preclude the authority and other public entities involved in international export markets from purchasing an interest in such a limited liability company provided that the interest purchased by the authority and other public entities shall not exceed 49 percent of the total shared interest of the company, and provided that the operating agreement of the company grants the authority and any other

public entity the right to resign and receive a distribution, representing the fair value of the authority's or public entity's interest in the company, prior to the resignation of and distribution to any private members.

4. Section 8 of P.L.1955, c.64 (C.34:16-27) is amended to read as follows:

C.34:16-27 Powers of commission.

8. The commission shall be authorized to:

(a) Adopt and promulgate such rules and regulations as may be necessary to carry out the provisions of this act.

(b) Provide vocational rehabilitation and independent living rehabilitation services, directly or through public or private instrumentalities to eligible handicapped individuals without discrimination as to sex, race, color, creed or national origin, except that the commission shall not duplicate services provided for blind persons under the care of the State commission to ameliorate the condition of the blind and deaf persons under the care of the Marie H. Katzenbach School for the Deaf, nor shall the commission provide services for persons who in its judgment are not feasible for rehabilitation. In case vocational rehabilitation and independent living rehabilitation services cannot be provided to all eligible handicapped persons who apply for such services, the commission shall provide, by regulation, the order to be followed in selecting those to whom such services will be provided.

(c) Construct or establish and operate rehabilitation facilities and workshops, which may include residential accommodations related to the rehabilitation of handicapped individuals and make grants to public and other nonprofit organizations for such purposes.

(d) Establish and supervise the operation of vending stands and other small businesses established pursuant to this act to be conducted by severely handicapped individuals.

(e) Make studies, investigations, demonstrations, and reports, and provide training and instruction (including the establishment and maintenance of such research fellowships and traineeships with such stipends and allowances as may be deemed necessary) in matters relating to vocational rehabilitation and independent living rehabilitation.

(f) Enter into reciprocal agreements with other States to provide for the vocational rehabilitation and independent living rehabilitation of residents of the States concerned.

(g) Accept and use gifts made, by will or otherwise, for carrying out the purposes of this chapter. Gifts made under such conditions as in the

judgment of the commission are proper and consistent with the provisions of this chapter, may be accepted, held, invested, reinvested, or used in accordance with the conditions, if any, of the gift.

(h) Take such action as it deems necessary or appropriate to carry out the purposes of this act.

5. Section 2 of P.L.1989, c.202 (C.39:3-33.9) is amended to read as follows:

C.39:3-33.9 Issuance of reflectorized motor vehicle registration plates.

2. a. The chief administrator of the New Jersey Motor Vehicle Commission shall implement a phase-in program for the issuance of reflectorized motor vehicle registration plates in this State, the planning of which shall begin immediately for the issuance which shall begin on the first day of the seventh month following the report of the Reflectorized License Plate Selection Commission established pursuant to this section of this 1989 amendatory and supplementary act, P.L.1989, c.202 (C.39:3-33.9), except that the commission shall first use any existing supplies of nonreflectorized plates which it orders prior to the commencement of the issuance. The purpose of the issuance shall be to change the color scheme and style of the registration plates in use prior to the beginning of the issuance in order to provide for greater contrast between the background of the plate and the lettering and to ensure that all plates are fully treated with a reflectorized material designed to increase their nighttime visibility and legibility. The color scheme and style of the new plates shall be selected by the Reflectorized License Plate Selection Commission. The markings on the plates shall be in accordance with specifications prescribed by the chief administrator.

For a period of six years commencing on the first day of the seventh month following enactment of this 1989 amendatory and supplementary act, P.L.1989, c.202 (C.39:3-33.9 et al.), the commission may charge in addition to an annual motor vehicle registration fee, an additional annual fee not to exceed \$0.40 for the costs of the issuance of reflectorized motor vehicle registration plates in this State.

b. The chief administrator of the New Jersey Motor Vehicle Commission 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 effectuate the purposes of this act.

c. The chief administrator shall submit an annual progress report on the planning and implementation of the reflectorized motor vehicle registration plate phase-in program to the Governor and members of the Legisla-

ture with the first report to be submitted one year after enactment of this 1989 amendatory and supplementary act. The annual report submitted after the fourth year of implementation shall contain a recommendation as to the advisability and feasibility of a general recall of all plates of an earlier design that are still in use at the completion of the phase-in program. This report shall also contain the chief administrator's recommendation of a funding source for the ongoing costs associated with the continued issuance of reflectorized plates. The last report shall be submitted after the completion of the phase-in program.

6. Section 3 of P.L.1983, c.467 (C.52:17B-9.8) is amended to read as follows:

C.52:17B-9.8 Powers, duties of unit.

3. In addition to any other powers and duties vested in it by law or by the Attorney General, the unit shall:

a. Coordinate, file and investigate all missing persons cases in this State, and cooperate with local law enforcement officials and federal law enforcement officials in the creation of a centralized office on missing persons in this State;

b. (Deleted by amendment, P.L.2007, c.39).

c. Collect and maintain data on missing persons and unidentified bodies in this State and throughout the United States;

d. Coordinate efforts with other states and with the federal government in the investigation of cases involving missing persons or unidentified bodies;

e. Provide specialized training to law enforcement officers and medical examiners in this State, in conjunction with the Police Training Commission, which would enable them to more efficiently handle the tracing of missing persons and unidentified bodies on the local level;

f. Employ the services of local law enforcement agencies or other social or governmental agencies.

7. Section 11 of P.L. 1983, c.467 (C.52:17B-9.16) is amended to read as follows:

C.52:17B-9.16 Acceptance of monetary donations or items or materials.

11. A monetary donation made available to the State through the Missing Persons Unit which specifies the purchase of items or materials to be used for the purposes of this act or any donation of items or materials

which meet the requirements of the Division of State Police, shall be accepted by the Attorney General on behalf of the State and distributed or appropriated for law enforcement and specifically used for the purposes of this act. A monetary donation shall be included in the annual appropriation bill and distributed in the same manner as other appropriations.

8. Section 2 of P.L.1978, c.176 (C.52:17B-143) is amended to read as follows:

C.52:17B-143 State law enforcement planning agency; in DLPS but responsible to Governor.

2. The State Law Enforcement Planning Agency created pursuant to Executive Order No. 45, dated August 13, 1968, is continued and constituted as the State Law Enforcement Planning Agency (hereinafter "agency"). For the purposes of complying with the provisions of Article V, Section IV, paragraph 1 of the New Jersey Constitution, the agency is allocated to the Department of Law and Public Safety, but, notwithstanding said allocation, the agency shall be independent of any supervision or control by the department or by any board or officer thereof. The agency shall be responsible to the Governor.

9. Section 6 of P.L.1978, c.176 (C.52:17B-147) is amended to read as follows:

C.52:17B-147 Powers and duties of agency.

6. The agency shall:

a. Serve as the State planning agency pursuant to the Federal Omnibus Crime Control and Safe Streets Act of 1968 and the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, and other related federal or State acts;

b. (Deleted by amendment, P.L.2007, c.39);

c. Advise and assist the Governor in developing policies, plans, programs and budgets for improving the coordination, administration and effectiveness of the criminal justice system in the State;

d. Prepare a State comprehensive criminal justice plan on behalf of the Governor, which plan, and any substantial modifications thereto, shall be submitted to the Legislature for an advisory review of goals, priorities and policies contained therein, and shall be periodically updated and based on an analysis of the State's criminal justice needs and problems;

e. Establish goals, priorities and standards for the reduction of crime and the improvement of the administration of justice in the State;

- f. Recommend legislation concerning criminal justice matters to the Governor and Legislature;
- g. Encourage local and regional comprehensive criminal justice planning efforts;
- h. Monitor and evaluate programs and projects, funded in whole or in part by or through the State Government, aimed at reducing crime and delinquency and improving the administration of justice;
- i. Cooperate with and render technical assistance to State agencies, units of county and local government and public or private agencies relating to the criminal justice system;
- j. Apply for, contract for, receive and expend for its purposes any appropriations or grants from the State, its political subdivisions, the federal government or any other source, public or private;
- k. Have the authority to collect from any State, county or local governmental entity information, data, reports, statistics or such other material which is necessary to carry out the agency's functions; and
- l. Perform such other duties as may be necessary to carry out the purposes of this act.

10. Section 9 of P.L.1993, c.220 (C.52:17B-167) is amended to read as follows:

C.52:17B-167 Selection of grant recipients.

- 9. a. The Attorney General shall select grant recipients.
- b. No more than 50% of the total dollar amount of grants awarded from the fund shall be allocated to municipalities eligible to receive State aid pursuant to subsections a., b. and c. of section 1 of P.L.1985, c.170 (C.52:27D-118.11).
- c. No municipality shall receive a grant exceeding \$200,000 for a project or \$50,000 for equipment. However, if funding remains after all approved projects and law enforcement equipment grants have been funded in any program year, funding in excess of the amount specified in this subsection may be awarded to grantees by the Attorney General.
- d. A municipality which receives a grant for a project under this act may receive funding in subsequent years to continue that project. Approval of a continuation grant shall be contingent upon certification by the Attorney General that the project is effectively meeting the objectives of this act. A municipality that is eligible to receive an initial grant under this act shall be eligible to receive continuation funding.

11. Section 4 of P.L.1990, c. 83 (C.52:27D-43.28) is amended to read as follows:

C.52:27D-43.28 Hispanic women's demonstration resource centers.

4. The division shall establish not less than two but not more than five Hispanic women's demonstration resource centers; one in conjunction with an existing facility in southern New Jersey and the other in conjunction with an existing facility in northern New Jersey. The centers shall be established in locations serving populations of Hispanic women in northern and southern New Jersey through the issuance of grants to public or private nonprofit organizations servicing either women or Hispanic populations. In reviewing grant applications under this act, the division shall give due consideration to the needs of the Hispanic women in the municipality in which the applicant is located and surrounding area.

The division shall develop comprehensive guidelines for the establishment, goals and operation of the centers. In carrying out the purpose of this act, the director shall consult with the Office of Hispanic Affairs.

12. Section 64 of P.L.2000, c.72 (C.18A:7G-38) is amended to read as follows:

C.18A:7G-38 Program to provide additional funding for apprenticeship programs.

64. a. The Commissioner of Education, in conjunction with the Commissioner of Labor and Workforce Development, shall establish a program to provide additional funding for apprenticeship programs registered by the federal Bureau of Apprenticeship and Training in the United States Department of Labor. There shall be appropriated annually in fiscal year 2001 through fiscal year 2005 the sum of \$3,000,000 to accomplish this purpose.

b. The commissioners of the Department of Education and the Department of Labor and Workforce Development shall establish guidelines for the distribution of funds under the program, including a provision that requires a majority of the funding to assist apprenticeship programs in urban areas. The guidelines shall also include a list of those types of entities eligible for funding including, but not limited to, county colleges, county vocational schools, unions and other sponsors of apprenticeship programs deemed appropriate. Eligible entities shall be permitted to use the funding provided pursuant to the program to fund student grants. Pursuant to established guidelines, the commissioners of the Department of Education and the Department of Labor and Workforce Development shall be responsible for the distribution of funds under the program.

13. Section 1 of P.L.1982, c.30 (C.52:24-4.1) is amended to read as follows:

C.52:24-4.1 Annual audit of "Hazardous Discharge Fund," "Hazardous Discharge Site Cleanup Fund."

1. The State Auditor shall conduct an annual financial and operational audit of the "Hazardous Discharge Fund" created pursuant to the "Hazardous Discharge Bond Act," P.L.1981, c.275 and the "Hazardous Discharge Site Cleanup Fund" established pursuant to section 1 of P.L.1985, c.247 (C.58:10-23.34). This audit, together with any recommendations on practices or procedures to promote or guarantee the fiscal integrity of the "Hazardous Discharge Fund" and the "Hazardous Discharge Site Cleanup Fund" and to improve the effectiveness of fund operations, shall be submitted to the Governor and the Legislature, the Assembly Environmental Quality Committee and the Senate Energy and Environment Committee, or their designated successors. The audit shall be due on or before December 31 of each year.

14. Section 1 of P.L.1982, c.32 (C.52:24-4.2) is amended to read as follows:

C.52:24-4.2 Annual audit of funds.

1. The State Auditor shall conduct an annual audit of the funds pursuant to the provisions of chapter 24 of Title 52 of the Revised Statutes. This audit, together with any recommendations on practices or procedures to promote or guarantee the fiscal integrity and improve the operations of the funds, shall be submitted to the Governor and the Legislature, the General Assembly Environmental Quality Committee and the Senate Energy and Environment Committee, or their designated successors. The audit for fiscal year 1981 shall be due within 60 days of the effective date of this act, and each successive annual audit shall be due on or before December 31.

15. Section 3 of P.L.1993, c.268 (C.34:15E-3) is amended to read as follows:

C.34:15E-3 Definitions.

3. As used in this act:

"Apprenticeship Policy Committee" or "committee" means the New Jersey Apprenticeship Policy Committee which:

a. Was established by a written agreement of: the Bureau of Apprenticeship and Training in the U.S. Department of Labor; the State Depart-

ment of Labor and Workforce Development; and the State Department of Education; and

b. Consists of: the Assistant Commissioner, State Department of Education, Division of Adult and Occupational Education; the Director of Region II of the Bureau of Apprenticeship and Training in the U.S. Department of Labor; an assistant commissioner of the State Department of Labor and Workforce Development; and a representative of the New Jersey State AFL-CIO.

"Apprenticeship program" means a registered apprenticeship program providing to each trainee combined classroom and on-the-job training under the direct and close supervision of a highly skilled worker in an occupation recognized as an apprenticeable trade, and registered by the Bureau of Apprenticeship and Training of the U.S. Department of Labor and meeting the standards established by the bureau, or registered by a State apprenticeship agency recognized by the bureau.

"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 P.L.1992, c.43 (C.34:1A-78).

"Youth Transitions to Work Partnership" or "Partnership" means the Youth Transitions to Work Partnership established pursuant to section 4 of this act.

16. Section 73 of P.L.1954, c.84 (C.43:15A-73) is amended to read as follows:

C.43:15A-73 Eligible employees of certain governmental entities, enrollment in Public Employees' Retirement System.

73. a. (1) The Public Employees' Retirement System is hereby authorized and directed to enroll eligible employees of the New Jersey Turnpike Authority, Palisades Interstate Park Commission, Interstate Environmental Commission, the Delaware River Basin Commission and the Delaware River Joint Toll Bridge Commission.

In the case of the Delaware River Joint Toll Bridge Commission, the eligible employees shall be only those who are employed on the free bridges across the Delaware river, under the control of said commission, or who are members of the retirement system at the time they begin employment with the commission.

The said employees shall be subject to the same membership, contribution and benefit provisions of the retirement system as State employees.

(2) In addition to those agencies named in paragraph (1) of this subsection, the Public Employees' Retirement System is hereby authorized and directed to enroll an eligible officer or employee, excluding a police officer or firefighter, of a bi-state or multi-state agency established pursuant to an interstate compact to which this State is a party, if the officer or employee is a resident of this State at the time of appointment or employment with the agency and the governing body of the agency has adopted a resolution, and filed a certified copy of the resolution with the board of the retirement system, that permits such an officer or employee to enroll. The enrollment shall be at the option of the officer or employee so permitted. A filed resolution shall define each category of officer or employee who may enroll in the retirement system, and the resolution may apply to those officers or employees initially appointed or employed on or after January 1, 2002.

The resolution shall be in a form prescribed by the Division of Pensions and Benefits. The election by an officer or employee to enroll in the retirement system shall be made within 90 days of the date of eligibility. Once enrolled, the officer or employee shall remain a member of the retirement system during the period of continuous service with the agency. The officer or employee shall not be enrolled simultaneously in more than one retirement system based on the same service with the agency.

An enrolled officer or employee who was appointed or employed on or after January 1, 2002 shall receive credit for service with the agency rendered prior to enrollment if there is paid into the appropriate fund of the retirement system at the time of enrollment, either by the agency or by the officer or employee, the full purchase amount required by applying the factor, supplied by the actuary, as being applicable to the officer's or employee's age at the time of purchase, to the officer's or employee's salary at the time of purchase or to the highest annual compensation for service in this State for which contributions were made during any prior fiscal year of membership in the retirement system, whichever is greater. An officer or employee who was a member of the retirement system on the date continuous service with the agency began and who has not withdrawn the employee contributions from the system, shall participate in the retirement system under the former membership. A bi-state or multi-state agency that files a resolution pursuant to this paragraph shall for all purposes of P.L.1954, c.84 (C.43:15A-1 et seq.) be deemed an employer, and its eligible employees, both veterans and nonveterans, shall be subject to the same membership, contribution and benefit provisions of the retirement system and to the provisions of P.L.1952, c.215 (C.43:3A-1 et seq.), P.L.1958, c.143 (C.43:3B-1 et seq.), P.L.1968, c.23 (C.43:3C-1 et seq.), P.L.1981,

c.213 (C.43:3C-4 and 43:3C-5), P.L.1986, c.188 (C.43:3C-9), and P.L.1997, c.113 (C.43:3C-9.1 et seq.), as are applicable to State employees. As a condition, the agency shall consent to participation in the New Jersey agreement with the Social Security Administration.

b. The State University of New Jersey, as an instrumentality of the State, shall, for all purposes of this act, be deemed an employer and its eligible employees, both veterans and nonveterans, shall be subject to the same membership, contribution and benefit provisions of the retirement system and to the provisions of chapter 3 of Title 43 of the Revised Statutes as are applicable to State employees and for all purposes of this act employment by the State University of New Jersey after April 16, 1945, and for the purposes of chapter 3 of Title 43 of the Revised Statutes any new employment after January 1, 1955, shall be deemed to be and shall be construed as service to and employment by the State of New Jersey.

c. The Compensation Rating and Inspection Bureau, created and established pursuant to the provisions of R.S.34:15-89, shall, for all purposes of this act, be deemed an employer and its eligible employees, both veterans and nonveterans, shall be subject to the same membership, contribution and benefit provisions of the retirement system and to the provisions of chapter 3 of Title 43 of the Revised Statutes as both are applicable to State employees.

The retirement system shall certify to the Commissioner of Banking and Insurance and the Commissioner of Banking and Insurance shall direct the Compensation Rating and Inspection Bureau to provide the necessary payments to the retirement system in accordance with procedures established by the retirement system. Such payments shall include (1) the contributions and charges, similar to those paid by other public agency employers, to be paid by the Compensation Rating and Inspection Bureau to the retirement system on behalf of its employee members, and (2) the contributions to be paid by the Compensation Rating and Inspection Bureau to provide the past service credits up to June 30, 1965 for these members, both veterans and nonveterans, who enroll before July 1, 1966.

d. The New Jersey Sports and Exposition Authority, created and established pursuant to the "New Jersey Sports and Exposition Authority Law," P.L.1971, c.137 (C.5:10-1 et seq.) shall for all purposes of this act, be deemed an employer and its eligible employees both veterans and nonveterans, shall be subject to the same membership, contribution and benefit provisions of the retirement system and to the provisions of chapter 3 of Title 43 of the Revised Statutes as are applicable to State employees.

(1) Eligible employees as used herein shall not include persons who are not classified as salaried, or who are compensated on an hourly or per

diem basis, or whose employment is normally covered by other retirement systems to which the authority makes contributions.

(2) Eligible employees previously permitted to enroll in the retirement system shall redeposit the contributions previously made by them and all service credit shall then be restored and future contributions made at the date of contribution as originally assigned. The authority shall redeposit the employer payments it had made, with interest to the date of redeposit.

e. The New Jersey Transit Corporation created and established pursuant to the "New Jersey Public Transportation Act of 1979," P.L.1979, c.150 (C.27:25-1 et seq.) shall for all purposes of this act, be deemed an employer and its eligible employees both veterans and nonveterans, shall be subject to the same membership, contribution and benefit provisions of the retirement system and to the provisions of chapter 3 of Title 43 of the Revised Statutes as are applicable to State employees. Eligible employees as used herein means only those individuals who are members of the Public Employees' Retirement System or any other State-administered retirement system immediately prior to their initial employment by the corporation.

f. (1) The Casino Reinvestment Development Authority, created and established pursuant to P.L.1984, c.218 (C.5:12-153 et seq.), the New Jersey Urban Development Corporation, created and established pursuant to P.L.1985, c.227 (C.55:19-1 et seq.), the New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises, created and established pursuant to P.L.1985, c.386 (C.34:1B-47 et seq.), and the Catastrophic Illness in Children Relief Fund Commission, created and established pursuant to P.L.1987, c.370 (C.26:2-148 et seq.) shall each, for all purposes of this act, be deemed an employer and eligible authority, corporation, or commission. Employees, both veterans and nonveterans, shall be subject to the same membership, contribution and benefit provisions of the retirement system and to the provisions of chapter 3 of Title 43 of the Revised Statutes as are applicable to State employees.

(2) The current or former employees of the authorities, the corporation, and the commission may purchase credit for all service with the authority, corporation, or commission rendered prior to the effective date of this amendatory and supplementary act, P.L.1990, c.25 (C.43:15A-73.2 et al.), if that service would otherwise be eligible for credit in the retirement system. This purchase shall be made in the same manner and shall 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). The authority, corporation, or commission shall pay the unfunded liability as determined by the actuary for prior service purchased by its employees in ac-

cordance with a schedule approved by the actuary. This obligation of the authority, corporation, or commission shall be known as the accrued liability for prior service credit.

(3) For any employee of the authorities or of the corporation or commission who is in service with the authority, corporation, or commission on the effective date of this amendatory and supplementary act, P.L.1990, c.25 (C.43:15A-73.2 et al.), the age of enrollment for the purposes of the member contribution rate under section 25 of P.L.1954, c.84 (C.43:15A-25) shall be the age of the employee on the date the continuous service with the authority began. Any employee who was a member of the retirement system on the date continuous service with the authority, corporation, or commission began but whose membership expired before the effective date of participation by the authority, corporation, or commission in the retirement system, and who has not withdrawn the employee contributions from the system, shall participate in the retirement system under the former membership and shall contribute to the system at the rate applicable to the former membership.

g. A subsidiary corporation or other corporation established by the Delaware River Port Authority pursuant to subdivision (m) of Article I of the compact creating the authority (R.S.32:3-2), as defined in section 3 of P.L.1997, c.150 (C.34:1B-146), shall, for all purposes of this act, be deemed an employer and its eligible employees, both veterans and nonveterans, shall be subject to the same membership, contribution and benefit provisions of the retirement system and to the provisions of chapter 3 of Title 43 of the Revised Statutes as are applicable to State employees. Employees of the subsidiary or other corporation eligible for participation in the retirement system under this subsection shall include only persons who are employees of the South Jersey Port Corporation on the effective date of P.L.1997, c.150 (C.34:1B-144 et al.) and are re-employed by the subsidiary or other corporation within 365 days of the effective date.

17. Section 2 of P.L.1962, c.45 (C.34:5-167) is amended to read as follows:

C.34:5-167 Definitions.

2. The following terms wherever used or referred to in this act shall have the following meanings unless a different meaning clearly appears from the context;

- a. "Act" means this act and rules and regulations promulgated and adopted hereunder.
- b. "Approved" means approved by the commissioner.

c. "Bureau" means Bureau of Engineering and Safety in the Division of Labor, Department of Labor and Workforce Development.

d. "Commissioner" means the Commissioner of the Department of Labor and Workforce Development, or his authorized representative.

e. (Deleted by amendment, P.L.2007, c.39).

f. "Department" means the Department of Labor and Workforce Development.

g. "Employee" means any person suffered or permitted to work by an employer, having a specific regard to any of the activities included in section 3 of this act.

h. "Employer" means any corporation, partnership, individual proprietorship, joint venture, firm, company or other similar legal entity engaged in activities included in section 3 of this act or any person acting in the direct interest of any of the foregoing in relation to any employee or place of employment, having specific regard to any of the activities included in section 3 of this act.

i. "Place of employment" means any place in or about which an employee is suffered or permitted to work having specific regard to any of the activities included in section 3 of this act.

18. Section 4 of P.L.1962, c.45 (C.34:5-169) is amended to read as follows:

C.34:5-169 Rules and regulations; promulgation by commissioner.

4. The commissioner shall make and promulgate rules and regulations reasonably necessary to implement the purposes of this act. Such rules and regulations shall go into effect 90 days following promulgation or at such later date as the rules and regulations shall provide. The commissioner shall consult and seek the advice of interested and qualified associations, agencies and persons. A notice of intent to promulgate proposed rules and regulations shall be published by the commissioner at least 30 days prior to the promulgation of such rules and regulations. This notice of intent shall state briefly the purpose of the proposed rules and regulations and shall state that a copy of the proposed rules and regulations may be obtained by any person upon written request to the department.

19. Section 3 of P.L.1981, c.279 (C.13:1E-51) is amended to read as follows:

C.13:1E-51 Definitions.

3. As used in this act:

- a. "Applicant" means the applicant for a registration statement and engineering design for a major hazardous waste facility;
- b. "Application" means the application for a registration statement and engineering design for a major hazardous waste facility;
- c. "Commission" means the Hazardous Waste Facilities Siting Commission established by section 4 of this act;
- d. "Commissioner" means the Commissioner of Environmental Protection;
- e. (Deleted by amendment, P.L.2007, c.39);
- f. "Criteria" means the criteria for the siting of new major hazardous waste facilities adopted by the department pursuant to section 9 of this act;
- g. "Department" means the Department of Environmental Protection;
- h. (Deleted by amendment, P.L.1983, c. 392);
- i. "Engineering design" means the specifications and parameters approved by the department for the construction and operation of a major hazardous waste facility;
- j. "Environmental and health impact statement" means a statement of likely environmental and public health impacts resulting from the construction and operation of a major hazardous waste facility, and includes an inventory of existing environmental conditions at the site, a project description, an assessment of the impact of the project on the environment and on public health, a listing of unavoidable environmental and public health impacts, and steps to be taken to minimize environmental and public health impacts during construction and operation;
- k. "Hazardous waste" means any waste or combination of wastes which poses a present or potential threat to human health, living organisms or the environment including, but not limited to, waste material that is toxic, carcinogenic, corrosive, irritating, sensitizing, biologically infectious, explosive or flammable, and any waste so designated by the United States Environmental Protection Agency. Hazardous waste does not include radioactive waste;
- l. "Hazardous waste facility" means any area, plant or other facility for the treatment, storage or disposal of hazardous waste, including loading and transportation facilities or equipment used in connection with the processing of hazardous wastes; "major hazardous waste facility" means any commercial hazardous waste facility which has a total capacity to treat, store or dispose of more than 250,000 gallons of hazardous waste, or the equivalent thereof, as determined by the department, except that any facility which would otherwise be considered a major hazardous waste facility pursuant to this subsection solely as the result of the recycling or rerefining

of any hazardous wastes which are or contain gold, silver, osmium, platinum, palladium, iridium, rhodium, ruthenium or copper shall not be considered a major hazardous waste facility for the purposes of this act; "existing major hazardous waste facility" means any major hazardous waste facility which was legally in operation or upon which construction had legally commenced prior to the effective date of this act; "new major hazardous waste facility" means any major hazardous waste facility other than an existing major hazardous waste facility; "commercial hazardous waste facility" means any hazardous waste facility which accepts hazardous waste from more than one generator for storage, treatment or disposal at a site other than the site where the hazardous waste was generated;

m. "Hazardous waste industry" means any industry which operates a hazardous waste facility or which proposes to construct or operate a hazardous waste facility;

n. "Owner or operator" means and includes, in addition to the usual meanings thereof, every owner of record of any interest in land whereon a major hazardous waste facility is or has been located, and any person or corporation which owns a majority interest in any other corporation which is the owner or operator of any major hazardous waste facility;

o. "Plan" means the Major Hazardous Waste Facilities Plan adopted by the commission pursuant to section 10 of this act;

p. "Registration statement" or "registration" means the operating license, approved by the department, for a major hazardous waste facility; "registrant" means the person to whom such approval was granted.

20. Section 3 of P.L.1989, c.243 (C.13:1E-55.1) is amended to read as follows:

C.13:1E-55.1 Annual program analysis required.

3. a. The Director of the Office of Management and Budget shall annually conduct an analysis of the program established in the Department of Environmental Protection for the cleanup of hazardous discharges in the State. This program analysis shall include an evaluation of the staff levels necessary to efficiently carry out the program and an analysis of the most efficient use of the various sources of funds dedicated to the cleanup program.

b. The program analysis shall be submitted to the Commissioner of Environmental Protection for review and to the State Auditor for utilization in the preparation of the audit report.

c. (Deleted by amendment, P.L.2007, c.39).

21. Section 9 of P.L.1981, c.279 (C.13:1E-57) is amended to read as follows:

C.13:1E-57 Criteria for siting of new major hazardous waste facilities; preparation and adoption.

9. a. The department shall, within 1 year of the effective date of this act, prepare, adopt and transmit to the commission criteria for the siting of new major hazardous waste facilities. Such criteria shall be designed to prevent any significant adverse environmental impact resulting from the location or operation of a major hazardous waste facility, including any significant degradation of the surface or ground waters of this State, and shall prohibit the location or operation of any new major hazardous waste facility, at a minimum, within:

(1) 2,000 feet of any structure which is routinely occupied by the same person or persons more than 12 hours per day, or by the same person or persons under the age of 18 for more than 2 hours per day, except that the commission may permit the location of a major hazardous waste facility less than 2,000 feet, but in no case less than 1,500 feet, from such structures upon showing that such a location would not present a substantial danger to the health, welfare, and safety of the persons occupying or inhabiting such structures;

(2) Any flood hazard area delineated pursuant to P.L.1962, c.19 (C.58:16A-50 et seq.);

(3) Any wetlands designated pursuant to P.L.1970, c.272 (C.13:9A-1 et seq.);

(4) Any area where the seasonal high water table rises to within 1 foot of the surface, unless the seasonal high water table can be lowered to more than 1 foot below the surface by permanent drainage measures approved by the department; and

(5) Any area within a 20 mile radius of a nuclear fission power plant at which spent nuclear fuel rods are stored on-site.

b. The provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), or any other law to the contrary notwithstanding, the department shall prepare and adopt criteria for the siting of new major hazardous waste facilities as follows:

(1) Within 6 months of the effective date of this act, the department shall prepare and make available to all interested persons preliminary criteria for the siting of new major hazardous waste facilities;

(2) Within 8 months of the effective date of this act, the department shall conduct public meetings on the preliminary criteria in the several geo-

graphic areas of this State. Notice of these meetings shall be published, at least 30 days in advance thereof, in at least two newspapers circulating in the specific geographic area where the meeting will be held. Notice of these meetings shall also be transmitted, at least 30 days in advance thereof, to every municipal clerk and environmental commission within the specified geographic area where the meeting will be held;

(3) Within 9 months of the effective date of this act, the department shall consider and evaluate any comments made at the public meetings, make such revisions to the preliminary criteria as it deems necessary or appropriate, and schedule a public hearing on the revised criteria. Notice of this hearing shall be published, at least 30 days in advance thereof, in at least four newspapers of general circulation in this State;

(4) Within 10 months of the effective date of this act, the department shall conduct the public hearing on the revised criteria; and

(5) Within 1 year of the effective date of this act, the department shall consider and evaluate any comments made at the public hearing, make such changes to the revised criteria as it deems necessary or appropriate, and adopt and transmit to the commission final criteria for the siting of new major hazardous waste facilities.

22. Section 10 of P.L.1981, c.279 (C.13:1E-58) is amended to read as follows:

C.13:1E-58 Major hazardous waste facilities plan; preparation and adoption; contents; public information program.

10. a. The commission shall prepare and adopt, within 1 year of the effective date of this act, a Major Hazardous Waste Facilities Plan. This plan shall be revised and updated every 3 years, or more frequently when, in the discretion of the commission, changes in existing hazardous waste facilities, the amount or type of hazardous waste generated in this State, or technological advances so require.

b. The plan shall include, but need not be limited to:

(1) An inventory and appraisal, including the identity, location and life expectancy, of all hazardous waste facilities located within the State, and the identity of every person engaging in hazardous waste collection, treatment, storage or disposal within the State;

(2) A current inventory of the sources, composition and quantity of the hazardous waste generated within the State;

(3) Projections of the amounts and composition of hazardous waste to be generated within the State in each of the next 3 years;

(4) A determination of the number and type of new major hazardous waste facilities needed to treat, store or dispose of hazardous waste in this State;

(5) An analysis of the ability of all existing facilities to meet current and proposed State and federal environmental, health and safety standards and their performance in meeting these standards;

(6) An analysis of transportation routes and transportation costs from hazardous waste generators to existing or available suitable sites for major hazardous waste facilities;

(7) Procedures to encourage codisposal of solid and hazardous waste, source reduction, materials recovery, energy recovery, waste exchanging and recycling and to discourage all inappropriate disposal techniques, and to minimize the amount of hazardous waste to be treated, stored or disposed of in this State; and

(8) A regional analysis of existing and necessary major hazardous waste facilities and recommended procedures for coordinating major hazardous waste facilities planning on a regional basis.

c. The provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), or any other law to the contrary notwithstanding, the commission shall prepare and adopt the plan as follows:

(1) Within 6 months of the effective date of this act, the commission shall prepare and make available to all interested persons a proposed plan;

(2) Within 8 months of the effective date of this act, the commission shall conduct public hearings in the several geographic areas of the State on the proposed plan. Notice of these hearings shall be published at least 30 days in advance thereof in at least two newspapers circulating in the specific geographic area where the hearing will be held;

(3) Within 1 year of the effective date of this act, the commission shall consider any comments made at the public hearings, make such revisions to the proposed plan as it deems necessary or appropriate, and adopt the plan.

d. Within 90 days of the effective date of this act, the commission shall, in consultation with the department, establish a public information program which addresses:

(1) The nature and dimension of the hazardous waste problem;

(2) The need for the proper and expeditious siting of new major hazardous waste facilities;

(3) The respective responsibilities of the commission and department pursuant to this act; and

(4) The necessity and opportunities for public participation as provided herein.

e. In preparing or revising the plan pursuant to this section, the commission may direct that the department provide or prepare any data or other information which the commission deems necessary for the performance of its responsibilities pursuant to this act.

23. Section 11 of P.L.1981, c.279 (C.13:1E-59) is amended to read as follows:

C.13:1E-59 Site designations; proposal and adoption.

11. a. The commission shall propose and adopt site designations for the number and type of new major hazardous waste facilities determined to be necessary in the plan.

The provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) or any other law to the contrary notwithstanding, these sites shall be proposed and adopted in the following manner:

(1) Within 18 months of the effective date of this act, or within 6 months of the receipt of the criteria from the department, whichever is sooner, the commission shall propose sites for new major hazardous waste facilities, transmit written notice thereof, by certified mail, to the governing body, board of health, planning board and environmental commission of the affected municipality, and provide the governing body with a grant, pursuant to the provisions of subsection d. of this section, to conduct a site suitability study of the proposed site. In the event that a site is located in a county wherein has been established a county health department, such notice shall also be transmitted thereto;

(2) Within 6 months of the receipt of a grant from the commission, the governing body of the affected municipality shall complete and transmit to the commission the site suitability study on the proposed site;

(3) Within 45 days of the receipt by the commission of the municipal site suitability study, an adjudicatory hearing concerning the proposed site shall be conducted by an administrative law judge. The affected municipality shall be a party of interest to such hearing, and shall have the right to present testimony and cross-examine witnesses. Intervention in this hearing by any other person shall be as provided by the "Administrative Procedure Act";

(4) Within 30 days of the close of such hearing, the administrative law judge shall transmit his recommendations for action on the proposed site to the commission. The judge shall not favorably recommend the proposed site as suitable for a major hazardous waste facility unless he finds clear and convincing evidence that locating a major hazardous waste facility on the proposed site will not constitute a substantial detriment to the public

health, safety and welfare of the affected municipality; and

(5) Within 30 days of the receipt thereof, the commission shall affirm, conditionally affirm or reject the recommendations of the administrative law judge and adopt or withdraw the proposed site. Such action by the commission shall be based upon the potential for significant impairment of the environment or the public health, shall be considered to be final agency action thereon for the purposes of the "Administrative Procedure Act" and shall be subject only to judicial review as provided in the Rules of Court.

If the commission fails to act upon the recommendations of the administrative law judge as required in this subsection, the failure shall constitute commission affirmance of those recommendations.

b. The commission may designate alternate or additional sites for new major hazardous waste facilities, at the request of any hazardous waste industry, and the requestor shall have the burden of proof concerning the suitability of the site in proceedings conducted pursuant to subsection a. of this section.

c. The commission may, upon its own motion or at the request of the governing body of any affected municipality, repeal or withdraw any adopted site for a new major hazardous waste facility if, in the discretion of the commission, such action is consistent with the purposes and provisions of this act.

d. The commission may make grants to municipalities for conducting site suitability studies of proposed sites for major hazardous waste facilities, pursuant to this section, from any State, federal or other funds which may be appropriated or otherwise made available to it for this purpose.

e. In the event that any site proposed by the commission pursuant to this section is located in more than one municipality, the notices required herein shall be transmitted to each affected municipality or agency thereof, the grant awarded for the municipal site suitability study shall be made to all of the affected municipalities, the site suitability study shall be conducted jointly by all of the affected municipalities, and all of the affected municipalities shall be considered a single party for the purposes of the adjudicatory hearing held pursuant to this section.

24. Section 12 of P.L.1981, c.279 (C.13:1E-60) is amended to read as follows:

C.13:1E-60 Construction of major hazardous waste facility; registration statement and engineering design; review; approval; findings; fees; exemptions.

12. a. No person shall commence construction of any major hazardous waste facility on or after the effective date of this act unless that person

shall have obtained the approval of the department for the registration statement and engineering design for such facility prior to construction thereof.

b. The department shall review all applications for registration statements and engineering designs for new major hazardous waste facilities. The review shall include the evaluation of an environmental and health impact statement, which statement shall be prepared by the commission at the applicant's expense.

In addition to all other standards and conditions pertaining to an application for registration and engineering design approval, no such approval shall be granted by the department for a new major hazardous waste facility unless the department finds that:

(1) (Deleted by amendment, P.L.1983, c. 392);

(2) The environmental and health impact statement shows that the location and design of the proposed facility will pose no significant threat to human health or to the environment if properly managed in accordance with all relevant federal and State laws and all rules and regulations adopted pursuant thereto; and

(3) The proposed facility would be operated by the proposed operator on a site designated by the commission for that particular type of major hazardous waste facility.

c. The provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), or any other law to the contrary notwithstanding, the review of all applications for registration and engineering design approval for new major hazardous waste facilities shall be conducted in the following manner:

(1) Not less than 90 days prior to filing an application for registration and engineering design approval, the applicant shall submit to the department and the governing body of the affected municipality a letter of intent to apply for registration and engineering design approval, and a brief description of the nature of the proposed facility;

(2) (Deleted by amendment, P.L.1983, c.392);

(3) The department shall transmit, by certified mail, a complete copy of any application submitted pursuant to this subsection to the governing body, board of health, planning board and environmental commission of the affected municipality;

(4) Within 6 months of the receipt of such notice, the affected municipality shall conduct and transmit to the department a review of the proposed facility and operator, including a site plan review conducted in the manner provided by the "Municipal Land Use Law," P.L.1975, c.291 (C. 40:55D-1

et seq.). The cost of the municipal review shall be borne by the applicant, except that such cost shall not exceed \$15,000.00 per application. In preparing this review, the affected municipality may request and receive any reasonable and relevant information from the applicant or the department;

(5) Within 8 months of the receipt of a complete application, the department shall reject the application or grant tentative approval thereof, which tentative approval shall establish design and operating conditions for the proposed major hazardous waste facility, requirements for the monitoring thereof, and any other conditions required under State rules and regulations;

(6) All tentative approvals of applications granted pursuant to this subsection shall be transmitted to the applicant and to the affected municipality and shall be accompanied by a fact sheet setting forth the principal facts and the significant factual, legal, methodological, and policy questions considered in granting the tentative approval. The fact sheet shall include a description of the type of facility or activity which is the subject of the tentative approval; the types and quantities of wastes which are proposed to be treated, stored, or disposed of at the proposed facility; a brief summary of the basis for the conditions of the tentative approval; the environmental and health impact statement prepared for the proposed facility and a summary as to how the statement demonstrates that the proposed facility, subject to such conditions as may have been imposed, would not create a significant adverse impact upon the public health or the environment, and, in the event that the granting of the tentative approval is contrary to the findings of the municipal review of the application, the department's reasons for the rejection of those findings;

(7) Within 45 days of the granting of a tentative approval of an application, an adjudicatory hearing on the proposed facility and operator shall be conducted by an administrative law judge. The affected municipality shall be a party of interest to such hearing, and shall have the right to present testimony and cross-examine witnesses. Intervention in this hearing by any other person shall be as provided in the "Administrative Procedure Act" ;

(8) Within 30 days of the close of such hearing, the administrative law judge shall transmit his recommendations for action on the application to the department. The judge shall not recommend approval of an application unless he finds clear and convincing evidence that the disclosure statement and application for a registration statement establish that the owner and operator of the proposed facility possess sufficient financial resources to construct, operate, and guarantee maintenance and closure of the facility, and that the facility will not constitute a substantial detriment to the public health, safety and welfare of the affected municipality; and

(9) Within 60 days of the receipt thereof, the department shall affirm, conditionally affirm or reject the recommendations of the administrative law judge and grant final approval to or deny the application. Such approval or denial of an application by the department shall be considered to be final agency action thereon for the purposes of the "Administrative Procedure Act," and shall be subject only to judicial review as provided in the Rules of Court.

If the department fails to act upon the recommendations of the administrative law judge as required by this subsection, the failure shall constitute departmental affirmance of the recommendations.

d. The department may charge and collect, in accordance with a fee schedule adopted as a rule and regulation pursuant to the "Administrative Procedure Act," such reasonable fees as may be necessary to cover the costs of reviewing applications pursuant to this section.

e. The department may, upon request of an owner or operator and after public hearing, exempt a major hazardous waste facility below a certain size or of a particular type from being considered a major hazardous waste facility for the purposes of this section, provided that such exemption is consistent with the eligibility standards contained in rules and regulations adopted by the commission.

f. In the event that any application reviewed by the department pursuant to this section is for a registration statement and engineering design approval for a proposed major hazardous waste facility on a site located in more than one municipality, the notices required herein shall be transmitted to each affected municipality or agency thereof, the municipal review of the proposed facility and operator shall be conducted jointly by all of the affected municipalities, and all of the affected municipalities shall be considered a single party for the purposes of the adjudicatory hearing held pursuant to this section.

25. Section 38 of P.L.1981, c.279 (C.13:1E-86) is amended to read as follows:

C.13:1E-86 Report; need for State construction and operation of major hazardous waste facilities or exchange.

38. Within 5 years of the effective date of this act, the commission, in consultation with the department, shall prepare and transmit to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature a report detailing the findings of the commission with respect to the need, if any, for State construction and operation of major hazardous waste facilities, the need, if any, for the State operation of a hazardous

waste exchange, as well as the need, if any, for State rate regulation of major hazardous waste facilities.

26. Section 2 of P.L.1983, c.65 (C.17:29A-34) is amended to read as follows:

C.17:29A-34 Intent and purpose of act.

2. It is the intent and purpose of this act:

a. To require each insurer to apply on a flat and uniform fee basis per insured automobile Statewide its miscellaneous taxes, licenses, fees and at least 90% of its general expenses and acquisition, field supervision, and collection expense portions of the premium, excluding commissions.

b. To require that each insurer flatten the tax portion of the automobile insurance premium paid pursuant to P.L.1945, c.132 (C.54:18A-1 et seq.) and certain assessments made pursuant to sections 4, 6 and 7 of P.L.1952, c.174 (C.39:6-64, 39:6-66 and 39:6-67) on a flat uniform fee basis per insured automobile Statewide.

c. To establish the New Jersey Merit Rating Plan for convictions for motor vehicle violations and an accident surcharge system for motor vehicles, based on criteria set forth in this act.

d. To require that automobile insurance rates charged any insured shall not exceed certain average rates, as determined in the act.

e. To provide that every senior citizen will receive the benefit of at least a 5% rate reduction as a result of this act.

f. (Deleted by amendment, P.L.1984, c.1.)

g. To establish a time guideline to assist in speeding the rate review process for all property and casualty lines, including automobile insurance, and to provide that a filing shall be deemed approved unless disapproved by the commissioner within the specified time.

h. To provide for higher deductibles on collision and comprehensive coverage, an increase in uninsured motorist coverage, and underinsured motorist coverage for private passenger automobile insurance.

i. To provide the funds necessary to modernize the operations and improve the effectiveness and efficiencies of the New Jersey Motor Vehicle Commission so as to permit the commission to discharge its statutory obligations relating to the automobile insurance system.

j. To provide by the enactment of all these reforms that automobile insurance will be affordable, available, and more equitable to the motorists of this State.

27. Section 5 of P.L.1983, c.222 (C.58:10-23.24) is amended to read as follows:

C.58:10-23.24 Hazardous substance contingency response master plan.

5. The department shall adopt, within 10 months of the effective date of this act and pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a Hazardous Substance Contingency Response Master Plan.

28. This act shall take effect immediately.

Approved January 29, 2007.

CHAPTER 40

AN ACT concerning omnibuses, creating an "Omnibus Safety Enforcement Fund," amending R.S.39:3-19.1 and R.S.39:3-29, and supplementing Title 39 of the Revised Statutes.

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

1. R.S.39:3-19.1 is amended to read as follows:

Penalty for violations of section 39:3-19; certain fines to Omnibus Safety Enforcement Fund.

39:3-19.1. Any person owning or operating a motor vehicle who shall use his motor vehicle for transportation of passengers for hire, without having an omnibus registration as provided for in section 39:3-19 of this title, shall be subject to a fine of \$250 for a first offense, and the unregistered motor vehicle so used may be impounded. Any offender who shall be convicted of a second or any subsequent offense of the same violation shall be subject to a fine of \$500, and the unregistered motor vehicle so used may be impounded.

Any police officer is authorized to remove any such unregistered motor vehicle from the public highway to a storage space or garage, and the expense involved in such removal and storing of the vehicle shall be borne by the owner of the vehicle, except that the expense shall be borne by the lessee of a leased vehicle.

In addition to and independent of any fine or other penalty provided for under law, the court shall impose a fine of \$150 on any driver or operator of an omnibus, convicted of a violation of this section, who does not have a certificate of public convenience and necessity as required pursuant to R.S.48:4-3. The State Treasurer shall annually deposit the monies collected from the fines imposed pursuant to this paragraph to the "Omnibus Safety Enforcement Fund" established pursuant to section 4 of P.L.2007, c.40 (C.39:3-79.23). The fine described herein shall not be deemed a fine, penalty, or forfeiture pursuant to R.S.39:5-41.

2. R.S.39:3-29 is amended to read as follows:

License, registration certificate and insurance identification card; possession; exhibit upon request; violations; fine; defense; certain fines to Omnibus Safety Enforcement Fund.

39:3-29. The driver's license, the registration certificate of a motor vehicle and an insurance identification card shall be in the possession of the driver or operator at all times when he is in charge of a motor vehicle on the highways of this State.

The driver or operator shall exhibit his driver's license and an insurance identification card, and the holder of a registration certificate or the operator or driver of a motor vehicle for which a registration certificate has been issued, whether or not the holder, driver or operator is a resident of this State, shall also exhibit the registration certificate, when requested so to do by a police officer or judge, while in the performance of the duties of his office, and shall write his name in the presence of the officer, so that the officer may thereby determine the identity of the licensee and at the same time determine the correctness of the registration certificate, as it relates to the registration number and number plates of the motor vehicle for which it was issued; and the correctness of the evidence of a policy of insurance, as it relates to the coverage of the motor vehicle for which it was issued.

Any person violating this section shall be subject to a fine of \$150, except that if the person is a driver or operator of an omnibus, as defined pursuant to R.S.39:1-1, the amount of the fine shall be \$250. Of the amount of any such fine collected pursuant to this paragraph, \$25 shall be deposited in the Uninsured Motorist Prevention Fund established by section 2 of P.L.1983, c.141 (C.39:6B-3).

If a person charged with a violation of this section can exhibit his driver's license, insurance identification card and registration certificate, which were valid on the day he was charged, to the judge of the municipal

court before whom he is summoned to answer to the charge, such judge may dismiss the charge. However, the judge may impose court costs.

In addition to and independent of any fine or other penalty provided for under law, the court shall impose a fine of \$150 on any driver or operator of an omnibus, convicted of a violation of this section, who does not have a certificate of public convenience and necessity as required pursuant to R.S.48:4-3. The State Treasurer shall annually deposit the monies collected from the fines imposed pursuant to this paragraph to the "Omnibus Safety Enforcement Fund" established pursuant to section 4 of P.L.2007, c.40 (C.39:3-79.23). The fine described herein shall not be deemed a fine, penalty, or forfeiture pursuant to R.S.39:5-41.

C.39:3-79.22 Additional fines to the fund for operation without certificate required by R.S.48:4-3 for omnibus.

3. Whenever an owner or operator of an omnibus, as defined pursuant to R.S.39:1-1, does not have a certificate of public convenience and necessity as required pursuant to R.S.48:4-3 and that owner or operator is convicted of an equipment violation pursuant to any provision in chapter 3 of Title 39 of the Revised Statutes, or any regulation promulgated pursuant thereto, in addition to and independent of any fine or other penalty provided for under law, the court shall impose an additional fine of \$150 on that owner or operator. The State Treasurer shall annually deposit the monies collected from the fines imposed pursuant to this section to the "Omnibus Safety Enforcement Fund" established pursuant to section 4 of P.L.2007, c.40 (C.39:3-79.23). The fine described herein shall not be deemed a fine, penalty, or forfeiture pursuant to R.S.39:5-41.

C.39:3-79.23 "Omnibus Safety Enforcement Fund" in Department of the Treasury; use.

4. There is created in the Department of the Treasury a separate, non-lapsing revolving fund to be known as the "Omnibus Safety Enforcement Fund." This fund is to be the depository for monies collected from certain fines imposed pursuant to R.S.39:3-19.1, R.S.39:3-29, and section 3 of P.L.2007, c.40 (C.39:3-79.22). The money in the fund shall be administered by the State Treasurer and all interest on monies deposited in the fund shall be credited to the fund. Unless otherwise specifically provided by law, monies in the fund shall be utilized exclusively by the New Jersey Motor Vehicle Commission to administer and enforce the provisions of this act, or any rule or regulation adopted pursuant thereto. Beginning in the fiscal year next following the effective date of this act, the State Treasurer shall annually allocate the money pursuant to this section to the commission.

C.39:3-79.24 "Omnibus Safety Enforcement Fund account within New Jersey Motor Vehicle Commission.

5. There is created within the New Jersey Motor Vehicle Commission, a separate, non-lapsing account to be known as the "Omnibus Safety Enforcement Fund." All monies paid to the commission pursuant to section 4 of P.L.2007, c.40 (C.39:3-79.23) shall be deposited in the fund. Unless otherwise specifically provided by law, monies in the fund shall be utilized exclusively by the commission to administer and enforce the provisions of this act, or any rule or regulation adopted pursuant thereto.

6. This act shall take effect on the first day of the sixth month next following enactment but such anticipatory administrative action may be taken as necessary to effectuate the purposes of this act.

Approved January 29, 2007.

CHAPTER 41

AN ACT concerning public school district participation in certain voluntary associations and supplementing chapter 11 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:11-3.1 Definitions relative to public school district participation in certain voluntary associations which oversee sports activities.

1. a. As used in this section:

"CPI" means the average annual increase, expressed as a decimal, in the consumer price index for the New York City and Philadelphia areas during the fiscal year preceding the prebudget year as reported by the United States Department of Labor.

b. A public school district shall not join pursuant to section 1 of P.L.1979, c.172 (C.18A:11-3), any voluntary association which oversees activities associated with Statewide interscholastic sports programs if:

(1) the association charges a cable television company an increased licensing fee, rate, assessment or other consideration for the broadcast of playoff games over local access or local originating channels, or both, compared to the licensing fee, rate, assessment or other consideration

charged by the district for the broadcast of regular season games over local access or local originating channels, or both;

(2) the association requires increased ticket prices for attendance at playoff games compared to regular season games, unless the playoff game is held at a location other than a public school and the increased ticket prices are deemed necessary by the Commissioner of Education. In the event that the playoff game is held at a location other than a public school and the commissioner deems an increase in playoff ticket prices is necessary, a public school district shall not join an association that increases adult ticket prices by more than 200% of the cost of the highest adult ticket prices for the regular season games charged by any of the member teams of the athletic conference that is located in closest proximity to the playoff game location, regardless of whether or not any of the playoff teams are members of that athletic conference; and in the event that two or more athletic conferences are equal in distance to the playoff game location, by not more than 200% of the cost of the highest adult ticket prices for regular season games charged by any of the member teams of those athletic conferences. Notwithstanding the provisions of this paragraph to the contrary, the commissioner may allow a public school district to join an association that charges in excess of the amount herein provided if the association demonstrates to the commissioner that the increased ticket prices are required to offset rental, staffing, security, or insurance costs specific to the location site.

In no event shall the commissioner deem an increase in ticket prices for senior citizens or children to be necessary;

(3) the association charges a membership fee for the 2009-2010 school year which exceeds the membership fee for the 2008-2009 school year multiplied by 1 plus the CPI, and in any subsequent school year charges a membership fee that exceeds the prior school year fee multiplied by 1 plus the CPI, unless the Commissioner of Education deems a greater increase in the membership fee is necessary;

(4) the association charges members an entry fee for teams or individuals competing in playoff games for the 2009-2010 school year which exceeds the entry fee for the 2008-2009 school year multiplied by 1 plus the CPI, and in any subsequent school year charges members an entry fee that exceeds the prior school year fee multiplied by 1 plus the CPI, unless the Commissioner of Education deems a greater increase in the entry fee is necessary; or

(5) the association charges members any assessment in addition to the membership fee, unless the Commissioner of Education deems an additional assessment is necessary.

c. If any provision of this section is determined by the Commissioner of Education to jeopardize the amateur status of the student-athlete, that provision shall be null and void.

2. This act shall take effect three years after the date of enactment, but the Commissioner of Education may take such anticipatory administrative action in advance thereof as shall be necessary for the implementation of this act.

Approved January 29, 2007.

CHAPTER 42

AN ACT concerning certain mandates imposed on public school districts and amending, supplementing and repealing various sections 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.1982, c.163 (C.18A:17-46) is amended to read as follows:

C.18A:17-46 Reporting of act of violence by school employee; annual report; public hearing.

1. Any school employee observing or having direct knowledge from a participant or victim of an act of violence shall, in accordance with standards established by the commissioner, file a report describing the incident to the school principal in a manner prescribed by the commissioner, and copy of same shall be forwarded to the district superintendent.

The principal shall notify the district superintendent of schools of the action taken regarding the incident. Annually, at a public hearing, the superintendent of schools shall report to the board of education all acts of violence and vandalism which occurred during the previous school year. Verification of the annual report on violence and vandalism shall be part of the State's monitoring of the school district, and the State Board of Education shall adopt regulations that impose a penalty on a school employee who knowingly falsifies the report. A board of education shall provide ongoing staff training, in cooperation with the Department of Education, in fulfilling the reporting requirements pursuant to this section. The majority representative of the school employees shall have access monthly to the number and disposition of all reported acts of school violence and vandalism.

2. N.J.S.18A:18A-5 is amended to read as follows:

Exceptions to requirement for advertising.

18A:18A-5. Exceptions to requirement for advertising. Any contract, the amount of which exceeds the bid threshold, shall be negotiated and awarded by the board of education by resolution at a public meeting without public advertising for bids and bidding therefor if

a. The subject matter thereof consists of:

(1) Professional services. The board of education shall in each instance state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in an official newspaper, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file and available for public inspection in the office of the board of education;

(2) Extraordinary unspecifiable services which cannot reasonably be described by written specifications. The application of this exception as to extraordinary unspecifiable services shall be construed narrowly in favor of open competitive bidding where possible and the Director of the Division of Local Government Services in the Department of Community Affairs is authorized to establish rules and regulations after consultation with the Commissioner of Education limiting its use in accordance with the intention herein expressed; and the board of education shall in each instance state supporting reasons for its action in the resolution awarding the contract for extraordinary unspecifiable services and shall forthwith cause to be printed, in the manner set forth in paragraph (1) of this subsection, a brief notice of the award of such contract;

(3) The doing of any work by employees of the board of education;

(4) The printing of all legal notices; and legal briefs, records and appendices to be used in any legal proceeding in which the board of education may be a party;

(5) Library and educational goods and services;

(6) Food supplies, including food supplies for home economics classes, when purchased pursuant to rules and regulations of the State board and in accordance with the provisions of N.J.S.18A:18A-6;

(7) The supplying of any product or the rendering of any service by a public utility, which is subject to the jurisdiction of the Board of Public Utilities, in accordance with the tariffs and schedules of charges made, charged and exacted, filed with said board;

(8) The printing of bonds and documents necessary to the issuance and sale thereof by a board of education;

(9) Equipment repair service if in the nature of an extraordinary un-specifiable service and necessary parts furnished in connection with such services, which exception shall be in accordance with the requirements for extraordinary un-specifiable services;

(10) Insurance, including the purchase of insurance coverage and consultant services, which exception shall be in accordance with the requirements for extraordinary un-specifiable services;

(11) Publishing of legal notices in newspapers as required by law;

(12) The acquisition of artifacts or other items of unique intrinsic, artistic or historic character;

(13) Those goods and services necessary or required to prepare and conduct an election;

(14) (Deleted by amendment, P.L.1999, c.440.)

(15) (Deleted by amendment, P.L.1999, c.270).

(16) (Deleted by amendment, P.L.1999, c.440.)

(17) The doing of any work by persons with disabilities employed by a sheltered workshop;

(18) Expenses for travel and conferences;

(19) The provision or performance of goods or services for the support or maintenance of proprietary computer hardware and software, except that this provision shall not be utilized to acquire or upgrade non-proprietary hardware or acquire or update non-proprietary software;

(20) Purchases of goods and services at rates set by the Universal Service Fund administered by the Federal Communications Commission;

(21) Goods and services paid with funds that: are raised by or collected from students to support the purchase of student-oriented items or materials, such as yearbooks, class rings, and a class gift; and are deposited in school or student activity accounts; and require no budget appropriation from the board of education;

(22) Food services provided by food service management companies pursuant to procedures established by the New Jersey Department of Agriculture, Bureau of Child Nutrition Programs;

(23) Vending machines providing food or drink.

b. It is to be made or entered into with the United States of America, the State of New Jersey, county or municipality or any board, body, officer, agency, authority or board of education or any other state or subdivision thereof.

c. Bids have been advertised pursuant to N.J.S.18A:18A-4 on two occasions and (1) no bids have been received on both occasions in response to the advertisement, or (2) the board of education has rejected such bids on

two occasions because it has determined that they are not reasonable as to price, on the basis of cost estimates prepared for or by the board of education prior to the advertising therefor, or have not been independently arrived at in open competition, or (3) on one occasion no bids were received pursuant to (1) and on one occasion all bids were rejected pursuant to (2), in whatever sequence; any such contract may then be negotiated and may be awarded upon adoption of a resolution by a two-thirds affirmative vote of the authorized membership of the board of education authorizing such a contract; provided, however, that:

(a) A reasonable effort is first made by the board of education to determine that the same or equivalent goods or services, at a cost which is lower than the negotiated price, are not available from an agency or authority of the United States, the State of New Jersey or of the county in which the board of education is located, or any municipality in close proximity to the board of education;

(b) The terms, conditions, restrictions and specifications set forth in the negotiated contract are not substantially different from those which were the subject of competitive bidding pursuant to N.J.S.18A:18A-4; and

(c) Any minor amendment or modification of any of the terms, conditions, restrictions and specifications which were the subject of competitive bidding pursuant to N.J.S.18A:18A-4 shall be stated in the resolution awarding the contract; provided further, however, that if on the second occasion the bids received are rejected as unreasonable as to price, the board of education shall notify each responsible bidder submitting bids on the second occasion of its intention to negotiate, and afford each bidder a reasonable opportunity to negotiate, but the board of education shall not award such contract unless the negotiated price is lower than the lowest rejected bid price submitted on the second occasion by a responsible bidder, is the lowest negotiated price offered by any responsible vendor, and is a reasonable price for such goods or services.

d. Whenever a board of education shall determine that a bid was not arrived at independently in open competition pursuant to subsection c.(2) of N.J.S.18A:18A-5, it shall thereupon notify the county prosecutor of the county in which the board of education is located and the Attorney General of the facts upon which its determination is based, and when appropriate, it may institute appropriate proceedings in any State or federal court of competent jurisdiction for a violation of any State or federal antitrust law or laws relating to the unlawful restraint of trade.

e. The board of education has solicited and received at least three quotations on materials, supplies or equipment for which a State contract

has been issued pursuant to N.J.S.18A:18A-10, and the lowest responsible quotation is at least 10% less than the price the board would be charged for the identical materials, supplies or equipment, in the same quantities, under the State contract. Any such contract or agreement entered into pursuant to subsection c. or subsection e. may be made, negotiated or awarded only upon adoption of a resolution by the affirmative vote of two-thirds of the full membership of the board of education at a meeting thereof authorizing such a contract or agreement. The purchase order relating to any such contract shall include a notation that the material, supplies, or equipment was purchased at least 10% below the State contract price. The board of education shall make available to the Director of the Division of Local Government Services in the Department of Community Affairs, upon request, any documents relating to the solicitation and award of the contract, including, but not limited to, quotations, requests for quotations, and resolutions.

3. N.J.S.18A:19-3 is amended to read as follows:

Verification of claims, demands.

18A:19-3. All claims and demands, that equal or exceed 15% of the bid threshold amount established pursuant to N.J.S.18A:18A-3, except for payrolls and debt service, shall be verified by affidavit, or by a signed declaration in writing, contained therein or annexed thereto, to the effect that the same are correct in all particulars, that the articles have been furnished or the services rendered as stated therein and that no bonus has been given or received on account thereof.

4. Section 2 of P.L.2001, c.298 (C.18A:36-5.1) is amended to read as follows:

C.18A:36-5.1 "School Violence Awareness Week"; designated.

2. The week beginning with the third Monday in October of each year is designated as "School Violence Awareness Week" in the State of New Jersey. School districts shall observe this week by organizing activities to prevent school violence including, but not limited to, age-appropriate opportunities for student discussion on conflict resolution, issues of student diversity, and tolerance. Law enforcement personnel shall be invited to join members of the teaching staff in the discussions. Programs shall also be provided for school board employees that are designed to help them recognize warning signs of school violence and to instruct them on recommended conduct during an incident of school violence. The Department of Educa-

tion shall provide guidelines and information to boards of education for use in planning the activities in observance of the week and such funds as are necessary to pay the costs of the required activities and programs.

C.18A:36-13.1 Observation of certain holidays by school district.

5. A school district may conduct a course of exercises or instruction in accordance with the core curriculum content standards to observe holidays, including, but not limited to, Lincoln's Birthday, Thanksgiving Day, and Arbor Day.

Repealer.

6. The following sections are repealed:
N.J.S.18A:36-8; and N.J.S.18A:36-9.

7. N.J.S.18A:36-13 is amended to read as follows:

Patriotic exercises preceding holidays.

18A:36-13. Appropriate exercises for the development of a higher spirit of patriotism shall be held in all public schools on the last school day preceding Washington's Birthday (also celebrated as President's Day), Decoration or Memorial Day, Columbus Day, and Veterans Day.

8. This act shall take effect on July 1 next following the date of enactment.

Approved February 15, 2007.

CHAPTER 43

AN ACT establishing the "New Jersey Tax and Fiscal Policy Study Commission" to study the State and local tax structure and related fiscal issues, supplementing Title 52 of the Revised Statutes.

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

C.52:9H-39 "New Jersey Tax and Fiscal Policy Study Commission"; membership.

1. a. There is established a commission in but not of the Department of the Treasury to be known as the "New Jersey Tax and Fiscal Policy Study Commission." The commission shall consist of nine members, of

whom five shall be appointed by the Governor, and one shall be appointed by each of the President of the Senate, the Senate Minority Leader, the Speaker of the General Assembly, and the Assembly Minority Leader.

b. In appointing the commission members, the appointing authorities shall select academic and business and other professionals who have knowledge and practical experience in tax policy, implementation, practice, administration and regulation and in governmental finance and fiscal management. No member shall be a nominee for, or hold, an elective office, other than on a local board of education, and no member shall be the head of a principal department of State government or hold cabinet-level rank.

c. Members of the commission shall serve for a term of four years, except that of the appointments first made to the commission by the Governor, two of the appointments shall serve for a term of two years, and except that the appointments first made by the Senate Minority Leader and the Assembly Minority Leader shall be for a term of two years. The term of each member shall be deemed to commence on July 1 of the calendar year of the appointment and shall expire on June 30 of the second or fourth calendar year thereafter, as the case may be for the first or subsequent appointments, but members shall continue to serve during a succeeding term until the appointment and qualification of a successor. Any vacancy during a term shall be filled in the same manner as the original appointment but only for the balance of the unexpired term. Members shall be eligible for reappointment to successive terms. Any member of the commission may be removed for cause by the Governor. The members shall serve without compensation but shall be reimbursed for necessary expenses incurred in the performance of their duties, subject to the availability of funds therefor.

d. The commission shall organize as soon as may be practicable following the appointment of its members, to elect a chairperson, and to select a secretary, who need not be a member of the commission. The commission may formulate and adopt rules of procedure and operation in furtherance of its responsibilities. The commission may divide itself into such subcommittees and task forces, which task forces may include persons other than members of the commission such as academics, government officers or professionals, and may enter into such cooperative arrangements with academic or research institutions, as it deems necessary to accomplish its purposes. Persons serving on task forces other than members of the commission shall serve at the appointment of the chairperson and shall be non-voting participants in the task forces. The commission may meet and hold hearings at such places and times as it shall designate.

C.52:9H-40 Duties of commission.

2. The commission shall engage in a continuous study of the State and local tax structure and related fiscal issues with regard to the laws relating to the imposition, assessment and collection of State and local taxes, with attention given, but not limited to: the ways in which the tax laws may be revised to ensure greater efficiency and equity in the assessment and collection of taxes; the identification and quantification of provisions that represent revenue policy and provisions that reflect indirect expenditure policy; the relative incidence of tax burdens and the effects of redistributing tax burdens or tax bases; and the methods for providing funds for government services and infrastructure.

The commission shall report annually on or before January 1 to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature summarizing its activities in the prior year and its planned activities for the current year and shall submit interim reports setting forth the results of its studies and making such recommendations of legal, administrative and organizational changes as the committee determines are appropriate.

The commission shall also make any appropriate studies, subject to the limitations of the commission's resources, that are requested by the Governor, the President of the Senate, or the Speaker of the General Assembly, notifying each of those officers of any request made by another.

C.52:9H-41 Executive director, staff, availability of services.

3. a. The commission shall be entitled to appoint an executive director and a staff and to call to its assistance and avail itself of the services of employees of any State, county or municipal department, board, bureau, commission or agency or authority as it may require and as may be available to it for its purposes, and to employ counsel and contract for professional and consulting services, and employ any stenographic and clerical assistants, and incur traveling and other miscellaneous expenses as it may deem necessary, in order to perform its duties, and as may be within the limits of funds appropriated or otherwise made available to it for its purposes.

b. The commission may make use of existing studies, surveys, data and other materials in the possession of any State agency or authority and such materials in the possession of any county, municipality or political subdivision of the State, other than the records and files of the Director of the Division of Taxation that are confidential under R.S.54:50-8, but may direct the Director of the Division of Taxation to prepare for publication statistics so classified as to prevent the identification of a particular report

and the items thereof. Each State agency, authority, county, municipality and political subdivision of the State shall make any information or materials available to the commission as it may require to perform its responsibilities under this act.

4. This act shall take effect immediately.

Approved February 21, 2007.

CHAPTER 44

AN ACT establishing the Forest Health Advisory Council and supplementing Title 13 of the Revised Statutes.

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

C.13:1L-26 Findings, declarations relative to establishment of Forest Health Advisory Council.

1. The Legislature finds and declares that trees and forests help clean and refresh the air by filtering dust and particulates and by absorbing carbon dioxide and releasing oxygen; that trees and forests also help clean the waters of the State, stabilize soils, provide shade, and furnish food and shelter to birds and other wildlife; and that the beautiful and majestic trees which form an integral part of the streetscapes of New Jersey's municipalities produce a calming effect and create a sense of peace and community.

The Legislature further finds and declares that oak trees are an historically important part of the landscape of New Jersey; that the red oak is the State Tree and the pin oak is one of the top five most commonly planted street trees in the State; and that oak trees, as well as other important tree species and forests, in New Jersey are now threatened by various pathogens.

The Legislature further finds and declares that Sudden Oak Death, a highly contagious and mysterious pathogen, discovered in California in 1995, represents a looming threat to New Jersey forests and poses a threat to every species of oak, redwood and Douglas fir in the country; that Sudden Oak Death, one of the most virulent forest epidemics ever to hit the United States, is caused by the deadly fungus-like algae, *Phytophthora ramorum*, which thrives in cool climates and is responsible for widespread tree mortality in central and northern California; and that while the disease originated in California, killing tens of thousands of oaks along the north-

ern coast of that state, it now threatens forests in the East and South as well as California.

The Legislature further finds and declares that the potential eastward spread of this disease could wreak havoc to New Jersey's forests and ecosystems, due to the unprecedented capacity of this pathogen to spread very quickly; and that the disease is transmitted through the dispersal of microbes in nursery plants imported into the United States, through the interstate movement of plant materials, foliage, firewood, wood products, leaves, and soil, and through the movements of humans, insects and birds.

The Legislature further finds and declares that Bacterial Leaf Scorch is a disease caused by bacteria that clog the water transport vessels in a tree, thereby blocking the flow of water from roots to leaves and causing the leaves to scorch and die, leading to the decline and eventual mortality of the tree; that the economic impact of this disease could be devastating to the budgets of New Jersey's municipalities because the affected trees will need to be pruned and in many cases removed to address potential hazards caused by the disease; that the aesthetic impact of this disease also will be felt throughout New Jersey's affected municipalities as the character of neighborhoods change due to the removal of larger trees and their replacement with new trees that will take decades to grow to maturity; and that Bacterial Leaf Scorch will impact not only streetscapes but also traditional forests for which there will be a need to survey, sample, and monitor for this disease.

The Legislature therefore determines that studying and tracking the spread of these exotic pathogens, for which there are no known cures, and other forest health issues is critical to preventing a potential ecological disaster in New Jersey's forests and significant harm to the State's resource of community trees.

C.13:1L-27 Forest Health Advisory Council; membership.

2. a. There is established within the Department of Environmental Protection the Forest Health Advisory Council. The council shall be composed of 10 members, as follows: the Commissioner of Environmental Protection, or a designee, who shall serve ex-officio; the Secretary of Agriculture, or a designee, who shall serve ex-officio; the Director of the Division of Parks and Forestry in the Department of Environmental Protection, or a designee, who shall serve ex-officio; the chairperson of the Department of Plant Biology and Pathology at Cook College, Rutgers, the State University, or a designee, who shall serve ex-officio; and six public members, who shall be residents of the State, appointed by the Governor with the advice and consent of the Senate. Of the public members appointed by the Gover-

nor: one shall be a representative from the New Jersey Forestry Association; one shall be a representative from the New Jersey Tree Foundation; one shall be a representative from the Community Forestry Council established pursuant to section 5 of P.L.1996, c.135 (C.13:1L-17.5); one shall be a New Jersey certified tree expert; one shall be a plant pathologist; and one shall be a biologist.

b. The Governor shall appoint each public member for a term of three years, except that of the members first appointed, two shall serve for terms of three years, two shall serve for terms of two years, and two shall serve for terms of one year. Each member shall hold office for the term of appointment and until their successor is appointed and qualified.

c. Any vacancy in the membership of the council shall be filled for the unexpired term in the manner provided for the original appointment. Members are eligible for reappointment to the council.

d. The council shall organize as soon as possible after the appointment of its members and shall annually elect a chairperson and vice-chairperson from among its members, and a secretary who need not be a member of the council. The council shall meet at least four times a year and may hold additional meetings as necessary to discharge its duties. In addition to such meetings, the council shall meet at the call of the chairperson or the Commissioner of Environmental Protection.

e. A majority of the membership of the council shall constitute a quorum for the transaction of council business.

f. Members of the council shall serve without compensation, but shall be compensated and reimbursed for actual expenses reasonably incurred in the performance of their official duties, and provided with office and meeting facilities required for the proper conduct of the council's business.

C.13:1L-28 Duties of council.

3. a. The council shall act in an advisory capacity to the Department of Environmental Protection, through the Division of Parks and Forestry, in making public policy to minimize the threat of forest health issues to New Jersey's forests and community trees. The council shall: (1) study and track the eastward spread of Sudden Oak Death and the impact and spread of Bacterial Leaf Scorch and other potential forest health issues; (2) evaluate New Jersey's susceptibility to these forest health issues and their impact on New Jersey's forests and community trees; (3) make recommendations to the Commissioner of Environmental Protection and officials of other appropriate State departments and agencies regarding prevention, management, treatment, control and spread of forest health issues; (4) conduct research, as nec-

essary, on forest health issues, and seek advice, counsel and resources from State and federal sources to address them; and (5) conduct a public outreach and education program to inform the public about forest health issues.

b. The council shall annually submit a written report of its findings and recommendations, including any recommended legislation, to the Governor, the President of the Senate, and the Speaker of the General Assembly, and to the chairpersons of the Senate Environment Committee and the Assembly Agriculture and Natural Resources Committee, or their successor committees.

4. This act shall take effect immediately.

Approved February 21, 2007.

CHAPTER 45

AN ACT establishing certain restrictions concerning foods and beverages sold, served or given away to pupils at public and certain nonpublic schools and supplementing chapter 33 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:33-15 Findings, declarations relative to food, beverages sold to certain school pupils.

1. The Legislature finds and declares that:

a. the federal Centers for Disease Control and Prevention has declared that obesity, which affects 61% of American adults, and childhood obesity, which affects up to 15% of American children between the ages of six and 17, are epidemics in the United States;

b. Congress has introduced the Improved Nutrition and Physical Activity Act (IMPACT Act) to address the overall concern with the obesity epidemic and, in particular, the need to educate youth about good nutrition, healthy eating habits, and the importance of physical activity;

c. the United States Surgeon General has issued a report entitled "The Surgeon General's Call to Action to Prevent and Decrease Overweight and Obesity," which lists the treatment and prevention of obesity as a national priority, and the United States Department of Agriculture issued a report to Congress in which it recognized that foods without regulated nutrition stan-

dards are low in nutrient density and are higher in fat, added sugar, and calories; and

d. health experts agree that one of the most effective ways to prevent obesity is to establish policies and programs that encourage children and adolescents to develop healthy eating habits that they can maintain throughout their lives.

C.18A:33-16 Regulation of items sold, served, given away on school property.

2. a. As of September 2007, the following items shall not be served, sold or given away as a free promotion anywhere on school property at any time before the end of the school day, including items served in the reimbursable After School Snack Program:

(1) Foods of minimal nutritional value, as defined by the United States Department of Agriculture;

(2) All food and beverage items listing sugar, in any form, as the first ingredient; and

(3) All forms of candy as defined by the New Jersey Department of Agriculture.

b. Schools shall reduce the purchase of any products containing trans fats beginning September 1, 2007.

c. As of September 2007, all snack and beverage items, sold or served anywhere on school property during the school day, including items sold in a la carte lines, vending machines, snack bars, school stores and fundraisers, or served in the reimbursable After School Snack Program, shall meet the following standards:

(1) Based on manufacturers' nutritional data or nutrient facts labels, no more than eight grams of total fat per serving, with the exception of nuts and seeds, and no more than two grams of saturated fat per serving;

(2) All beverages, other than milk containing two percent or less fat, or water, shall not exceed a 12-ounce portion size; and whole milk may not exceed an eight-ounce portion;

(3) In elementary schools, beverages shall be limited to milk, water or 100 percent fruit or vegetable juices;

(4) In middle and high schools, at least 60 percent of all beverages offered, other than milk or water, must be 100 percent fruit or vegetable juice; and

(5) In middle and high schools, no more than 40 percent of all ice cream and frozen desserts shall be allowed to exceed the above standards for sugar, fat and saturated fat.

d. Food and beverages served during special school celebrations or

during curriculum-related activities shall be exempt from the provisions of this section, with the exception of foods of minimal nutritional value as defined by the United States Department of Agriculture.

e. The provisions of this section shall not apply to:

- (1) Medically authorized special needs diets as defined by the United States Department of Agriculture;
- (2) School nurses using foods of minimal nutritional value during the course of providing health care to individual students; or
- (3) Special needs students whose Individual Education Plan indicates a particular diet.

C.18A:33-17 Applicability to certain nonpublic schools.

3. The provisions of this act shall apply to nonpublic schools that participate in the Child Nutrition Programs as defined by the New Jersey Department of Agriculture.

C.18A:33-18 Rules, regulations; compliance monitoring.

4. The Secretary of Agriculture shall, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate rules and regulations to implement the provisions of this act and shall monitor compliance with the provisions of this act.

C.18A:33-19 Nonpreemption of more stringent policies.

5. Nothing in this act shall be construed to prohibit the board of education of a public school district or the governing board or chief school administrator of a nonpublic school from establishing more stringent nutritional policies for students.

6. This act shall take effect immediately.

Approved February 21, 2007.

CHAPTER 46

AN ACT concerning sources of bail, and amending P.L.1994, c.144 and P.L.2003, c.213 .

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

1. Section 1 of P.L.1994, c.144 (C.2A:162-12) is amended to read as follows:

C.2A:162-12 Crimes with bail restrictions; posting of bail.

1. a. As used in this section:

"Crime with bail restrictions" means a crime of the first or second degree charged under any of the following sections:

- (1) Murder 2C:11-3.
- (2) Manslaughter 2C:11-4.
- (3) Kidnapping 2C:13-1.
- (4) Sexual Assault 2C:14-2.
- (5) Robbery 2C:15-1.
- (6) Carjacking P.L.1993, c.221, s.1 (C.2C:15-2).
- (7) Arson and Related Offenses 2C:17-1.
- (8) Causing or Risking Widespread
Injury or Damage 2C:17-2.
- (9) Burglary 2C:18-2.
- (10) Theft by Extortion 2C:20-5.
- (11) Endangering the Welfare of
Children 2C:24-4.
- (12) Resisting Arrest; Eluding
Officer 2C:29-2.
- (13) Escape 2C:29-5.
- (14) Corrupting or Influencing a Jury 2C:29-8.
- (15) Possession of Weapons for
Unlawful Purposes 2C:39-4.
- (16) Weapons Training for Illegal
Activities P.L.1983, c.229, s.1 (C.2C:39-14).
- (17) Soliciting or Recruiting
Gang Members P.L.1999, c.160, s.1 (C.2C:33-28).

"Crime with bail restrictions" also includes any first or second degree drug-related crimes under chapter 35 of Title 2C of the New Jersey Statutes and any first or second degree racketeering crimes under chapter 41 of Title 2C of the New Jersey Statutes.

b. Subject to the provisions of subsection c. of this section, a person charged with a crime with bail restrictions may post the required amount of bail only in the form of:

- (1) Full cash;
- (2) A surety bond executed by a corporation authorized under chapter 31 of Title 17 of the Revised Statutes; or

(3) A bail bond secured by real property situated in this State with an unencumbered equity equal to the amount of bail undertaken plus \$20,000.

c. There shall be a presumption in favor of the court designating the posting of full United States currency cash bail to the exclusion of other forms of bail when a defendant is charged with an offense as set forth in subsection a. of this section and:

(1) has two other indictable cases pending at the time of the arrest; or

(2) has two prior convictions for a first or second degree crime or for a violation of section 1 of P.L.1987, c.101 (C.2C:35-7) or any combination thereof; or

(3) has one prior conviction for murder, aggravated manslaughter, aggravated sexual assault, kidnapping or bail jumping; or

(4) was on parole at the time of the arrest,

unless the court finds on the record that another form of bail authorized in subsection b. of this section will ensure the defendant's presence in court when required.

d. When bail is posted in the form of a bail bond secured by real property, the owner of the real property, whether the person is admitted to bail or a surety, shall also file an affidavit containing:

(1) A legal description of the real property;

(2) A description of each encumbrance on the real property;

(3) The market value of the unencumbered equity owned by the affiant as determined in a full appraisal conducted by an appraiser licensed by the State of New Jersey; and

(4) A statement that the affiant is the sole owner of the unencumbered equity.

e. Nothing herein is intended to preclude a court from releasing a person on the person's own recognizance when the court determines that such person is deserving.

2. Section 1 of P.L.2003, c.213 (C.2A:162-13) is amended to read as follows:

C.2A:162-13 Source of bail information required under penalty of law; bail sufficiency hearings.

1. a. When a person charged with a crime with bail restrictions, as defined in subsection a. of section 1 of P.L.1994, c.144 (C.2A:162-12), posts cash bail or secures a bail bond, the person, no later than the time of posting bail or proffering the surety or bail bond, shall provide to the prosecutor, on a form promulgated by the Attorney General, relevant information under

penalty of perjury about the obligor, indemnifier or person posting cash bail, the security offered, and the source of any money or property used to post the cash bail or secure the surety or bail bond, as the case may be. This required information shall include, but not be limited to, the defendant's employment history, the names and addresses of any persons who contributed money or pledged security for the proffered bail or toward a surety bond, the amount, nature and timing of such contributions, and the relationship to the defendant of any such persons contributing resources. Bail may not be accepted from a person subject to the requirements of this subsection until the prosecutor is provided the completed form required by this subsection.

b. When a person charged with an offense posts cash bail or secures a bail bond in any amount, the court may, upon the request of the prosecutor, conduct an inquiry to determine the reliability of the obligor or person posting cash bail, the value and sufficiency of any security offered, the relationship of the obligor or person posting cash bail to the defendant and the defendant's interest in ensuring that the bail is not forfeited, and whether the funds used to post the cash bail or secure the bail bond were acquired as a result of criminal or unlawful conduct. When the offense charged against such person is a crime with bail restrictions as defined in subsection a. of section 1 of P.L.1994, c.144 (C.2A:162-12), the court shall, upon the request of the prosecutor, conduct an inquiry pursuant to the provisions of this subsection. The court may examine, under oath or otherwise, any person who may possess relevant information, and may inquire into any matter appropriate to its determination, including, but not limited to, the following:

(1) The character, background and reputation of the person posting cash bail;

(2) The relationship of the person posting cash bail or securing a bail bond to the defendant;

(3) The source of any money posted as cash bail and whether any such money constitutes the fruits of criminal or unlawful conduct;

(4) The character, background and reputation of any person who has indemnified or agreed to indemnify an obligor on the bond;

(5) The character, background and reputation of any obligor, or, in the case of a surety bond, the qualifications of the surety and its executing agent;

(6) The source of any money or property deposited by any obligor as security and whether such money or property constitutes the fruits of criminal or unlawful conduct; and

(7) The source of any money or property delivered or agreed to be delivered by any obligor as indemnification on the bond and whether such money or property constitutes the fruits of criminal or unlawful conduct.

At the conclusion of the inquiry, the court shall issue an order either approving or disapproving the bail. The court shall not issue an order approving the bail unless it is satisfied that the evidence adduced in the inquiry establishes the reliability of the source of the funds used to post bail or security offered, that the relationship of the obligor or person posting cash bail is sufficient to ensure the defendant's presence in court when required, and that the funds used to post cash bail or secure a bail bond were not acquired as a result of criminal or unlawful conduct.

3. This act shall take effect on the first day of the fourth month following enactment.

Approved February 21, 2007.

CHAPTER 47

AN ACT appropriating moneys from the "Garden State Green Acres Preservation Trust Fund" and various Green Acres bond funds, and appropriating and reappropriating certain other moneys, to assist local government units 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. 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), and from the Green Trust funds established pursuant to the Green Acres bond acts, the sum of \$17,360,930 to provide grants or loans, or both, to assist local government units to develop lands for recreation and conservation purposes. 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.) either as of June 30, 2006 or the effective date of this act, or sponsored by densely populated counties, are eligible for funding with the moneys appropriated pursuant to this subsection:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Garfield City	Bergen	Garfield City Multiparks	\$600,000
Camden County	Camden	Waterfront Park Enhancement (Camden City)	750,000
Camden City	Camden	Dudley Grange Park Rehabilitation	600,000
Camden City	Camden	Upper Farnham Park Dev	600,000
Gloucester City	Camden	Freedom Pier Walkway	600,000
Vineland City	Cumberland	Multi-Park Dev	600,000
Essex County	Essex	Multi-Parks Improvements (Belleville Twp Bloomfield Twp Caldwell Twp Boro East Orange City Essex Fells Twp Montclair Twp Newark City Orange City Twp Verona Twp West Orange Twp)	900,000
Bloomfield Twp	Essex	Bloomfield Ramp Skate Park	232,800
Irvington Twp	Essex	Orange Avenue Park Dev	450,000
Newark City	Essex	Minish Park Passaic Riverfront Dev	600,000
Newark City	Essex	Nat Turner Park Dev	600,000
Glassboro Boro	Gloucester	Park Renovations	297,500
Bayonne City	Hudson	Harbor View Park Phase II	600,000
Hoboken City	Hudson	Pier C	600,000
Hoboken City	Hudson	1600 Park Dev	600,000
Jersey City	Hudson	Owen Grundy Pier and York St. Park	600,000
Kearny Town	Hudson	Belgrove Drive Playground	600,000
Union City	Hudson	Doric Park Improvements	600,000
Weehawken Twp	Hudson	Louisa Park and Playground Improvements	500,000

Middlesex County	Middlesex	New Brunswick Landing (New Brunswick City)	750,000
Middlesex County	Middlesex	Old Bridge Waterfront Park Phase II (Old Bridge Twp)	750,000
Carteret Boro	Middlesex	Arthur Kill Waterfront Recreation Facility Ph II	600,000
Carteret Boro	Middlesex	Carteret Multipark Improvements	600,000
New Brunswick City	Middlesex	New Brunswick Landing	600,000
Perth Amboy City	Middlesex	Willow Pond Park	600,000
Woodbridge Twp	Middlesex	Ferry Street and Riverwalk Park Improvements	600,000
Woodbridge Twp	Middlesex	Sewaren Marina Park 2	200,000
Brick Twp	Ocean	Multi-Parks Dev	600,000
Paterson City	Passaic	Atp Site / Haines Overlook Park Riverwalk Ext.	530,630
Paterson City	Passaic	Restoration and Revitalization of Pennington Park	600,000
TOTAL			<u>\$17,360,930</u>

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 P.L.2007, c.27, P.L.2007, c.28, P.L.2007, c.29, or section 2, 3, or 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.

d. For the purposes of this section:

"Densely populated county" means a county with a population density of at least 5,000 persons per square mile according to the latest federal decennial census.

"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. a. 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), and from the Green Trust funds established pursuant to the Green Acres bond acts, the sum of \$5,107,000 to provide grants or loans, or both, to assist local government units to develop lands for recreation and conservation purposes. The following projects to develop lands for recreation and conservation purposes, located in densely or highly populated municipalities or sponsored by highly populated counties, are eligible for funding with the moneys appropriated pursuant to this subsection:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Ventnor City	Atlantic	Rehabilitation of Ventnor Fishing Pier	\$450,000
Edgewater Boro	Bergen	Veteran's Field Improvements	450,000
Burlington County	Burlington	Rancocas Pointe Trail (Mount Laurel Twp)	232,000
Mount Laurel Twp	Burlington	Comprehensive Recreation Trail	450,000
Maplewood Twp	Essex	Maplewood Playing Fields Improvement	450,000
Guttenberg Town	Hudson	Guttenberg Town Riverfront Park	450,000
Harrison Town	Hudson	Waterfront Walkway	450,000
Mercer County	Mercer	Baldpate Mountain Dev (Hopewell Twp)	650,000
Belmar Boro	Monmouth	Shark River Bay Community Sailing Center	450,000
Marlboro Twp	Monmouth	Marlboro Twp Park Phase II	50,000
Point Pleasant Boro	Ocean	Riverfront Park Dev	450,000
Passaic County	Passaic	Garret Mountain Park – Barbour Pond Restoration (West Paterson Boro)	125,000

Linden City	Union	Hawk Rise Environmental Walkway	450,000
TOTAL			<u>\$5,107,000</u>

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 P.L.2007, c.27, P.L.2007, c.28, P.L.2007, c.29, or section 1, 3, or 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.

d. For the purposes of this section:

"Densely or highly populated municipality" means a municipality with a population density of at least 5,000 persons per square mile, or a population of at least 35,000 persons, according to the latest federal decennial census.

"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.

"Highly populated county" means a county with a population density of at least 1,000 persons per square mile according to the latest federal decennial census.

3. a. 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), and from the Green Trust funds established pursuant to the Green Acres bond acts, the sum of \$4,000,000 to provide grants or loans, or both, to assist local government units to acquire lands for recreation and conservation purposes. The following projects to acquire 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.), either as of June 30, 2006 or the effective date of this act, are eligible for funding with the moneys appropriated pursuant to this subsection:

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Essex County	Essex	Riverfront Park & Recreation Facility Acq (Newark City)	\$900,000
Old Bridge Twp	Middlesex	Cedar Ridge II Acq	600,000
Neptune Twp	Monmouth	Open Space Acq	100,000
Neptune Twp	Monmouth	South Riverside Drive Waterfront Acq	600,000
Brick Township	Ocean	Open Space and Recreation Plan Acq	600,000
Clifton City	Passaic	Latteri Park Acq	600,000
Clifton City	Passaic	Schultheis Farm Acq	600,000
TOTAL			<u>\$4,000,000</u>

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 P.L.2007, c.27, P.L.2007, c.28, P.L.2007, c.29, or section 1, 2, or 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.

d. 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.

4. a. 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), and from the Green Trust funds established pursuant to the Green Acres bond acts, the sum of \$12,962,500 to provide grants or loans, or both, to assist local government units to acquire lands for recreation and conservation purposes. The following projects to acquire lands for recreation and conservation purposes, located in densely or highly populated municipalities or spon-

sored by densely populated counties or highly populated counties, are eligible for funding with the moneys appropriated pursuant to this subsection:

(1) Planning Incentive Acquisition Projects

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Fair Lawn Boro	Bergen	Open Space Acq	\$450,000
Evesham Twp	Burlington	Planning Incentive Acq	450,000
Mount Laurel Twp	Burlington	Mt. Laurel Acq Plan	450,000
Camden County	Camden	Open Space Plan Acq	750,000
Cherry Hill Twp	Camden	Planning Incentive Grant Acq	450,000
West Orange Twp	Essex	West Orange Twp Open Space Acq	450,000
Hudson County	Hudson	Open Space Acq	900,000
Mercer County	Mercer	Mercer County Planning Incentive Acq	750,000
Hamilton Twp	Mercer	Hamilton Twp Open Space Acq	450,000
East Brunswick Twp	Middlesex	Open Space Plan Acq	450,000
North Brunswick Twp	Middlesex	North Brunswick Plan Acq	450,000
South Brunswick Twp	Middlesex	Open Space Acq	450,000
Monmouth County	Monmouth	Planning Incentive Acq	750,000
Parsippany-Troy Hills Twp	Morris	Parsippany-Troy Hills Open Space Acq	450,000
Berkeley Twp	Ocean	Planning Incentive Acq	450,000
Toms River Twp	Ocean	Open Space and Recreation Plan Acq	450,000
Jackson Twp	Ocean	Jackson Twp Open Space Acq Plan	450,000
Manchester Twp	Ocean	Planning Incentive Acq	450,000
Passaic County	Passaic	Open Space Plan Acq	750,000
Wayne Twp	Passaic	Wayne Open Space Acq	450,000
Union County	Union	Union County Open Space and Recreation Plan Acq	900,000

SUBTOTAL **\$11,550,000**

(2) Site Specific Incentive Acquisition Projects

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Caldwell Boro	Essex	Caldwell Recreational Complex Acq	\$450,000
SUBTOTAL			<u>\$450,000</u>

(3) Standard Acquisition Projects

LOCAL GOVERNMENT UNIT	COUNTY	PROJECT	APPROVED AMOUNT
Ridgefield Park Village	Bergen	Nature Preserve Acq	\$62,500
Piscataway Twp	Middlesex	Piscataway Open Space Acq	450,000
South Amboy City	Middlesex	Open Space Acq	450,000
SUBTOTAL			<u>\$962,500</u>
TOTAL			<u>\$12,962,500</u>

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 P.L.2007, c.27, P.L.2007, c.28, P.L.2007, c.29, or section 1, 2, or 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.

d. For the purposes of this section:

"Densely or highly populated municipality" means a municipality with a population density of at least 5,000 persons per square mile, or a population of at least 35,000 persons, according to the latest federal decennial census.

"Densely populated county" means a county with a population density of at least 5,000 persons per square mile according to the latest federal decennial census.

"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.

"Highly populated county" means a county with a population density of at least 1,000 persons per square mile according to the latest federal decennial census.

5. 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 P.L.2007, c.27, P.L.2007, c.28, P.L.2007, c.29, or sections 1 through 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 P.L.2007, c.27, P.L.2007, c.28, P.L.2007, c.29, or sections 1 through 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, 2008, due to interest earnings or loan repayments in any "Green Trust Fund" established pursuant to a Green Acres bond act or in the "Garden State Green Acres Preservation Trust Fund," 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 P.L.2007, c.27, P.L.2007, c.28, P.L.2007, c.29, or sections 1 through 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 P.L.2007, c.27, P.L.2007, c.28, P.L.2007, c.29, or sections 1 through 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:

"Garden State Green Acres Preservation Trust Fund" means the fund established pursuant to section 19 of P.L.1999, c.152 (C.13:8C-19).

"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.

6. This act shall take effect immediately.

Approved February 21, 2007.

CHAPTER 48

AN ACT to establish a teenage driver safety study commission.

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

1. There is established a Teenage Driver Safety Study Commission. The commission shall consist of 15 members, to be appointed as follows:

a. By the Governor, seven members, one of whom shall be a member of the Driving School Association of New Jersey, one of whom shall be a representative from the AAA Clubs of New Jersey, and one of whom shall be a representative from a member company of the Insurance Council of New Jersey;

b. By the Senate President, four members of whom two shall be members of the Senate, no more than one of whom shall be of the same political party; and

c. By the Speaker of the General Assembly, four members of whom two shall be members of the General Assembly, no more than one of whom shall be of the same political party.

The appointed members, other than the members of the Senate and General Assembly, shall by training and experience have knowledge of and an interest in teenage driver safety, particularly relating to the issues of teenage driver education and training, driving under the influence, aggressive driving, defensive driving and accident prevention, and motor vehicle law enforcement.

Any vacancy in the membership of the commission shall be filled by appointment in the same manner as the original appointment was made.

2. The commission shall organize as soon as possible after the appointment of its members and shall elect from among its members who are not members of the Senate or General Assembly a chairperson and a vice-chairperson.

3. The commission shall study, examine, and review the issue of teenage driver safety in New Jersey. In conducting its inquiry, the commission shall study and evaluate the availability and effectiveness of driving education and training programs for New Jersey's teenagers, survey and assess the problems of driving under the influence and aggressive driving among teenagers, consider and evaluate the role and utilization of defensive driving and accident prevention programs, examine and analyze the type of motor vehicle violations that are contributing factors in teenage driving accidents, and such other issues and matters as the commission may deem appropriate to fulfill the scope of its charge.

4. The commission shall be entitled to call to its assistance and avail itself of the services and assistance of the officials and employees of the State and its political subdivisions and their departments, boards, bureaus, commissions, and agencies as it may require and as may be available to it for the purposes of the commission and may expend those funds as may be appropriated or otherwise made available to it for the purposes of its study.

5. The commission shall report its findings, conclusions and recommendations to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature no more than six months following the first organizational meeting of the commission.

6. This act shall take effect immediately and shall expire upon the filing of the commission's report to the Governor and Legislature in accordance with the provisions of section 5 of this act.

Approved March 9, 2007.

CHAPTER 49

AN ACT concerning mandatory forfeiture of retirement benefits and mandatory imprisonment for public officers or employees convicted of certain crimes and amending and supplementing P.L.1995, c.408 (C.43:1-3 et seq.) and Title 2C 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.408 (C.43:1-3) is amended to read as follows:

C.43:1-3 Receipt of pension, retirement benefits conditioned upon honorable service; forfeiture of pension, service credit due to misconduct; evaluation.

1. a. The receipt of a public pension or retirement benefit is hereby expressly conditioned upon the rendering of honorable service by a public officer or employee.

b. The board of trustees of any State or locally-administered pension fund or retirement system created under the laws of this State is authorized to order the forfeiture of all or part of the earned service credit or pension or retirement benefit of any member of the fund or system for misconduct occurring during the member's public service which renders the member's service or part thereof dishonorable and to implement any pension forfeiture ordered by a court pursuant to section 2 of P.L.2007, c.49 (C.43:1-3.1).

c. In evaluating a member's misconduct to determine whether it constitutes a breach of the condition that public service be honorable and whether forfeiture or partial forfeiture of earned service credit or earned pension or retirement benefits is appropriate, the board of trustees shall consider and balance the following factors in view of the goals to be achieved under the pension laws:

- (1) the member's length of service;
- (2) the basis for retirement;
- (3) the extent to which the member's pension has vested;
- (4) the duties of the particular member;
- (5) the member's public employment history and record covered under the retirement system;
- (6) any other public employment or service;
- (7) the nature of the misconduct or crime, including the gravity or substantiality of the offense, whether it was a single or multiple offense and whether it was continuing or isolated;

(8) the relationship between the misconduct and the member's public duties;

(9) the quality of moral turpitude or the degree of guilt or culpability, including the member's motives and reasons, personal gain and similar considerations;

(10) the availability and adequacy of other penal sanctions; and

(11) other personal circumstances relating to the member which bear upon the justness of forfeiture.

d. Whenever a board of trustees determines, pursuant to this section, that a partial forfeiture of earned service credit or earned pension or retirement benefits is warranted, it shall order that benefits be calculated as if the accrual of pension rights terminated as of the date the misconduct first occurred or, if termination as of that date would in light of the nature and extent of the misconduct result in an excessive pension or retirement benefit or in an excessive forfeiture, a date reasonably calculated to impose a forfeiture that reflects the nature and extent of the misconduct and the years of honorable service.

C.43:1-3.1 Forfeiture of pension, retirement benefit for conviction of certain crimes; definition, certain.

2. a. A person who holds or has held any public office, position, or employment, elective or appointive, under the government of this State or any agency or political subdivision thereof, who is convicted of any crime set forth in subsection b. of this section, or of a substantially similar offense under the laws of another state or the United States which would have been such a crime under the laws of this State, which crime or offense involves or touches such office, position or employment, shall forfeit all of the pension or retirement benefit earned as a member of any State or locally-administered pension fund or retirement system in which he participated at the time of the commission of the offense and which covered the office, position or employment involved in the offense. As used in this section, a crime or offense that "involves or touches such office, position or employment" means that the crime or offense was related directly to the person's performance in, or circumstances flowing from, the specific public office or employment held by the person.

b. Subsection a. of this section applies to a conviction of any of the following crimes:

(1) Paragraph (4) of subsection a. of N.J.S.2C:13-5, criminal coercion;

(2) N.J.S.2C:20-4, theft by deception, if the amount involved exceeds \$10,000;

- (3) Subsection d. of N.J.S.2C:20-5, theft by extortion;
- (4) N.J.S.2C:20-9, theft by failure to make required disposition of property received, if the amount involved exceeds \$10,000;
- (5) N.J.S.2C:21-10, commercial bribery;
- (6) Section 3 of P.L.1994, c.121 (C.2C:21-25), money laundering;
- (7) Section 97 of P.L.1999, c.440 (C.2C:21-34), false contract payment claims;
- (8) N.J.S.2C:27-2, bribery in official matters;
- (9) N.J.S.2C:27-3, threats and other improper influence in official and political matters;
- (10) Section 100 of P.L.1999, c.440 (C.2C:27-9), unlawful official business transaction where interest is involved;
- (11) Section 5 of P.L.2003, c.255 (C.2C:27-10), acceptance or receipt of unlawful benefit by public servant for official behavior;
- (12) Section 6 of P.L.2003, c.255 (C.2C:27-11), offer of unlawful benefit to public servant for official behavior;
- (13) N.J.S.2C:28-1, perjury;
- (14) N.J.S.2C:28-5, tampering with witnesses;
- (15) N.J.S.2C:28-7, tampering with public records or information;
- (16) N.J.S.2C:29-4, compounding;
- (17) N.J.S.2C:30-2, official misconduct;
- (18) N.J.S.2C:30-3, speculating or wagering on official action or information; or
- (19) Section 3 of P.L.2003, c.31 (C.2C:30-7), pattern of official misconduct.

c. A court of this State shall enter an order of pension forfeiture pursuant to this section:

(1) Immediately upon a finding of guilt by the trier of fact or a plea of guilty entered in any court of this State unless the court, for good cause shown, orders a stay of the pension forfeiture pending a hearing on the merits at the time of sentencing; or

(2) Upon application of the county prosecutor or the Attorney General, when the pension forfeiture is based upon a conviction of an offense under the laws of another state or of the United States. An order of pension forfeiture pursuant to this paragraph shall be deemed to have taken effect on the date the person was found guilty by the trier of fact or pled guilty to the offense.

d. No court shall grant a stay of an order of pension forfeiture pending appeal of a conviction or pension forfeiture order unless the court is clearly convinced that there is a substantial likelihood of success on the merits. If

the conviction be reversed or the order of pension forfeiture be overturned, his pension rights and benefits shall be restored from the date of pension forfeiture.

e. Nothing in this section shall be deemed to preclude the authority of the board of trustees of any State or locally-administered pension fund or retirement system created under the laws of this State from ordering the forfeiture of all or part of the earned service credit or pension or retirement benefit of any member of the fund or system for misconduct occurring during the member's public service pursuant to the provisions of P.L.1995, c.408 (C.43:1-3 et seq.), including in a case where the court does not enter an order of forfeiture pursuant to this section.

C.43:1-3.2 Subpoena powers of board of trustees of pension fund, retirement system.

3. The board of trustees of any State or locally-administered pension fund or retirement system created under the laws of this State may subpoena witnesses and compel their attendance, and also may require the production of books, papers or documents in a matter concerning the rendering of honorable service by a public officer or employee seeking to receive a public pension or retirement benefit. If any person shall refuse to obey any subpoena so issued, or shall refuse to testify or produce any books, papers or documents, the board may apply ex parte to the Superior Court to compel the person to comply forthwith with the subpoena.

C.43:1-3.3 Employer responsibility for reimbursement to pension fund, retirement system, certain.

4. A State, county or local employer participating in a State or locally-administered pension fund or retirement system shall be responsible for reimbursement to the pension fund or retirement system of all pension costs incurred by a State or locally-administered pension fund or retirement system following any settlement agreement between the employer and an employee that provides for the employer not to pursue any civil or criminal charges or an action for misconduct against the employee in exchange for the employee's resignation in good standing when the employer has failed to fully disclose the settlement to the board of trustees of the pension fund or retirement system so that it can determine whether to order the forfeiture of all or part of the earned service credit or pension or retirement benefit of any member of the fund or system for misconduct occurring during the member's public service which renders the member's service or part thereof dishonorable.

5. N.J.S.2C:51-2 is amended to read as follows:

Forfeiture of public office, position, or employment.**2C:51-2. Forfeiture of Public Office, Position, or Employment.**

a. A person holding any public office, position, or employment, elective or appointive, under the government of this State or any agency or political subdivision thereof, who is convicted of an offense shall forfeit such office, position or employment if:

(1) He is convicted under the laws of this State of an offense involving dishonesty or of a crime of the third degree or above or under the laws of another state or of the United States of an offense or a crime which, if committed in this State, would be such an offense or crime;

(2) He is convicted of an offense involving or touching such office, position or employment; or

(3) The Constitution so provides.

As used in this subsection, "involving or touching such office, position or employment" means that the offense was related directly to the person's performance in, or circumstances flowing from, the specific public office, position or employment held by the person.

b. A court of this State shall enter an order of forfeiture pursuant to subsection a.:

(1) Immediately upon a finding of guilt by the trier of fact or a plea of guilty entered in any court of this State unless the court, for good cause shown, orders a stay of such forfeiture pending a hearing on the merits at the time of sentencing; or

(2) Upon application of the county prosecutor or the Attorney General, when the forfeiture is based upon a conviction of an offense under the laws of another state or of the United States. An order of forfeiture pursuant to this paragraph shall be deemed to have taken effect on the date the person was found guilty by the trier of fact or pled guilty to the offense.

c. No court shall grant a stay of an order of forfeiture pending appeal of a conviction or forfeiture order unless the court is clearly convinced that there is a substantial likelihood of success on the merits. If the conviction be reversed or the order of forfeiture be overturned, he shall be restored, if feasible, to his office, position or employment with all the rights, emoluments and salary thereof from the date of forfeiture.

Any official action taken by the convicted person on or after the date as of which a forfeiture of the person's office shall take effect shall, during a period of 60 days following the date on which an order of forfeiture shall have been issued hereunder, be voidable by the person's successor in office or, if the office of the person was that of member of the governing body of a county, municipality or independent authority, by that governing body.

d. In addition to the punishment prescribed for the offense, and the forfeiture set forth in subsection a. of N.J.S.2C:51-2, any person convicted of an offense involving or touching on his public office, position or employment shall be forever disqualified from holding any office or position of honor, trust or profit under this State or any of its administrative or political subdivisions. As used in this subsection, "involving or touching on his public office, position or employment" means that the offense was related directly to the person's performance in, or circumstances flowing from, the specific public office, position or employment held by the person.

e. Any forfeiture or disqualification under subsection a., b. or d. which is based upon a conviction of a disorderly persons or petty disorderly persons offense may be waived by the court upon application of the county prosecutor or the Attorney General and for good cause shown.

f. Except as may otherwise be ordered by the Attorney General as the public need may require, any person convicted of an offense under section 97 of P.L.1999, c.440 (C.2C:21-34), N.J.S.2C:27-2, N.J.S.2C:27-3, N.J.S.2C:27-5, section 100 of P.L.1999, c. 440 (C.2C:27-9), section 5 of P.L.2003, c.255 (C.2C:27-10), section 6 of P.L.2003, c.255 (C.2C:27-11), N.J.S.2C:29-4, N.J.S.2C:30-2, or N.J.S.2C:30-3 of this Title shall be ineligible, either directly or indirectly, to submit a bid, enter into any contract, or to conduct any business with any board, agency, authority, department, commission, public corporation, or other body of this State, of this or one or more other states, or of one or more political subdivisions of this State for a period of, but not more than, 10 years from the date of conviction for a crime of the second degree, or five years from the date of conviction for a crime of the third degree. It is the purpose of this subsection to bar any individual convicted of any of the above enumerated offenses and any business, including any corporation, partnership, association or proprietorship in which such individual is a principal, or with respect to which such individual owns, directly or indirectly, or controls 5% or more of the stock or other equity interest of such business, from conducting business with public entities.

The State Treasurer shall keep and maintain a list of all corporations barred from conducting such business pursuant to this section.

g. In any case in which the issue of forfeiture is not raised in a court of this State at the time of a finding of guilt, entry of guilty plea or sentencing, a forfeiture of public office, position or employment required by this section may be ordered by a court of this State upon application of the county prosecutor or the Attorney General or upon application of the public officer or public entity having authority to remove the person convicted from his public office, position or employment. The fact that a court has

declined to order forfeiture shall not preclude the public officer or public entity having authority to remove the person convicted from seeking to remove or suspend the person from his office, position or employment on the ground that the conduct giving rise to the conviction demonstrates that the person is unfit to hold the office, position or employment.

C.2C:43-6.5 Mandatory minimum prison term for public officer, employee convicted of certain crimes; waiver, reduction.

6. a. Notwithstanding the provisions of subsection a. of N.J.S.2C:43-6 and except as otherwise provided in subsection c. of this section, a person who serves or has served as a public officer or employee under the government of this State, or any political subdivision thereof, who is convicted of a crime that involves or touches such office or employment as set forth in subsection b. of this section, shall be sentenced to a mandatory minimum term of imprisonment without eligibility for parole as follows: for a crime of the fourth degree, the mandatory minimum term shall be one year; for a crime of the third degree, two years; for a crime of the second degree, five years; and for a crime of the first degree, 10 years; unless the provisions of any other law provide for a higher mandatory minimum term. As used in this subsection, "a crime that involves or touches such office or employment" means that the crime was related directly to the person's performance in, or circumstances flowing from, the specific public office or employment held by the person.

b. Subsection a. of this section applies to a conviction of any of the following crimes:

- (1) Paragraph (4) of subsection a. of N.J.S.2C:13-5, criminal coercion;
- (2) N.J.S.2C:20-4, theft by deception, if the amount involved exceeds \$10,000;
- (3) Subsection d. of N.J.S.2C:20-5, theft by extortion;
- (4) N.J.S.2C:20-9, theft by failure to make required disposition of property received, if the amount involved exceeds \$10,000;
- (5) N.J.S.2C:21-10, commercial bribery;
- (6) Section 3 of P.L.1994, c.121 (C.2C:21-25), money laundering;
- (7) Section 97 of P.L.1999, c.440 (C.2C:21-34), false contract payment claims;
- (8) N.J.S.2C:27-2, bribery in official matters;
- (9) N.J.S.2C:27-3, threats and other improper influence in official and political matters;
- (10) Section 100 of P.L.1999, c.440 (C.2C:27-9), unlawful official business transaction where interest is involved;
- (11) Section 5 of P.L.2003, c.255 (C.2C:27-10), acceptance or receipt

of unlawful benefit by public servant for official behavior;

(12) Section 6 of P.L.2003, c.255 (C.2C:27-11), offer of unlawful benefit to public servant for official behavior;

(13) N.J.S.2C:28-1, perjury;

(14) N.J.S.2C:28-5, tampering with witnesses;

(15) N.J.S.2C:28-7, tampering with public records or information;

(16) N.J.S.2C:29-4, compounding;

(17) N.J.S.2C:30-2, official misconduct;

(18) N.J.S.2C:30-3, speculating or wagering on official action or information; or

(19) Section 3 of P.L.2003, c.31 (C.2C:30-7), pattern of official misconduct.

c. (1) On motion by the prosecutor stating that the defendant has provided substantial assistance in a criminal investigation or prosecution of another person, the court may waive or reduce the mandatory minimum term of imprisonment required by subsection a. of this section. The appropriate waiver or reduction shall be determined by the court for reasons stated that may include, but are not limited to, consideration of the following:

(i) the court's evaluation of the significance and usefulness of the defendant's assistance, giving substantial weight to the prosecutor's evaluation of the assistance rendered;

(ii) the truthfulness, completeness, and reliability of any information or testimony provided by the defendant;

(iii) the nature and extent of the defendant's assistance;

(iv) any injury suffered, or any danger or risk of injury to the defendant or his family resulting from his assistance;

(v) the timeliness of the defendant's assistance.

In making such a determination, the court shall give substantial weight to the prosecutor's evaluation of the extent of the defendant's assistance, particularly where the extent and value of the assistance are difficult to ascertain.

(2) If the court finds by clear and convincing evidence that extraordinary circumstances exist such that imposition of a mandatory minimum term would be a serious injustice which overrides the need to deter such conduct in others, the court may waive or reduce the mandatory minimum term of imprisonment required by subsection a. of this section. In making any such finding, the court must state with specificity its reasons for waiving or reducing the mandatory minimum sentence that would otherwise apply.

(3) If, pursuant to paragraph (1) or (2) of this subsection, the court waives or reduces the mandatory minimum term required by subsection a.

of this section, such sentence shall not become final for 10 days in order to permit the appeal of the sentence by the prosecution.

d. (1) A prosecutor shall not recommend the admission into or consent to the referral to a pretrial intervention program of a person who serves or has served as a public officer or employee under the government of this State, or any political subdivision thereof, who is charged with a crime that involves or touches such office or employment as set forth in subsection b. of this section, without the prior approval of the Attorney General.

(2) A person who serves or has served as a public officer or employee under the government of this State, or any political subdivision thereof, who is convicted of a crime that involves or touches such office or employment as set forth in subsection b. of this section shall be ineligible for participation in any program of intensive supervision during any period of parole ineligibility.

e. The Attorney General shall develop guidelines to ensure the uniform exercise of discretion in making determinations regarding the waiver or reduction of a mandatory minimum term of imprisonment pursuant to paragraph (1) of subsection c. of this section and participation in a pretrial intervention program pursuant to paragraph (1) of subsection d. of this section.

7. a. The provisions of section 2 of P.L.2007, c.49 (C.43:1-3.1) concerning the forfeiture of all of the pension or retirement benefit for a member of any State or locally-administered pension fund or retirement system shall be prospective in application for any crime or offense committed after the effective date of P.L.2007, c.49 (C.43:1-3.1 et al.).

b. The provisions of section 6 of P.L.2007, c.49 (C.2C:43-6.5) concerning mandatory terms of imprisonment shall be prospective in application for any crime committed after the effective date of P.L.2007, c.49 (C.43:1-3.1 et al.).

8. Section 2 of P.L.1993, c.123 (C.2C:43-11) is amended to read as follows:

C.2C:43-11 Program of intensive supervision, eligibility.

2. a. No custodial sentence imposed pursuant to Chapter 43, 44 or 45 of Title 2C shall be changed to permit entry into any program of intensive supervision established pursuant to the Rules Governing the Courts of the State of New Jersey if the inmate:

(1) Is serving a sentence for a conviction of any crime of the first degree; or

(2) Is serving a sentence for a conviction of any offense in which the sentencing court found that there is a substantial likelihood that the defendant is involved in organized criminal activity pursuant to N.J.S.2C:44-1a.(5); or

(3) Is serving any statutorily mandated parole ineligibility, or any parole ineligibility imposed by the court pursuant to subsection b. of N.J.S.2C:43-6 or section 6 of P.L.2007, c.49 (C.2C:43-6.5); or

(4) Has previously completed a program of intensive supervision established pursuant to the Rules Governing the Courts of the State of New Jersey; or

(5) Has previously been convicted of a crime of the first degree, or of any offense in any other jurisdiction which, if committed in New Jersey, would constitute a crime of the first degree and the inmate was released from incarceration on the first degree offense within five years of the commission of the offense for which the inmate is applying for intensive supervision.

Nothing in this subsection shall be construed to preclude the program of intensive supervision from imposing more restrictive standards for admission.

b. Unless the inmate is within nine months of parole eligibility and has served at least six months of the sentence, no custodial sentence of an inmate serving a sentence for conviction of any crime of the second degree shall be changed to permit entry into any program of intensive supervision established pursuant to the Rules Governing the Courts of the State of New Jersey, if, within 20 days of receipt of notice of the inmate's application, the county prosecutor or Attorney General objects in writing.

c. If an inmate's application for a change of custodial sentence to permit entry into any program of intensive supervision established pursuant to the Rules Governing the Courts of the State of New Jersey is granted over the objection of the county prosecutor or the Attorney General, the order shall not become final for 20 days or until reconsideration by the Intensive Supervision Resentencing Panel in order to permit the county prosecutor or the Attorney General to appear personally or in writing, with notice to defense counsel, to request reconsideration of the application approval.

d. A victim of the offense for which the inmate was sentenced shall have the right to make a written statement or to appear at a proceeding regarding the application for a change of custodial sentence imposed pursuant to Chapter 43, 44 or 45 of Title 2C for entry into any program of intensive supervision established pursuant to the Rules Governing the Courts of the State of New Jersey.

9. N.J.S.2C:43-12 is amended to read as follows:

Supervisory treatment – pretrial intervention.

2C:43-12. Supervisory Treatment--Pretrial Intervention. a. Public policy. The purpose of sections 2C:43-12 through 2C:43-22 of this chapter is to effectuate a Statewide program of Pretrial Intervention. It is the policy of the State of New Jersey that supervisory treatment should ordinarily be limited to persons who have not previously been convicted of any criminal offense under the laws of New Jersey, or under any criminal law of the United States, or any other state when supervisory treatment would:

(1) Provide applicants, on an equal basis, with opportunities to avoid ordinary prosecution by receiving early rehabilitative services or supervision, when such services or supervision can reasonably be expected to deter future criminal behavior by an applicant, and when there is apparent causal connection between the offense charged and the rehabilitative or supervisory need, without which cause both the alleged offense and the need to prosecute might not have occurred; or

(2) Provide an alternative to prosecution for applicants who might be harmed by the imposition of criminal sanctions as presently administered, when such an alternative can be expected to serve as sufficient sanction to deter criminal conduct; or

(3) Provide a mechanism for permitting the least burdensome form of prosecution possible for defendants charged with "victimless" offenses, other than defendants who were public officers or employees charged with offenses that involved or touched their office or employment; or

(4) Provide assistance to criminal calendars in order to focus expenditure of criminal justice resources on matters involving serious criminality and severe correctional problems; or

(5) Provide deterrence of future criminal or disorderly behavior by an applicant in a program of supervisory treatment.

b. Admission of an applicant into a program of supervisory treatment shall be measured according to the applicant's amenability to correction, responsiveness to rehabilitation and the nature of the offense. There shall be a presumption against admission into a program of supervisory treatment for a defendant who was a public officer or employee whose offense involved or touched upon his public office or employment.

c. The decision and reasons therefor made by the designated judges (or assignment judges), prosecutors and program directors in granting or denying applications for supervisory treatment, in recommending and ordering termination from the program or dismissal of charges, in all cases

shall be reduced to writing and disclosed to the applicant.

d. If an applicant desires to challenge the decision of the prosecutor or program director not to recommend enrollment in a program of supervisory treatment the proceedings prescribed under section 14 shall be followed.

e. Referral. At any time prior to trial but after the filing of a criminal complaint, or the filing of an accusation or the return of an indictment, with the consent of the prosecutor and upon written recommendation of the program director, the assignment judge or a judge designated by him may postpone all further proceedings against an applicant and refer said applicant to a program of supervisory treatment approved by the Supreme Court. Prosecutors and program directors shall consider in formulating their recommendation of an applicant's participation in a supervisory treatment program, among others, the following criteria:

- (1) The nature of the offense;
- (2) The facts of the case;
- (3) The motivation and age of the defendant;
- (4) The desire of the complainant or victim to forego prosecution;
- (5) The existence of personal problems and character traits which may be related to the applicant's crime and for which services are unavailable within the criminal justice system, or which may be provided more effectively through supervisory treatment and the probability that the causes of criminal behavior can be controlled by proper treatment;
- (6) The likelihood that the applicant's crime is related to a condition or situation that would be conducive to change through his participation in supervisory treatment;
- (7) The needs and interests of the victim and society;
- (8) The extent to which the applicant's crime constitutes part of a continuing pattern of anti-social behavior;
- (9) The applicant's record of criminal and penal violations and the extent to which he may present a substantial danger to others;
- (10) Whether or not the crime is of an assaultive or violent nature, whether in the criminal act itself or in the possible injurious consequences of such behavior;
- (11) Consideration of whether or not prosecution would exacerbate the social problem that led to the applicant's criminal act;
- (12) The history of the use of physical violence toward others;
- (13) Any involvement of the applicant with organized crime;
- (14) Whether or not the crime is of such a nature that the value of supervisory treatment would be outweighed by the public need for prosecution;

(15) Whether or not the applicant's involvement with other people in the crime charged or in other crime is such that the interest of the State would be best served by processing his case through traditional criminal justice system procedures;

(16) Whether or not the applicant's participation in pretrial intervention will adversely affect the prosecution of codefendants; and

(17) Whether or not the harm done to society by abandoning criminal prosecution would outweigh the benefits to society from channeling an offender into a supervisory treatment program.

f. Review of Supervisory Treatment Applications; Procedure Upon Denial. Each applicant for supervisory treatment shall be entitled to full and fair consideration of his application. If an application is denied, the program director or the prosecutor shall precisely state his findings and conclusion which shall include the facts upon which the application is based and the reasons offered for the denial. If the applicant desires to challenge the decision of a program director not to recommend, or of a prosecutor not to consent to, enrollment into a supervisory treatment program, a motion shall be filed before the designated judge (or assignment judge) authorized pursuant to the rules of court to enter orders.

g. Limitations. Supervisory treatment may occur only once with respect to any defendant and any person who has previously received supervisory treatment under section 27 of P.L.1970, c.226 (C.24:21-27), shall not be eligible for supervisory treatment under this section. However, supervisory treatment, as provided herein, shall be available to a defendant irrespective of whether the defendant contests his guilt of the charge or charges against him.

h. Termination. Termination of supervisory treatment under this section shall be immediately reported to the assignment judge of the county who shall forward such information to the Administrative Director of the Courts.

i. Appointment of Program Directors; Authorized Referrals. Programs of supervisory treatment and appointment of the program directors require approval by the Supreme Court with the consent of the assignment judge and prosecutor. Referrals of participants from supervisory treatment programs may be to any public or private office or agency, including but not limited to, programs within the probation service of the court, offering counseling or any other social service likely to aid in the rehabilitation of the participant and to deter the commission of other offenses.

j. Health Care Professional Licensing Board Notification. The program director shall promptly notify the State Board of Medical Examiners

when a State licensed physician or podiatrist has been enrolled in a supervisory treatment program after he has been charged with an offense involving drugs or alcohol.

10. This act shall take effect on the 30th day after the date of enactment.

Approved March 15, 2007.

CHAPTER 50

AN ACT concerning public movers and amending and supplementing P.L.1981, c.311.

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

1. Section 2 of P.L.1981, c.311 (C.45:14D-2) is amended to read as follows:

C.45:14D-2 Definitions.

2. As used in this act:
 - a. "Accessorial service" means the preparation of articles for shipment, including, but not limited to, the packing, crating, boxing and servicing of appliances, the furnishing of containers, unpacking, uncrating and reassembling of articles, placing them at final destination and the moving or shifting of articles from one location to another within a building, or at a single address;
 - b. "Board" means the State Board of Public Movers and Warehousemen established under this act;
 - c. (Deleted by amendment, P.L.1993, c.365).
 - d. "Department" means the Department of Law and Public Safety;
 - e. "Household goods" means personal effects, fixtures, equipment, stock and supplies or other property usually used in or as part of the stock of a dwelling, when it is put into storage or when it is transported by virtue of its removal, in whole or in part, by a householder from one dwelling to another, or from the dwelling of a householder to the dwelling of another householder, or between the dwelling of a householder and a repair or storage facility, or from the dwelling to an auction house or other place of sale. The term "household goods" shall not apply to property moving from a fac-

tory or store, except property which the householder has purchased and which is transported at his request as part of the movement by the householder from one dwelling to another;

f. "Intrastate commerce" means commerce moving wholly between points within the State over all public highways, or at a single location;

g. "License" means a license issued by the board;

h. "Motor vehicle" means any vehicle, machine, tractor, truck or semi-trailer, or any combination thereof, propelled, driven or drawn by mechanical power, and used upon the public highways in the transportation of household goods, office goods and special commodities in intrastate commerce;

i. "Mover's services" means all of the services rendered by a public mover;

j. "Storage services" means all of the services rendered by a warehouseman;

k. "Office goods" means personal effects, fixtures, furniture, equipment, stock and supplies or other property usually used in or as part of the stock of any office, or commercial, institutional, professional or other type of establishment, when it is put into storage or when the property is transported by virtue of its removal, in whole or in part, from one location to another, but does not mean or include stock and supplies or other property usually used in or as part of the stock of any office, or commercial, institutional, professional or other type of establishment, when put into storage;

l. "Person" means any individual, copartnership, association, company, or corporation, and includes any trustee, receiver, assignee, lessee, or personal representative of any person herein defined;

m. "Place of business" means a business office located in New Jersey from which the mover or warehouseman conducts his daily business and where records are kept;

n. "Property" means all of the articles in the definition of household goods, office goods or special commodities;

o. "Public highway" or "highway" means any public street, road, thoroughfare, bridge and way in this State open to the use of the public as a matter of right for purposes of motor vehicular travel, including those that impose toll charges;

p. "Public mover" or "mover" means any person who engages in the transportation of household goods, office goods or special commodities by motor vehicle for compensation in intrastate commerce between points in this State, including the moving of household goods, office goods or special commodities from one location to another at a single address, and any person who engages in the performance of accessorial services; except that the

term "public mover" or "mover" shall not apply to an owner-operator, or any person who engages in, or holds himself out to the general public as engaging in, the transportation of special commodities when such commodities are not transported by virtue of a removal, in whole or in part, and who does not engage, nor hold himself out to the general public as engaging in, the transportation of household or office goods;

q. "Special commodities" means uncrated or unboxed works of art, fixtures, appliances, business machines, electronic equipment, displays, exhibits, home, office, store, theatrical or show equipment, musical instruments, or other articles being put into storage or being moved, and which require the use of equipment and personnel usually furnished or employed by warehousemen or public movers, except that the provisions of P.L.1981, c.311 (C.45:14D-1 et seq.) shall not apply to any person engaged in the transportation or storage of special commodities when these commodities are not transported by virtue of a removal, in whole or in part;

r. "Storage" means the safekeeping of property in a depository for compensation;

s. "Tariff" means a schedule of rates and charges for the storage or transportation of property in intrastate commerce on file with the board, which shall be used, except in the use of binding estimates by movers, in computing all charges on the storage or transportation of property as of the date of the time in storage or transportation;

t. "Warehouseman" means a person engaged in the business of storage;

u. "Removal" means the physical relocation, in whole or in part, of either household goods, office goods or special commodities from one location to another location, including internal relocations within the same room or facility, for compensation;

v. "Bill of lading" means "bill of lading" as defined by paragraph (6) of N.J.S.12A:1-201;

w. "Consumer" means a person who contracts with a public mover for mover's services;

x. "Contracting public mover" means a licensed public mover who contracts with an owner-operator to provide any mover's service of the licensed public mover, and is liable for any mover's services performed or agreed to be performed by the owner-operator pursuant to that contract;

y. "Director" means the Director of the Division of Consumer Affairs in the Department of Law and Public Safety;

z. "Owner-operator" means a person who owns, leases, or rents one or more motor vehicles and who uses the vehicles to provide mover's services for a contracting public mover.

2. Section 10 of P.L.1981, c.311 (C.45:14D-10) is amended to read as follows:

C.45:14D-10 Issuance of receipt, bill of lading, electronic warehouse receipt permitted, certain.

10. a. Every person engaged in the business of storing or moving household goods, office goods, or special commodities for transportation in intrastate commerce shall issue a receipt or bill of lading therefor and shall be liable to the lawful holder thereof in accordance with the provisions of chapters 3, 4, 5, and 7 of Title 12A of the New Jersey Statutes. Notwithstanding any other provision of law, a receipt issued pursuant to this section shall not be denied legal effect solely because it is in electronic form, provided that both parties have affirmatively agreed to the electronic form of the receipt, the issuer affirmatively provides to the holder the receipt in an accessible form which is capable of being received, retained and accurately reproduced by the holder, and the receipt contains all legally required information.

b. A contracting public mover may permit an owner-operator providing any mover's services of the public mover to issue, using the forms of the public mover or otherwise in the name of the public mover, a bill of lading and any other documentation evidencing the performance of, or agreement to perform, any mover's services on behalf of the contracting public mover. The contracting public mover shall be liable to the holder of the bill of lading or other documentation as if it provided, or agreed to provide, the mover's services for the consumer.

C.45:14D-11.1 Public mover, written notice provided to consumer of owner operators.

3. a. It shall be unlawful for a contracting public mover to utilize an owner-operator for purposes of the owner-operator providing to a consumer any mover's services of the public mover, unless the public mover provides written notice to the consumer, not less than one business day before any mover's services are performed, or unless otherwise permitted on the same business day by regulation. The notice shall include:

(1) the name, address, telephone number, and any other relevant contact information for the owner-operator as required by regulation;

(2) a list describing the mover's services to be performed by the owner-operator; and

(3) a statement that the public mover shall be liable for all mover's services to be performed by the owner-operator.

b. The contracting public mover shall perform any physical survey, and issue the estimate and order for service to the consumer, as required by

P.L.1981, c.311 (C.45:14D-1 et seq.), for those household goods, office goods, or special commodities to be transported by the owner-operator.

C.45:14D-25.1 Contracting public mover, additional coverage of certain owner-operators.

4. A contracting public mover shall add as an additional covered insured under its policies of insurance or other securities or agreements, as required pursuant to section 15 of P.L.1984, c.140 (C.45:14D-25), any owner-operator contracted to perform any mover's services of the public mover, or secure and maintain separate insurance coverage, or other securities or agreements, of the type and amount required pursuant to regulation for the public mover's liability for any act or omission of an owner-operator for which the public mover is liable pursuant to P.L.1981, c.311 (C.45:14D-1 et seq.) and any applicable regulation.

C.45:14D-25.2 Public mover, proof of insurance required of owner-operator.

5. a. An owner-operator, in order to enter into any contract with a public mover to perform any mover's services of the public mover, shall secure and maintain insurance coverage, or other securities or agreements, of the type and amount required pursuant to regulation, which shall include, but not be limited to coverage, securities, or agreements to cover property-casualty and workers' compensation liabilities.

b. A public mover shall not contract with an owner-operator until the owner-operator presents the public mover with proof of adequate insurance coverage, or other securities or agreements.

C.45:14D-25.3 Rules, regulations.

6. The director shall promulgate 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.

7. This act shall take effect immediately.

Approved March 15, 2007.

CHAPTER 51

AN ACT concerning depository institutions and supplementing Title 17 of the Revised Statutes.

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

C.17:16Y-1 Use of trade name, trademark of depository institution.

1. No person shall use or reference the trade name or trademark of a depository institution, its affiliate or subsidiary or a trade name or trademark similar to that of a depository institution, its affiliate or subsidiary in any solicitation for services or products without the consent of the depository institution, affiliate or subsidiary.

C.17:16Y-2 Use of consumer's loan information.

2. No person shall use or reference a consumer's loan number, loan amount or other specific loan information, whether publicly available or not, in any solicitation for services or products without the consent of the depository institution, affiliate or subsidiary.

C.17:16Y-3 Use of depository institution trade name, trademark to deceive consumer.

3. No person shall use the trade name or trademark of a depository institution, its affiliate or subsidiary or a trade name or trademark similar to that of a depository institution, its affiliate or subsidiary in any advertisement or solicitation for services or products when that use could cause any reasonable person to be confused, mistaken or deceived, initially or otherwise, as to the sponsorship, affiliation, connection or association of that person using the trade name or trademark with the depository institution, affiliate or subsidiary or as to the approval of that person using the trade name or trademark by the depository institution, affiliate or subsidiary.

C.17:16Y-4 Violations, penalties.

4. a. A person who violates the provisions of this act shall be liable to a penalty of \$1,000 for each violation. The penalty shall be collected by the Commissioner of Banking and Insurance in accordance with the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The penalty provided by this section shall be in addition to any other penalty provided under applicable law.

b. In addition to the penalties of subsection a. of this section, the Commissioner of Banking and Insurance shall order any person in violation of this act to cease their unlawful practices.

C.17:16Y-5 Regulations.

5. The Commissioner of Banking and Insurance shall promulgate regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) as necessary to effectuate the purposes of this act.

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

Approved March 15, 2007.

CHAPTER 52

AN ACT establishing an independent Office of State Comptroller, consolidating financial audit and performance reviews of State and local government units, revising various parts of statutory law and supplementing Title 52 of the Revised Statutes.

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

C.52:15C-1 Findings, declarations relative to the office of the State Comptroller.

1. The Legislature finds and declares that:

As the size of State and local government agencies and authorities has grown over the last several decades to meet growing demands for governmental assistance and programs to meet new and growing societal needs, the State's ability to manage the various governmental systems of public financial control and accountability has not matched the State Government's responsibility to subject governmental financial activities to uniform, meaningful, and systematic public scrutiny;

Meeting the responsibility for overseeing and promoting the professional conduct of internal audits, providing assurance on the adequacy of internal financial controls within agencies of government, including assessing the adequacy of controls over financial management, contracting, financial reporting and the delivery of government programs and activities with due regard to efficiency, effectiveness and economy is a fundamental duty of governmental officials to the taxpayers and public whom they serve;

The Governor has the responsibility to manage the operations of the Executive branch of State government, including oversight of all entities exercising executive branch authority, public institutions of higher education, units of local government and boards of education, efficiently and effectively supported by audit and oversight functions that strengthen public accountability with the goal of increasing public trust and confidence that every tax dollar collected by government is spent wisely and well;

There is a compelling need for State government to put into practice the presumption that there will be independence and integrity in the finan-

cial oversight of the discharge of its duties and responsibilities carried out in a manner and under a structure that safeguards the fiscal resources with which it has been entrusted; and

There is a need, therefore, to establish an independent Office of the State Comptroller which will report directly to the Governor, to ensure that these responsibilities are met.

C.52:15C-2 Establishment of Office of the State Comptroller.

2. a. There is established an Office of the State Comptroller. The office shall be established in the Executive Branch of the State government and for the purposes of complying with the provisions of Article V, Section IV, paragraph 1 of the New Jersey Constitution, the office shall be allocated in, but not of, the Department of the Treasury. Notwithstanding this allocation, the office shall be independent of any supervision or control by the State Treasurer, or the department or by any division, board, office, or other officer thereof.

b. The State Comptroller shall report directly to the Governor.

c. The State Comptroller shall submit requests for the budget of the office directly to the Governor who shall review the requests and forward them to the Division of Budget and Accounting in the Department of the Treasury.

C.52:15C-3 Appointment, qualifications of State Comptroller; term; compensation.

3. a. The Office of the State Comptroller shall be administered by the State Comptroller. The State Comptroller shall be appointed by the Governor with the advice and consent of the Senate. The State Comptroller shall be a person qualified by education, training, and prior work experience to direct the work of the office and to perform the duties and functions and fulfill the responsibilities of the position.

b. The State Comptroller shall serve for a term of six years and until a successor is appointed and has qualified. No person who has served as State Comptroller for two successive terms, including an unexpired term, shall again be eligible to serve in the Office of the State Comptroller or in that position until the expiration of six years following the second successive term served by that person.

c. The State Comptroller shall devote full time to the duties and responsibilities of the office and shall receive a salary as shall be provided pursuant to law.

d. During the term of office, the State Comptroller may be removed by the Governor only for cause upon notice and opportunity to be heard.

e. A vacancy in the position of State Comptroller due to a cause other than the expiration of the term shall be filled for the unexpired term only in the same manner as the original appointment.

C.52:15C-4 State Comptroller, employees of the Office, restrictions on candidacy, political activity.

4. a. A person who holds the position of State Comptroller shall not be a candidate for, or hold, elective public office for a period of two years immediately following the termination of that person's service as State Comptroller.

b. No person who holds the position of State Comptroller, or any position of employment as professional staff in the Office of State Comptroller, while holding any such office or position, shall: (1) be a candidate for election to, or hold, any elective public office or any office or position with any political party or club, or (2) in connection with another individual's candidacy for public office, sign or authorize the use of that person's name in connection with political or campaign literature or material, or print, publish or distribute such political or campaign literature or material.

C.52:15C-5 Responsibilities of the Office of the State Comptroller.

5. a. The Office of the State Comptroller shall be responsible for conducting, in accordance with section 8 of this act, routine, periodic and random audits of the Executive branch of State government, including all entities exercising executive branch authority, public institutions of higher education, independent State authorities, units of local government and boards of education and for conducting assessments of the performance and management of programs of the Executive branch of State government, including all entities exercising executive branch authority, public institutions of higher education, independent State authorities, units of local government and boards of education and the extent to which they are achieving their goals and objectives. The Office of the State Comptroller shall also serve as the office in which the Office of the State Inspector General, which shall be responsible for all the duties assigned pursuant to P.L.2005, c.119 (C.52:15B-1 et seq.), is allocated within the Department of the Treasury.

b. (1) The State Comptroller shall establish the internal organizational structure of the office and the bureaus therein in a manner appropriate to carrying out the duties and functions, and fulfilling the responsibilities, of the office. The State Comptroller shall have the power to appoint, employ, promote, and remove such assistants, employees, and personnel as the State Comptroller deems necessary for the efficient and effective administration of the office. All such assistants, employees and personnel shall be deemed

confidential employees for purposes of the "New Jersey Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1 et seq.) and shall serve in the unclassified service of the Civil Service.

(2) The Office of the State Inspector General shall be allocated within the Office of the State Comptroller, and the individual first appointed State Inspector General under P.L.2005, c.119, shall continue as State Inspector General for the first full term to which that individual was appointed pursuant to P.L.2005, c.119, and shall be eligible to serve in that position thereafter.

c. Within the limits of funds appropriated for such purposes, the State Comptroller may obtain the services of certified public accountants, qualified management consultants, and other professionals necessary to independently perform the duties and functions of the office.

C.52:15C-6 Authority of the State Comptroller.

6. The State Comptroller is authorized to call upon any department, office, division, agency or independent authority of State government to provide such information, resources, or other assistance deemed necessary to discharge the duties and functions and to fulfill the responsibilities of the State Comptroller under this act. Each department, office, division, agency or independent authority of this State shall cooperate with the State Comptroller and furnish the office with the assistance necessary to accomplish the purposes of this act.

C.52:15C-7 Consolidation of audit functions, performance review.

7. The State Comptroller shall consolidate within the Office of the State Comptroller the coordination of the internal and external audit functions, including but not limited to economy and efficiency audits in the Executive branch of State government, including all entities exercising executive branch authority, public institutions of higher education, independent State authorities, units of local government and boards of education. The State Comptroller is authorized to:

a. establish a full-time program of audit and performance review, in accordance with section 8 of this act, designed to provide increased accountability, integrity, and oversight of the Executive branch of State government, including all entities exercising executive branch authority, public institutions of higher education, independent State authorities, units of local government and boards of education; and

b. audit and monitor the process of soliciting proposals for, and the process of awarding, contracts made by the Executive branch of State government, including all entities exercising executive branch authority, public

institutions of higher education, independent State authorities, units of local government and boards of education that involve a significant consideration or expenditure of funds or are comprised of complex or unique components, or both, as determined by the State Comptroller; provided however, for the purposes of the duties of the Office of the State Comptroller, "contract" or "contracts" shall not include public employer-employee labor collective bargaining agreements.

C.52:15C-8 Powers of the State Comptroller.

8. a. The State Comptroller shall have all the powers necessary to carry out the duties and functions and to fulfill the responsibilities described in this act, including the power to conduct audits and reviews and propose and enforce remediation plans for the Executive branch of State government, including all entities exercising executive branch authority, public institutions of higher education, independent State authorities, units of local government and boards of education that are found by the State Comptroller to have deficient practices or procedures. The State Comptroller shall, pursuant to the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt rules and regulations necessary to effectuate the purposes of this act.

b. The State Comptroller and the Office of the State Comptroller shall conduct audits and reviews in accordance with prevailing national and professional standards, rules, and practices relating to such audits and reviews in government environments, including the standards for performance reviews utilized by the United States Government Accountability Office or its successor, and the State Comptroller shall ensure that the office remains in compliance with such standards, rules, and practices.

c. (1) As to entities that are not required by law to undergo periodic certified financial audits, the State Comptroller shall determine the frequency with which financial audits shall be conducted of such entities by the State Comptroller by establishing objective criteria, which criteria shall weigh relevant risk factors, including, but not limited to, the size of the entity's budget and the entity's past performance.

(2) As to entities that are required by law to undergo periodic certified financial audits, the State Comptroller shall undertake analysis and review of the certified financial audits of such entities and of the procedures used to conduct those audits. When the State Comptroller's analysis and review identifies weaknesses, inadequacies or failures in the entity's financial controls or concerns about the quality or independence of the audits, the State Comptroller shall be authorized to undertake a financial audit or such other

steps as the State Comptroller deems appropriate. In determining when to proceed with a financial audit, the State Comptroller may also take into account information obtained pursuant to section 10 of this act; referrals or recommendations from Executive branch departments or agencies; or assessments or evaluations of the entity's management, performance or financial condition from federal or State government agencies, such as those undertaken as part of the New Jersey Quality Single Accountability Continuum for school districts.

(3) The State Comptroller shall establish objective criteria for undertaking performance and other reviews authorized by this act, which criteria shall weigh relevant risk factors, including, but not limited to: (a) the size of the entity's budget, (b) the entity's past performance, (c) the frequency, scope, and quality of any audits or reviews that have been performed regarding the entity's financial condition or performance, (d) assessments or evaluations of the entity's management, performance or financial condition such as those undertaken as part of the New Jersey Quality Single Accountability Continuum for school districts, and (e) other credible information which suggests the necessity of a review.

(4) For purposes of this subsection, "entity" means any unit in the Executive branch of State government, including all entities exercising executive branch authority, public institutions of higher education, independent State authorities, units of local government and boards of education or their vendors. For purposes of this subsection, "certified financial audits" does not include audits conducted by the State Auditor.

d. The State Comptroller shall provide guidance to units in the Executive branch of State government, independent State authorities, units of local government and boards of education units that are required to engage outside auditors regarding procurement of their services, the rotation of the providers of such services, and the avoidance of possible conflicts of interest in the hiring of outside auditors.

e. In carrying out the duties, functions and responsibilities of the Office of the State Comptroller under this act, the State Comptroller shall not charge any costs incurred by the office against a unit of local government or board of education.

C.52:15C-9 Coordination of audits, investigations, performance reviews.

9. a. The State Comptroller shall establish a system that shall ensure that any officers and employees of the Office of the Inspector General, the Department of Law and Public Safety, the Department of Education, the Department of the Treasury, the Department of Transportation, the Division

of Local Government Services in the Department of Community Affairs, the Local Finance Board, and the Office of the State Auditor who perform audits, investigations, and performance reviews similar or identical to those authorized to be performed by the State Comptroller shall conduct their audits, investigations and reviews with the consultation of, and in coordination and cooperation with, the State Comptroller.

b. For the purpose of establishing and maintaining this system, the State Comptroller shall meet at periodic intervals, but at least four times annually, with the Attorney General, the State Treasurer, the State Inspector General, the Commissioner of Education, the Commissioner of Transportation, the Director of the Division of Local Government Services in the Department of Community Affairs, staff of the Local Finance Board, the State Auditor, and any other public officers or employees deemed necessary who perform audits, investigations, and performance reviews. The responsibility of all parties during these meetings shall be to: facilitate communication and exchange information on completed, current, and future audits, investigations, and reviews; avoid duplication and fragmentation of efforts; optimize the use of resources; avoid divisiveness and organizational uncertainty; promote effective working relationships; and avoid the unnecessary expenditure of public funds.

c. To further ensure the consultation of, and coordination and cooperation with, the State Comptroller, the Commissioner of Education, the Director of the Division of Local Government Services in the Department of Community Affairs, and the staff of the Local Finance Board shall promptly notify the State Comptroller of any local audits that have been submitted to them that reveal any significant deficiencies.

C.52:15C-10 Notice to State Comptroller of award of certain contracts; definitions.

10. a. In furtherance of the duty of the State Comptroller to audit and monitor the process of soliciting proposals for, and the process of awarding, contracts by contracting units which contracts involve a significant consideration or expenditure of funds, a contracting unit shall provide notice to the State Comptroller no later than 20 business days after the award of a contract involving consideration or an expenditure of more than \$2,000,000 but less than \$10,000,000.

As used in this section, "contracting unit" 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, any independent State authority, commission, instrumentality and agency, and any State college or university, any county col-

lege, and any unit of local government including a county, municipality, board of education and any board, commission, committee, authority or agency, thereof which has administrative jurisdiction over any project or facility, included or operating in whole or in part, within the territorial boundaries of any county, municipality or board of education which exercises functions which are appropriate for the exercise by one or more units of local government, and which has statutory power to make purchases and enter into contracts for the provision or performance of goods or services.

As used in this section, "contract" shall not include developers agreements entered into in conjunction with an approval granted under the "Municipal Land Use Law," P.L.1975, c. 291 (C.40:55D-1 et seq.), redevelopment agreements entered into under the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et al.), financial agreements entered into under the "Long Term Tax Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.), agreements entered into under the "Five-Year Exemption and Abatement Law," P.L.1991, c.441 (C.40A:21-1 et seq.), agreements entered into under section 7 of P.L.1989, c.207 (C.54:4-3.145), agreements entered into under sections 34 through 39 of P.L.1997, c.278 (C.58:10B-26 through 58:10B-31), and agreements entered into under the "Municipal Landfill Site Closure, Remediation and Redevelopment Act," P.L.1996, c.124 (C.13:1E-116.1 et al.).

b. (1) A contracting unit shall inform the State Comptroller in writing, in a form to be determined by the State Comptroller, of the commencement of any procurement process involving consideration or an expenditure of \$10,000,000 or more at the earliest time practicable as the contracting unit commences the procurement process, but no later than the time the contracting unit commences preparation of: any bid specification or request for proposal; concession offering; proposal to purchase, sell, or lease real estate; or other related activities and contracts.

(2) Unless waived by the State Comptroller upon request of the contracting unit, at least 30 days shall elapse from the time the contracting unit informs the State Comptroller pursuant to paragraph (1) of this subsection and the time the contracting unit may issue any public advertising, notice of availability of a request for proposals or any other public or private solicitation of a contract for a procurement that is subject to this subsection in order that the State Comptroller may complete a review that may be undertaken pursuant to paragraph (4) of this subsection.

(3) At any time during that 30 days, or on a date thereafter, but no later than 15 business days before the date of a planned issuance of any public advertising, notice of availability of a request for proposals or any other

public or private solicitation of a contract involving consideration or an expenditure of \$10,000,000 or more, the contracting unit shall provide notice to the State Comptroller, in a form to be determined by the State Comptroller and to include such documents and information as determined by the State Comptroller, of the planned action.

(4) Upon receipt of the notice and any accompanying documents and information required pursuant to paragraph (3) of this subsection, the State Comptroller may review such submission and provide a written determination to the contracting unit regarding whether the procurement process complies with applicable public contracting laws, rules, and regulations. The State Comptroller's review is not for the purpose of reviewing the contracting unit's decision to undertake the procurement or to otherwise supplant the contracting unit's authority to create or implement public policy. If the State Comptroller determines that the procurement process does not comply with applicable public contracting laws, rules, and regulations, the State Comptroller shall direct the contracting unit not to proceed with the procurement. In such an instance, the State Comptroller shall state the reasons for such determination and may include in its determination guidance to the contracting unit regarding an appropriate procurement process. A contracting unit may proceed with a planned procurement that is subject to this subsection after the expiration of the 30-day period or the granting of a waiver as provided in paragraph (2), unless it receives a written determination not to proceed from the State Comptroller within 15 business days of the date the contracting unit provided written notice to the State Comptroller, pursuant to paragraph (3) of this subsection.

(5) Information communicated by or between a contracting unit and the State Comptroller pursuant to this subsection shall be considered advisory, consultative, or deliberative material for purposes of P.L.1963, c.73 (C.47:1A-1 et seq.), as amended and supplemented, except for written determinations designated by the State Comptroller as public records.

c. Provided however, that the notice and review provided for in subsection b. of this section shall not apply to the award of any contract issued pursuant to section 6 of P.L.1971, c.198 (C.40A:11-6) or N.J.S.18A:18A-7, or under a public exigency requiring the immediate delivery of articles or performance of service under a contract issued pursuant to section 5 of P.L.1954, c.48 (C.52:34-10), or issued pursuant to any similar provisions of law and regulations thereunder applicable for a respective contracting unit. Notice of the award of any such contract shall be provided to the State Comptroller no later than 30 business days after the award.

d. The State Comptroller, in consultation with the Department of the Treasury, shall, no later than March 1, 2010, and March 1 of every fifth year thereafter, adjust the threshold amounts set forth in subsections a. and b. of this section, or the threshold amounts resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L.1971, c.198 (C.40A:11-2), and shall round the adjustment to the nearest \$100,000. The State Comptroller shall, no later than June 1, 2010, and June 1 of every fifth year thereafter, notify contracting units of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

C.52:15C-11 Reports from the State Comptroller relative to findings of audits and reviews.

11. a. The State Comptroller shall report the findings of audits and reviews performed by the office, and issue recommendations for corrective or remedial action, to the Governor, the President of the Senate and the Speaker of the General Assembly and to the unit in the Executive branch of State government, including any entity exercising executive branch authority, independent State authority, public institution of higher education, or unit of local government or board of education at issue. The unit in the Executive branch of State government, independent State authority, public institution of higher education, or unit of local government or board of education shall fully cooperate with the State Comptroller to develop recommendations for a corrective or remedial action plan. The State Comptroller shall monitor the implementation of those recommendations and shall conduct a subsequent review to determine whether there has been full implementation and continued compliance with those recommendations.

b. The State Comptroller shall report promptly to the Governor, the President of the Senate and the Speaker of the General Assembly if a unit in the Executive branch of State government, independent State authority, public institution of higher education, or unit of local government or board of education refuses to cooperate in development of a corrective or remediation plan or to comply with a plan.

c. The State Comptroller shall recommend that the Governor initiate disciplinary proceedings against any official or employee of a unit in the Executive branch of State government, including any entity exercising executive branch authority, or independent State authority who impedes an audit, or who fails or refuses to cooperate in the development of a corrective or remedial action plan or to comply with a plan. The Governor may cause an investigation to be made of the conduct of any such official or

employee and may require such official to submit to the Governor a written statement or statements, under oath, of such information as the Governor may call for relating to the official's or the employee's conduct alleged by the State Comptroller. After notice, the service of charges and an opportunity to be heard at public hearing, the Governor may remove any such official or employee for cause. Such official or employee shall have the right of judicial review, on both the law and the facts, in such manner as may be provided by law.

d. If the State Comptroller is advised by the Commissioner of Education, the Director of the Division of Local Government Services in the Department of Community Affairs, staff of the Local Finance Board, or the State Auditor that a unit of local government or board of education or any official or employee thereof has impeded an audit, or has failed or refused to cooperate in the development of a corrective or remedial action plan or to comply with a plan recommended by such State official or employee thereof, the State Comptroller is authorized to recommend that the Governor (1) withhold the expenditure of State funds that may be due to be paid to that unit of local government or board of education, and (2) request the Commissioner of Education, the Director of the Division of Local Government Services in the Department of Community Affairs, or staff of the Local Finance Board, as may be appropriate for that unit of local government or board of education, to impose a corrective or remedial action plan that may include the prior approval by the State Comptroller of that local unit's or board's contracts and expenditures.

e. The State Comptroller shall provide periodic reports to the Governor, and shall issue an annual report to the Governor and submit that report to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), which shall be available to the public. The reports shall include but shall not be limited to the reporting of any programmatic deficiencies and weaknesses that the State Comptroller's audits, investigations, and reviews have found, and detailing the efforts by, or the failure of, any unit in the Executive branch of State government, including any entity exercising executive branch authority, independent State authority or unit of local government or board of education to implement a recommended plan for corrective or remedial action.

C.52:15C-12 Referral of certain findings to the Attorney General, other authority.

12. The State Comptroller is authorized to refer findings that may constitute alleged criminal conduct to the Attorney General or other appropriate prosecutorial authority. In the course of conducting audits and performance reviews, the State Comptroller may refer matters for investigation to the

State Inspector General or to the Attorney General or other appropriate authorities for further civil or administrative action, with recommendations to initiate actions to recover monies, to terminate contracts, or temporarily or permanently debar any person from contracting with or receiving funds from any unit in the Executive branch of State government, including any entity exercising executive branch authority, independent State authority or unit of local government or board of education.

C.52:15C-13 Notification from Attorney General relative to investigations, prosecutions.

13. a. When the State Comptroller or the State Inspector General refers a complaint alleging criminal conduct to the Attorney General or other appropriate prosecutorial authority and the Attorney General or prosecutorial authority decides not to investigate or prosecute the matter, the Attorney General or the prosecutorial authority shall promptly notify the State Comptroller and the State Inspector General. The Attorney General or the prosecutorial authority shall inform the State Comptroller and the State Inspector General as to whether an investigation is ongoing with regard to any matter so referred. The State Comptroller and the State Inspector General shall preserve the confidentiality of the existence of any ongoing criminal investigation.

If the Attorney General or the prosecutorial authority decides not to investigate or act upon the matter referred by the State Comptroller or the State Inspector General, the State Comptroller shall refer the matter to the State Inspector General after the receipt of such a notice.

Upon completion of an investigation or, in a case where the investigation leads to prosecution, upon completion of the prosecution, the Attorney General or the prosecutorial authority shall report promptly the findings and results to the State Comptroller and the State Inspector General. In the course of informing the State Comptroller and the State Inspector General, the Attorney General or prosecutorial authority shall give full consideration to the authority, duties, functions, and responsibilities of the State Comptroller and the State Inspector General, the public interest in disclosure, and the need for protecting the confidentiality of complainants and informants.

b. With respect to referrals to the State Inspector General, the State Inspector General shall report to the State Comptroller promptly when a final determination is made to not investigate or act upon the matter referred, or promptly upon completion of the investigation or action taken. The State Inspector General shall inform the State Comptroller as to whether an investigation is ongoing with regard to any matter so referred.

In the course of informing the State Comptroller, the State Inspector General shall give full consideration to the authority, duties, functions, and responsibilities of the State Comptroller, the public interest in disclosure, and the need for protecting the confidentiality of complainants and informants.

If the State Inspector General decides not to investigate or act upon the matter referred, the State Comptroller is authorized to continue an investigation after the receipt of such a notice.

c. The State Comptroller shall maintain a record of all matters referred and the responses received and shall be authorized to disclose information received as appropriate and as may be necessary to resolve the matter referred, to the extent consistent with the public interest in disclosure and the need for protecting the confidentiality of complainants and informants and preserving the confidentiality of ongoing criminal investigations.

C.52:15C-14 Full assistance, cooperation with State Comptroller, access to government records.

14. a. All units in the Executive branch of State government, including entities exercising Executive branch authority, independent State authorities, public institutions of higher education, units of local government and boards of education and their employees shall provide full assistance and cooperation with any audit, performance review or contract review by the State Comptroller.

b. The State Comptroller shall have complete access to all "government records" of "public agencies," as those terms are defined pursuant to section 1 of P.L.1995, c.23 (C.47:1A-1.1), including all information listed as confidential and specifically excluded as a "government record," in section 1 of P.L.1995, c.23 (C.47:1A-1.1). Provided however, that any information listed as confidential and specifically excluded as a "government record," in that section, to which the State Comptroller shall have access, shall directly relate to a program or expenditure that is the subject of an audit, performance review or contract review by the State Comptroller, and provided further that if a public agency provides the State Comptroller with access to information that is subject to a confidentiality agreement, the public agency shall promptly notify the parties to the agreement that the information is being provided to the State Comptroller.

c. Whenever a person requests access to a government record that the State Comptroller or the State Inspector General, during the course of an audit, investigation, performance review or contract review obtained from another public agency, which record was open for public inspection, examination or copying before the audit, investigation or review commenced,

the public agency from which the State Comptroller or the State Inspector General obtained the record shall comply with the request if made pursuant to P.L.1963, c.73 (C.47:1A-1 et seq.), provided that the request does not in any way identify the record sought by means of a reference to the State Comptroller's audit or review or to an investigation by the State Inspector General or any other public agency, including, but not limited to, a reference to a subpoena issued pursuant to such investigation.

d. Private vendors or other persons contracting with or receiving funds from a unit in the Executive branch of State government, including an entity exercising Executive branch authority, independent State authority, public institution of higher education, or unit of local government or board of education shall upon request by the State Comptroller provide the State Comptroller with prompt access to all relevant documents and information as a condition of the contract and receipt of public monies. The State Comptroller shall not disclose any document or information to which access is provided that is confidential or proprietary. If the State Comptroller finds that any person receiving funds from a unit in the Executive branch of State government, including an entity exercising executive branch authority, independent State authority, public institution of higher education, or unit of local government or board of education refuses to provide information upon the request of the State Comptroller, or otherwise impedes or fails to cooperate with any audit or performance review, the State Comptroller may recommend to the contracting unit that the person be subject to termination of their contract, or temporarily or permanently debarred from contracting with the contracting unit.

C.52:15C-15 Provision of technical assistance, training by the State Comptroller.

15. The State Comptroller shall provide technical assistance and training to units in the Executive branch of State government, including entities exercising executive branch authority, independent State authorities, public institutions of higher education, and units of local government and boards of education regarding best practices in developing and implementing financial management systems that will strengthen internal control procedures and prevent the misuse of public funds.

16. Section 1 of P.L.2005, c.119 (C.52:15B-1) is amended to read as follows:

C.52:15B-1 Findings, declarations relative to an Office of the Inspector General.

1. The Legislature finds and declares that:

the State of New Jersey expends more than \$28 billion in taxpayer funds each year, and agencies at other levels of government expend billions more;

it is fundamental that all government officials be publicly accountable for such expenditures;

promoting integrity in the administration and operations of government and improving public accountability are the cornerstones of government;

one of the remedial actions that can be taken to improve such accountability is to identify areas where State spending is wasteful or inefficient;

the Governor has the responsibility to ensure a balanced budget, manage the operations of State government effectively and efficiently, and maintain necessary government programs and assistance to the public;

it is the duty of the Governor to guard against extravagance, waste, or fiscal mismanagement in the administration of any State appropriation;

it is critically important that public officers and employees, at all levels of government, discharge their duties and responsibilities in a lawful and ethical manner, while conserving the fiscal resources that have been entrusted to the government's care by the taxpayers;

there is a compelling need to centralize the responsibility for investigating allegations of the improper discharge of these duties and responsibilities concerning the expenditure of State funds by, and the procurement process of, all State departments and agencies, independent authorities, county and municipal governments, and boards of education; and

there is a need, therefore, to create the Office of the Inspector General, which will report directly to the Governor, to ensure that these responsibilities are met.

17. Section 7 of P.L.2005, c.119 (C.52:15B-7) is amended to read as follows:

C.52:15B-7 Authority of the Inspector General.

7. The Inspector General is authorized to establish a full-time program of investigation, to receive and investigate complaints concerning alleged fraud, waste, abuse, or mismanagement of State funds, designed to provide increased accountability, integrity, and oversight of:

all recipients of State funds, including, but not limited to, State departments and agencies, independent authorities, county and municipal governments, and boards of education;

the awarding and the execution of contracts awarded by the State, or any of its independent authorities, commissions, boards, agencies, or instrumentalities, which contracts involve a significant expenditure of public

funds or are comprised of complex or unique components, or both, as determined by the Inspector General; and

the performance of governmental officers, employees, appointees, functions, and programs in order to promote efficiency, to identify cost savings, and to detect and prevent misconduct within the programs and operations of any governmental agency funded by, or disbursing, State funds.

18. Section 8 of P.L.2005, c.119 (C.52:15B-8) is amended to read as follows:

C.52:15B-8 Powers of the Inspector General.

8. a. The Inspector General shall have all the powers necessary to carry out the duties and functions and to fulfill the responsibilities described in this act, including the power to conduct investigations, and in pursuit thereof, evaluations, inspections, and other reviews.

b. The Inspector General and the office shall conduct investigations in accordance with prevailing national and professional standards, rules, and practices relating to such investigations in government environments, and the Inspector General shall ensure that the office remains in compliance with such standards, rules, and practices.

c. In furtherance of an investigation, the Inspector General may compel at a specific time and place, by subpoena, the appearance and sworn testimony of any person whom the Inspector General reasonably believes may be able to give information relating to a matter under investigation. For this purpose, the Inspector General is empowered to administer oaths and examine witnesses under oath, and compel any person to produce at a specific time and place, by subpoena, any documents, books, records, papers, objects, or other evidence that the Inspector General reasonably believes may relate to a matter under investigation.

If any person to whom such subpoena is issued fails to appear or, having appeared, refuses to give testimony, or fails to produce the books, papers or other documents required, the Inspector General may apply to the Superior Court and the court may order the person to appear and give testimony or produce the books, papers or other documents, as applicable. Any person failing to obey the court's order may be punished by the court as for contempt.

d. A person compelled to appear by the Inspector General and provide sworn testimony shall have the right to be accompanied by counsel, who shall be permitted to advise the witness of his or her rights. A witness compelled to appear and testify shall be accorded all due process rights.

19. Section 15 of P.L.2005, c.119 (C.52:15B-15) is amended to read as follows:

C.52:15B-15 Report of findings, recommendations.

15. The Inspector General shall report the findings of investigations performed by the office, and issue recommendations for corrective or remedial action, to the Governor, the President of the Senate and the Speaker of the General Assembly and to the entity at issue. The Inspector General shall monitor the implementation of those recommendations.

20. Section 70 of P.L.2000, c.72 (C.18A:7G-43) is amended to read as follows:

C.18A:7G-43 Office of Fiscal Integrity in School Construction.

70. There is established in the Office of the Attorney General the Office of Fiscal Integrity in School Construction. The office shall perform its duties under the direction of the Attorney General and shall cooperate and coordinate the performance of its duties with the Office of the State Comptroller. The Attorney General or his representative, in cooperation and coordination with the State Comptroller or his representatives, may investigate, examine, and inspect the activities of the authority and districts related to the financing and construction of school facilities and the implementation of the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.). The Attorney General and the State Comptroller may require the submission of duly verified reports from the authority and districts, which include such information in such form as the Attorney General and the State Comptroller may require. The Attorney General or the State Comptroller or a representative of either, may also consult with the authority on issues and procedures related to the exercise of its duties and responsibilities under P.L.2000, c.72 (C.18A:7G-1 et al.). The Legislature shall annually appropriate such funds as may be necessary to finance the operations of the office.

21. Section 4 of P.L.2006, c.15 (C.18A:7A-57) is amended to read as follows:

C.18A:7A-57 Forensic audit of certain school districts; presentation.

4. a. The Office of the State Auditor, or the Office of the State Comptroller, in cooperation with the State Auditor, shall conduct a forensic audit of the fiscal operations of any school district which has a year-end general fund deficit and also meets one of the other criteria in subsection a. of section 2 of this act. The audit shall be of the fiscal year in which the general

fund deficit occurred and shall be in addition to the audit required of school districts pursuant to N.J.S.18A:23-1.

b. Notwithstanding the provisions of R.S.52:24-1 et seq., or any other law to the contrary, the Office of the State Auditor or the Office of the State Comptroller shall submit the audit to the commissioner, the Governor, and the Legislature. The Office of the State Auditor or the Office of the State Comptroller shall also present the audit to the district's board of education and the public at the board's next regularly scheduled monthly meeting.

c. The Office of the State Auditor or the Office of the State Comptroller shall forward any findings of fraudulent activities discovered as a result of the audit to the appropriate law enforcement agency.

d. Within 30 days of the presentation of the audit by the Office of the State Auditor or the Office of the State Comptroller to the board of education, the board shall submit to the commissioner a plan that addresses all of the findings, conclusions, and recommendations of the Office of the State Auditor or the Office of the State Comptroller which have not been previously addressed by the school district.

22. R.S.52:14-3 is amended to read as follows:

Accountings for sums paid or received.

52:14-3. When such an agreement has been made between two departments, the heads thereof shall, from time to time, certify to the Director of the Division of Budget and Accounting the sum or sums due from the one to the other on account of such work, and the director shall thereupon cause to be paid such sum or sums to the creditor department. Payment may be by check, as other State bills are paid, or by a system of debits and credits, as the director may determine. All sums so received by or credited to any department shall be added to the current appropriation made for the support of said department, to the end that its appropriation may not be depleted by reason of the work done for another department.

23. R.S.52:14-4 is amended to read as follows:

Division of expenses.

52:14-4. Two or more departments may unite in co-operative work in lines germane to the duties of said departments, and the heads thereof may agree between themselves for the distribution of the expense to be incurred. The agreement may include the payment or transfer from one department to another of a lump sum, and the payment, by the department receiving the

same, of all expenses incurred in such co-operative work. The Director of the Division of Budget and Accounting shall, upon due notification of the agreement, make the necessary payments, or credits and debits, from sums not otherwise under requisition by the co-operating departments.

24. Section 7 of P.L.1948, c.92 (C.52:18A-7) is amended to read as follows:

C.52:18A-7 Former Office of State Comptroller abolished; accounting and financial management to Division of Budget and Accounting.

7. The office of State Comptroller, also designated and referred to as "Comptroller of the Treasury," as continued and transferred to and constituted an office within the Division of Budget and Accounting in the Department of the Treasury pursuant to the "Department of the Treasury Act of 1948," P.L.1948, c.92 (C.52:18A-1 et seq.), is abolished, and the Director of the Division of Budget and Accounting shall exercise the powers and perform the functions and duties concerning accounting and financial management vested in, or imposed upon, the comptroller of the treasury, as may be established by law.

25. Section 12 of P.L.1948, c.92 (C.52:18A-12) is amended to read as follows:

C.52:18A-12 Certain provisions of law construed as applying to the director of the Division of Budget and Accounting.

12. Wherever a provision of law relating to the presentation of claims or bills for approval, the drawing of warrants, the countersigning of receipts and checks, the administration of petty cash funds, the apportionment of taxes on railroad and canal property, applied to the Comptroller, or to the State Commissioner of Taxation and Finance from July 1, 1948, the effective date of the "Department of the Treasury Act of 1948," P.L.1948, c.92 (C.52:18A-1 et seq.), until the effective date of P.L.2007, c.52 (C.52:15C-1 et al.), such provision of law shall be construed as having applied instead to the director of the Division of Budget and Accounting.

26. Section 13 of P.L.1948, c.92 (C.52:18A-13) is amended to read as follows:

C.52:18A-13 Vacancies in certain offices, notice to banks.

13. The Secretary of State shall, when the offices of State Treasurer or director of the Division of Budget and Accounting shall become vacant or the officers or either of them shall no longer be authorized to act as such, respec-

tively, give written notice forthwith to all national banks located in this State and institutions authorized by the State to carry on a banking business of such vacancy or termination of power. No bank shall thereafter pay any check or draft of the State Treasurer, signed or countersigned by any person after his office shall become vacant or after he shall no longer be authorized to act.

27. Section 46 of P.L.1948, c.92 (C.52:18A-46) is amended to read as follows:

C.52:18A-46 Terms defined; references to.

46. Whenever the term "State Treasurer" occurs or any reference is made thereto in any law, contract or document, the same shall be deemed to mean or refer to the State Treasurer designated as the head of the Department of the Treasury established hereunder.

Whenever the term "State Director of the United New Jersey Railroad and Canal Company" occurs or any reference is made thereto in any law, contract or document, the same shall be deemed to mean or refer to the State Treasurer designated as the head of the Department of the Treasury established hereunder.

Whenever the term "State Comptroller" or "Comptroller of the Treasury" occurs or any reference is made thereto in any law, contract or document, the same, from July 1, 1948, the effective date of the "Department of the Treasury Act of 1948," P.L.1948, c.92 (C.52:18A-1 et seq.), until the effective date of P.L.2007, c.52 (C.52:15C-1 et al.), shall be deemed to mean or refer to the Director of the Division of Budget and Accounting in the Department of the Treasury established pursuant to P.L.1948, c.92 (C.52:18A-1 et seq.).

Whenever the term "Division of Purchase and Property in the State Department of Taxation and Finance" occurs or any reference is made thereto in any law, contract or document, the same shall be deemed to mean or refer to the Division of Purchase and Property in the Department of the Treasury established hereunder.

Whenever the term "Director of the Division of Purchase and Property in the State Department of Taxation and Finance" occurs or any reference is made thereto in any law, contract or document, the same shall be deemed to mean or refer to the Director of the Division of Purchase and Property in the Department of the Treasury established hereunder.

Whenever the term "Division of Local Government in the State Department of Taxation and Finance" occurs or any reference is made thereto in any law, contract or document, the same shall be deemed to mean or re-

fer to the Division of Local Government Services in the Department of Community Affairs established hereunder.

Whenever the term "Director of the Division of Local Government in the State Department of Taxation and Finance" occurs or any reference is made thereto in any law, contract or document, the same shall be deemed to mean or refer to the Director of the Division of Local Government Services in the Department of Community Affairs.

Whenever the term "Local Government Board of the Division of Local Government in the State Department of Taxation and Finance" occurs or any reference is made thereto in any law, contract or document, the same shall be deemed to mean or refer to the Local Finance Board of the Division of Local Government Services in the Department of Community Affairs.

Whenever the term "Division of Taxation in the State Department of Taxation and Finance" occurs or any reference is made thereto in any law, contract or document, the same shall be deemed to mean or refer to the Division of Taxation in the Department of the Treasury established hereunder.

Whenever the term "Director of the Division of Taxation in the State Department of Taxation and Finance" occurs or any reference is made thereto in any law, contract or document, the same shall be deemed to mean or refer to the Director of the Division of Taxation in the Department of the Treasury established hereunder.

Whenever the term "New Jersey Racing Commission" occurs or any reference is made thereto in any law, contract or document, the same shall be deemed to mean or refer to the New Jersey Racing Commission constituted the Division of the New Jersey Racing Commission established hereunder in the Department of the Treasury.

Whenever the term "State Commission of Taxation and Finance" occurs or any reference is made thereto in any law, contract or document, the same shall be deemed to mean or refer to the State Treasurer designated as the head of the Department of the Treasury established hereunder.

28. R.S.52:19-10 is amended to read as follows:

General duties of State Treasurer.

52:19-10. The State Treasurer shall:

- a. Superintend the collection of the revenue;
- b. Take general charge and supervision of all rights, interest and property of the State;
- c. Institute and direct prosecution against delinquent officers of the revenue, and for just claims and debts due to the State; and

d. Draw all warrants on the treasurer in favor of such public officers as receive salaries from the State and for the payment of all moneys directed by law to be paid out of the treasury, and such warrants shall designate the purpose for which they are drawn.

29. R.S.52:20-1 is amended to read as follows:

State House Commission, composition, compensation, terms.

52:20-1. The State House Commission shall consist of the Governor, who shall be the presiding officer, the State Treasurer, and the Director of the Division of Budget and Accounting in the Department of the Treasury or their designees, or the persons upon whom shall devolve by law the powers, duties and emoluments of said offices respectively, for the time being, and 2 members of the Senate appointed by the President thereof and 2 members of the General Assembly appointed by the Speaker thereof, no more than one of either group of 2 being of the same political party or their alternates. Each alternate for an appointed member shall also be a member of the Senate or General Assembly appointed by the President or Speaker, as appropriate, and shall have full voting powers when required to attend Commission meetings. The members of the commission shall serve without pay in connection with all such duties as are prescribed in this chapter. The appointed members of the commission shall serve as members thereof for terms co-extensive with their respective terms as members of the Houses of the Legislature from which they were appointed.

30. Section 1 of P.L.1940, c.35 (C.52:22-16.1) is amended to read as follows:

C.52:22-16.1 Director of the Division of Budget and Accounting authorized to transfer certain monies.

1. The Director of the Division of Budget and Accounting in the Department of the Treasury is hereby authorized to transfer by debit and credit, upon request in writing for that purpose by the head of any department or spending agency of the State government, monies appropriated to any such department or spending agency, to enable any such department or spending agency to pay telephone, telegraph, postage and rent charges.

31. Section 2 of P.L.1940, c.35 (C.52:22-16.2) is amended to read as follows:

C.52:22-16.2 Transfer and credit directly to State House Commission.

2. Whenever it is necessary so to do, the Director of the Division of Budget and Accounting in the Department of the Treasury is hereby authorized to transfer and make the necessary credit directly to the State House Commission.

32. R.S.52:19-2 is amended to read as follows:

Oath; filing.

52:19-2. The Director of the Division of Budget and Accounting in the Department of the Treasury, before entering upon the duties of his office, shall take an oath before one of the justices of the Supreme Court, that he will well, faithfully and impartially discharge all the duties required of him by law, and that he will not allow any claim, charge or account against the State unless satisfied that the same is justly due. Such oath shall be filed in the office of the Secretary of State.

C.52:15C-16 Terms deemed reference to Director of the Division of Budget and Accounting.

33. Whenever the term "State Comptroller" or "Comptroller of the Treasury" occurs or any reference is made thereto, in any law enacted, or in any contract or document executed, before the effective date of P.L.2007, c.52 (C.52:15C-1 et al.), the same shall be deemed to mean or refer to the Director of the Division of Budget and Accounting in the Department of the Treasury.

34. This act shall take effect on the first day of the sixth month following enactment.

Approved March 15, 2007.

CHAPTER 53

AN ACT concerning school district accountability, revising various parts of the statutory law and supplementing Title 18A of the New Jersey Statutes.

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

C.18A:55-3 School districts, conditions for receipt of State aid; efficiency standards.

1. As a condition of receiving State aid, a school district shall:
 - a. examine all available group options for every insurance policy held by the district, including any self-insurance plan administered by the New Jersey School Boards Association Insurance Group on behalf of districts, and shall participate in the most cost effective plans;
 - b. take steps to maximize the district's participation in the federal Universal Service Program (E-rate) and the ACT telecommunications program offered through the New Jersey Association of School Business Officials;
 - c. participate in the Alliance for Competitive Energy Services (ACES) Program offered through the New Jersey School Boards Association, unless the district is able to demonstrate to the commissioner that it receives goods or services at a cost less than or equal to the cost achieved by participants in the program;
 - d. take appropriate steps to maximize the district's participation in the Special Education Medicaid Initiative (SEMI) Program, with maximum participation defined by the commissioner; and
 - e. refinance all outstanding debt for which a 3% net present value savings threshold is achievable.

C.18A:22-8a "User-friendly" plain language budget summary forms for school districts; information; submission; availability.

2. a. The Commissioner of Education shall promulgate "user-friendly," plain language budget summary forms for the use of school districts. The commissioner shall also promulgate a procedure for the submission by each school district of the required budget summary form to the Department of Education following the approval of the budget.
- b. The plain language budget summary shall provide the public with information in summary form about the budget of the school district and shall include, in addition to an abbreviated version of the formal budget adopted by the school district, such statistical information as the commissioner determines to be useful for the public's understanding of the school district's fiscal matters and condition, and shall also include, but not be limited to, the following information for both the district's budget year and the prebudget year: all line items of appropriation aggregated by item type; the school tax rate; the equalized school tax rate; revenues by major category; the amount of available surplus; a description of unusual revenues or appropriations, with a description of the circumstances of the revenues or appropriations; and a list of shared service agreements in which the district is participating.

c. The plain language budget summary shall be submitted to the Department of Education in such form as determined by the commissioner, and, upon its receipt of the summary, the department shall make the summary available to the public through an Internet website maintained by the department in an easily accessible location. The information on the web site shall be presented as data that can be downloaded by the public for comparative purposes using commonly-used software.

C.18A:22-8b Required promulgation of forms, procedures.

3. Not later than the first day of the sixth month next following the enactment of P.L.2007, c.53 (C.18A:55-3 et al.), the Commissioner of Education shall promulgate the "user friendly," plain language budget summary forms and procedures required pursuant to section 2 of P.L.2007, c.53 (C.18A:22-8a).

C.18A:7F-5.3 Additional supporting documents for budget submissions relative to certain school employees.

4. a. In addition to other items prescribed by the Commissioner of Education pursuant to subsection c. of section 5 of P.L.1996, c.138 (C.18A:7F-5), the Commissioner of Education shall require a school district to submit annually with the budget, the following items as supporting documentation in regard to the superintendent of schools, the assistant superintendent of schools, the school business administrator, and any employee with an annual salary that exceeds \$75,000 who is not a member of a collective bargaining unit:

(1) a detailed statement of the employment contract terms for these school employees, including, but not limited to, the duration of the contract and all forms of compensation provided for under the contract;

(2) the annualized cost of all benefits provided to these school employees, including, but not limited to, all allowances, bonuses and stipends, and all contributions made by the school district towards the costs of health, dental, life and other types of insurance, medical and reimbursement plans, and retirement plans which exceed the contributions for the costs of these items made on behalf of a teaching staff member under a collective bargaining agreement with the board;

(3) a detailed statement of any benefits provided for in the employment contract with these school employees which are to be conferred after or upon the separation from the school district; and

(4) a detailed statement of any form of in-kind or other form of remuneration provided to these school employees which is not otherwise included in the employee's salary or benefits.

b. The items required to be submitted pursuant to subsection a. of this section shall be provided for public inspection on the school district's Internet site, if one exists, in a "user-friendly" format using plain language, and on the Department of Education's Internet site in an easily accessible location. The Commissioner of Education shall promulgate a "user-friendly," plain language format for the use of local districts for this purpose.

C.18A:11-11 Public notice required for alteration of contract terms of certain employees.

5. A board of education shall not renegotiate, extend, amend, or otherwise alter the terms of a contract with a superintendent of schools, assistant superintendent of schools, or school business administrator, unless notice is provided to the public at least 30 days prior to the scheduled action by the board. The board shall also hold a public hearing and shall not take any action on the matter until the hearing has been held. The board shall provide the public with at least 10 days' notice of the public hearing.

C.18A:17-20.2a Required actions relative to early termination of superintendent's employment contract.

6. a. Prior to a board of education entering an agreement for an early termination of an employment contract entered into with its superintendent of schools pursuant to the provisions of N.J.S.18A:17-15, that includes the payment of compensation to the superintendent as a condition of separation from service with the district, the board shall submit the agreement to the Commissioner of Education for approval. The agreement shall be submitted by certified mail, return receipt requested. The commissioner shall evaluate the agreement and have the authority to disapprove the agreement if the payment of compensation as a condition of separation from service is found to be excessive. The determination of the commissioner shall be made within 30 days of receipt of the agreement.

As used in this subsection, "compensation" includes, but is not limited to, salary, allowances, bonuses and stipends, payments for accumulated sick or vacation leave, contributions toward the costs of health, dental, life and other types of insurance, medical reimbursement plans, retirement plans, and any in-kind or other form of remuneration.

b. The Commissioner of Education shall adopt regulations in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to establish the allowable parameters of early termination agreements.

C.18A:17-15.1 Required provision of superintendent's employment contract.

7. An employment contract entered into between a board of education and a superintendent of schools shall include a provision that explicitly states that in the event that the certificate of the superintendent is revoked the contract is null and void as of the date of the revocation.

C.18A:17-14.4 Compliance with requirements for income tax on compensation of administrators.

8. A school business administrator, or any other person designated by the board of education, shall certify to the Department of the Treasury that all documentation prepared for income tax related purposes, in regard to superintendents of schools, assistant superintendents of schools, and school business administrators, complies fully with the requirements of federal and State laws and regulations regarding the types of compensation which are required to be reported.

C.18A:23-2.1 Annual audit to assure income tax compliance on reporting compensation.

9. The annual audit conducted pursuant to N.J.S.18A:23-1 shall include test measures to assure that documentation prepared for income tax related purposes complies fully with the requirements of federal and State laws and regulations regarding the compensation which is required to be reported.

C.18A:6-38.1 Revocation of certificate on commissioner's recommendation; rules.

10. a. If the Commissioner of Education believes, based on information provided by the school district in which the certificate holder was employed, that the conduct of a superintendent, assistant superintendent or school business administrator warrants the revocation of the certificate held, the commissioner shall recommend such revocation to the Board of Examiners.

b. 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.), under which the Board of Examiners may revoke a certificate pursuant to this section.

C.18A:6-38.2 Certification review under certain conditions.

11. If any condition exists within a school district that would authorize the appointment of a State monitor pursuant to the provisions of section 2 of P.L.2006, c.15 (C.18A:7A-55), the State Board of Examiners shall review the certification of the superintendent and school business administrator of the district.

C.18A:6-38.3 Noncompliance with GAAP, review of certification of administrator.

12. In the event that any school district is not in compliance with the GAAP system of double entry bookkeeping as required pursuant to the provisions of P.L.1989, c.266 (N.J.S.18A:4-14 et al.) within one year of the effective date of P.L.2007, c.53 (C.18A:55-3 et al.), the Commissioner of Education shall recommend to the Board of Examiners that the board review the certification of the district's school business administrator.

C.18A:26-8.2 "School leader" defined; training as part of professional development.

13. a. As used in this section, "school leader" means a school district staff member who holds a position that requires the possession of a chief school administrator, principal, or supervisor endorsement.

b. A school leader shall complete training on issues of school ethics, school law, and school governance as part of the professional development for school leaders required pursuant to State Board of Education regulations. The training shall be offered through a collaborative training model as identified by the Commissioner of Education, in consultation with the State Advisory Committee on Professional Development for School Leaders.

C.18A:7A-60 Additional powers of Commissioner of Education relative to performance of compliance audit; report.

14. a. In addition to the powers provided pursuant to P.L.2005, c.235 and P.L.1996, c.138 (C.18A:7F-1 et al.) or any other law, the Commissioner of Education may appoint an external entity, in accordance with State procurement laws, to perform a compliance audit of the spending of the district's general fund budget upon identification that the district may be spending State education funds for purposes that are not in compliance with State education law and regulation. The scope of the compliance audit shall be determined by the commissioner based upon the specific circumstances of the district.

b. The final report of a compliance audit conducted pursuant to subsection a. of this section shall include specific findings and recommendations, as applicable, and shall be submitted to the commissioner. The commissioner may use the audit report as evidence for the appointment of a State monitor pursuant to the provisions of subsection a. of section 2 of P.L.2006, c.15 (C.18A:7A-55).

c. The school district shall reimburse the Department of Education for the total cost of the compliance audit conducted pursuant to subsection a. of this section if the final audit report includes findings that the district has spent State education funds for purposes that are not in compliance with State education law and regulation.

C.18A:11-12 Definitions relative to travel; travel policy; procedures; compliance.

15. a. As used in this section:

(1) "Travel expenditures" means those costs paid by the school district using local, State, or federal funds, whether directly by the school district or by employee reimbursement, for travel by school district employees and district board of education members, to the following four types of travel events:

(a) "training and seminars" which means all regularly scheduled, formal residential or non-residential training functions, conducted at a hotel, motel, convention center, residential facility, or at any educational institution or facility;

(b) "conventions and conferences" which means general programs, sponsored by professional associations on a regular basis, which address subjects of particular interest to a school district or are convened to conduct association business. The primary purpose of employee attendance at conferences and conventions is the development of new skills and knowledge or the reinforcement of those skills and knowledge in a particular field related to school district operations. These are distinct from formal staff training and seminars, although some training may take place at such events;

(c) "regular school district business" which means all regular official business travel, including attendance at meetings, conferences and any other gatherings which are not covered by the definitions included in subparagraphs (a) and (b) of this paragraph;

(d) "retreats" which mean meetings with school district employees and school board members, held away from the normal work environment at which organizational goals and objectives are discussed. If available, school district facilities shall be utilized for this type of event.

(2) School district travel expenditures include, but are not limited to, all costs for transportation, meals, lodging, and registration or conference fees to and for the travel event.

(3) School district travel expenditures include costs for all required training and all travel authorized in existing school district employee contracts and school board policies. This includes, but is not limited to, required professional development and other staff training, required training for new school board members, and attendance at specific conferences authorized in existing employee contracts.

(4) A school district shall not bear costs for car rentals, limousine services, and chauffeuring costs to or during the event, as well as costs for employee attendance for coordinating other attendees' accommodations at the travel event.

b. A board of education shall implement a policy and procedures pertaining to travel expenditures for its employees and school board members that are in accordance with the provisions of this section.

c. A board of education shall ensure through its policy and procedures that all travel by its employees and board members is educationally necessary and fiscally prudent, and shall include the requirement that all school district travel expenditures are:

(1) directly related to and within the scope of the employee's or board member's current responsibilities and, for school district employees, the school district's professional development plan;

(2) for travel that is critical to the instructional needs of the school district or furthers the efficient operation of the school district; and

(3) in compliance with State travel payment guidelines as established by the Department of the Treasury and with guidelines established by the federal Office of Management and Budget; except that those guidelines that conflict with the provisions of Title 18A of the New Jersey Statutes shall not be applicable, including, but not limited to, the authority to issue travel charge cards. The board of education shall specify in its travel policy the applicable restrictions and requirements set forth in the State and federal guidelines including, but not limited to, types of travel, methods of transportation, mileage allowance, subsistence allowance, and submission of supporting documentation including receipts, checks or vouchers.

d. A board of education shall include in its travel policy a requirement for the employee or board member to submit to an appropriate party as designated, and within a timeframe specified by the board's policy, a brief report that includes the primary purpose for the travel and the key issues that were addressed at the event and their relevance to improving instruction or the operation of the school district.

e. A board of education shall require in its travel policy that detailed documentation be maintained on file in the school district which demonstrates compliance with the school board's travel policy including travel approvals, reports, and receipts for all school district funded expenditures, as appropriate.

f. For employees, a board of education shall require in its policy that travel occur only upon prior written approval of the chief school administrator and prior approval by a majority of the full voting membership of the board.

For regular business travel only, a school board may authorize in its travel policy an annual maximum amount per employee for regular business travel for which school board approval is not required.

g. For board members, a board of education shall require in its policy that travel occur only upon prior approval by a majority of the full voting membership of the board and that the travel be in compliance with section 4 of P.L.1991, c.393 (C.18A:12-24) and section 5 of P.L.2001, c.178 (C.18A:12-24.1).

h. A school board may also approve, at any time prior to the event, travel for multiple months as long as the school board approval, as detailed in school board minutes, itemizes the approval by event, total cost, and number of employees and school board members attending the event. General or blanket pre-approval for travel is not authorized. Approval shall be itemized by event, event total cost, and number of employees and school board members attending the event.

i. A board of education shall state in its policy that travel payments will be paid only upon compliance with this section and the school board's policy provisions and approval requirements. The policy shall state that the school board will not ratify or approve payments or reimbursements for travel after completion of the travel event.

j. An employee of the school board, a school board member, or organization, shall not receive an amount for travel and travel-related expenses in advance of the travel pursuant to N.J.S.18A:19-1 et seq.

k. A board of education shall require in its policy that a board member recuse himself from voting on travel if the board member, a member of his immediate family, or a business organization in which he has an interest, has a direct or indirect financial involvement that may reasonably be expected to impair his objectivity or independence of judgment.

l. A board of education shall require in its policy that a board member shall not: act in his official capacity in any matter in which he or a member of his immediate family has a personal involvement that is or creates some benefit to the school official or member of his immediate family; or undertake any employment or service, whether compensated or not, which may reasonably be expected to prejudice his independence of judgment in the execution of his official duties.

m. A board of education may, in its policy, exclude from the requirements of prior school board approval pursuant to subsection f. of this section any travel caused by or subject to contractual provisions, other statutory requirements, or federal regulatory requirements. The school board may not exclude such travel from the subsistence requirements pursuant to subsections n. and o. of this section and the annual maximum travel expenditure amount pursuant to subsection p. of this section.

n. A board of education shall provide in its policy that one-day trips that do not involve overnight lodging are not eligible for a subsistence payment or reimbursement except in limited circumstances authorized in Department of the Treasury guidelines.

o. A board of education shall provide in its policy that overnight travel is eligible for a subsistence payment or reimbursement as authorized in Department of the Treasury guidelines, except as otherwise superseded by the following:

(1) per diem payment or reimbursement for lodging and meals will be actual reasonable costs, not to exceed the federal per diem rates as established in the federal register for the current year;

(2) lodging expenses may exceed the federal per diem rates if the hotel is the site of the convention, conference, seminar or meeting and the going rate of the hotel is in excess of the federal per diem rates. If the hotel at the site of the convention, conference, seminar, or meeting is no longer available, lodging may be paid for similar accommodations at a rate not to exceed the hotel rate for the event;

(3) receipts are required for hotel expenses. Meal expenses under the federal per diem allowance limits do not require receipts;

(4) in any case in which the total per diem reimbursement is greater than the federal per diem rate, except as stated in paragraph (2) of this subsection, the costs will be considered to be excessive and shall not be paid by school district funds;

(5) school districts shall patronize hotels and motels that offer special rates to government employees unless alternative lodging offers greater cost benefits; and

(6) payment or reimbursement is approved for the full cost of an official convention meal that the employee or school board member attends, when the meal is scheduled as an integral part of the convention or conference proceedings. If a meal is included in the registration fee, the allowance for the meal is not eligible for reimbursement.

p. Annually in the prebudget year, each district board of education shall establish by school board resolution, a maximum travel expenditure amount for the budget year, which the school district shall not exceed in that budget year. The school board resolution shall also include the maximum amount established for the prebudget year and the amount spent to date.

(1) The maximum school district travel expenditure amount shall include all travel in accordance with this section supported by local and State funds.

(2) A district board of education may elect to exclude travel expenditures to be supported by federal funds in the maximum travel expenditure

amount. If federal funds are excluded from the established maximum school district travel expenditure amount, the board of education shall include in the board resolution, the total amount of travel supported by federal funds from the prior year, prebudget year, and projected for the budget year.

q. Each district board of education shall maintain separate accounting for school district travel expenditures as necessary, to ensure compliance with the school district's maximum travel expenditure amount. This may include, but need not be limited to, a separate or offline accounting of such expenditures or expanding the school district's accounting system. The tracking system shall be sufficient to demonstrate compliance with the board's policy and this section, and shall provide auditable information.

r. Any district board of education that violates its established maximum travel expenditure as set forth in subsection p. of this section, or that otherwise is not in compliance with the travel limitations set forth in this section may be subject to sanctions by the commissioner as authorized pursuant to N.J.S.18A:4-23 and N.J.S.18A:4-24, including reduction of State aid in an amount equal to any excess expenditure.

s. A person who approves any travel in violation of the school district's policy or this section shall be required to reimburse the school district in an amount equal to three times the cost associated with attending the event.

An employee or member of the board of education who travels in violation of the school district's policy or this section shall be required to reimburse the school district in an amount equal to three times the cost associated with attending the event.

t. The provisions of this section shall apply to the boards of trustees and employees of charter schools.

16. Section 2 of P.L.2006, c.15 (C.18A:7A-55) is amended to read as follows:

C.18A:7A-55 Appointment of State monitor in certain school districts; duties.

2. a. In addition to the powers provided pursuant to P.L.2005, c.235 and P.L.1996, c.138 (C.18A:7F-1 et al.) or any other law, the Commissioner of Education shall have the authority to appoint a State monitor and additional staff, as necessary, to provide direct oversight of a board of education's business operations and personnel matters if: the school district receives an adverse or a disclaimer of opinion by its independent auditor in the annual audit required pursuant to N.J.S.18A:23-1; or any two or more of the following circumstances apply to the school district:

(1) the school district ends the fiscal year with a deficit balance as calculated for budgetary purposes in the general fund, special revenue fund, or capital projects fund, with the exception of a capital projects fund deficit caused by the issuance of bond anticipation notes;

(2) the school district receives a qualified opinion by its independent auditor in the annual audit required pursuant to N.J.S.18A:23-1;

(3) the school district receives an adverse, disclaimer, or qualified opinion by its independent auditor under the single audit section for State or federal awards in the annual audit required pursuant to N.J.S.18A:23-1;

(4) the school district receives any audit findings by its independent auditor identified as material weaknesses in internal controls;

(5) the school district fails to develop and implement a plan acceptable to the commissioner or his designee to address a potential or actual deficit balance in the general fund, special revenue fund, or capital projects fund, with the exception of a capital projects fund deficit caused by the issuance of bond anticipation notes;

(6) the school district fails to implement a plan from the prior year which causes any findings from the independent auditor to be repeated;

(7) the school district is required to return federal funds once it is determined that the school district's expenditures are not in compliance with the grant requirements; or

(8) the school district submits the annual audit after the submission date required pursuant to N.J.S.18A:23-1.

b. The State monitor shall:

(1) oversee the fiscal management and expenditures of school district funds, including, but not limited to, budget reallocations and reductions, approvals of purchase orders, budget transfers, and payment of bills and claims;

(2) oversee the operation and fiscal management of school district facilities, including the development and implementation of recommendations for redistricting and restructuring of schools;

(3) ensure development and implementation of an acceptable plan to address the circumstances set forth in subsection a. of this section which resulted in the appointment of the State monitor. The plan shall include measurable benchmarks and specific activities to address the deficiencies of the school district;

(4) oversee all district staffing, including the ability to hire, promote, and terminate employees;

(5) have authority to override a chief school administrator's action and a vote by the board of education on any of the matters set forth in this subsection, except that all actions of the State monitor shall be subject to the educa-

tion, labor, and employment laws and regulations, including the "New Jersey Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1 et seq.), and collective bargaining agreements entered into by the school district;

(6) attend all meetings of the board of education, including closed sessions; and

(7) meet with the board of education on at least a quarterly basis to discuss with the members of the board the past actions of the board which led to the appointment of the State monitor and to provide board members with education and training that address the deficiencies identified in board actions.

c. The Commissioner of Education shall notify the State Board of Education following the appointment of a State monitor pursuant to subsection a. of this section. The State monitor shall report directly to the commissioner or his designee on a weekly basis. The State monitor shall also report monthly to the board of education and members of the public at the regularly scheduled board of education meeting.

d. For purposes of the "New Jersey Tort Claims Act," N.J.S.59:1-1 et seq., the State monitor shall be considered a State officer.

e. The State monitor shall provide oversight in the school district until the commissioner determines that all remedial actions required under the plan have been implemented and the necessary local capacity and fiscal controls have been restored to school district operations.

f. The salary of the State monitor shall be fixed by the commissioner and adjusted from time to time as the commissioner deems appropriate. The school district shall assume the total cost of the State monitor and necessary additional staff appointed pursuant to subsection a. of this section.

17. Section 13 of P.L.1991, c.393 (C.18A:12-33) is amended to read as follows:

C.18A:12-33 Training program; requirements.

13. a. Each newly elected or appointed board member shall complete during the first year of the member's first term a training program to be prepared and offered by the New Jersey School Boards Association, in consultation with the New Jersey Association of School Administrators, the New Jersey Principals and Supervisors Association, and the Department of Education, regarding the skills and knowledge necessary to serve as a local school board member. The training program shall include information regarding the school district monitoring system established pursuant to P.L.2005, c.235, the New Jersey Quality Single Accountability Continuum,

and the five key components of school district effectiveness on which school districts are evaluated under the monitoring system: instruction and program; personnel; fiscal management; operations; and governance.

The board member shall complete a training program on school district governance in each of the subsequent two years of the board member's first term.

b. Within one year after each re-election or re-appointment to the board of education, the board member shall complete an advanced training program to be prepared and offered by the New Jersey School Boards Association. This advanced training program shall include information on relevant changes to New Jersey school law and other information deemed appropriate to enable the board member to serve more effectively.

c. The New Jersey School Boards Association shall examine options for providing training programs to school board members through alternative methods such as on-line or other distance learning media or through regional-based training.

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

Contents of budget; format.

18A:22-8. The budget shall be prepared in such detail and upon such forms as shall be prescribed by the commissioner and to it shall be annexed a statement so itemized as to make the same readily understandable, in which shall be shown:

a. In tabular form there shall be set forth the following:

(1) The total expenditure for each item for the preceding school year, the amount appropriated for the current school year adjusted for transfers as of February 1 of the current school year, and the amount estimated to be necessary to be appropriated for the ensuing school year, indicated separately for each item as determined by the commissioner;

(2) The amount of the surplus account available at the beginning of the preceding school year, at the beginning of the current school year and the amount anticipated to be available for the ensuing school year;

(3) The amount of revenue available for budget purposes for the preceding school year, the amount available for the current school year as of February 1 of the current school year and the amount anticipated to be available for the ensuing school year in the following categories:

- (a) Total to be raised by local property taxes
- (b) Total State aid
- (i) Core curriculum standards aid

- (ii) Special education aid
- (iii) Transportation aid
- (iv) Early childhood program aid
- (v) Demonstrably effective program aid
- (vi) Instructional supplement aid
- (vii) Supplemental core curriculum standards aid
- (viii) Distance learning network aid
- (ix) Bilingual aid
- (x) Other (detailed at the discretion of the commissioner)
- (c) Total federal aid
- (i) Elementary and Secondary Education Act of 1965 (20 U.S.C. s.2701 et seq.)
- (ii) Handicapped
- (iii) Impact Aid
- (iv) Vocational
- (v) Other (detailed at the discretion of the commissioner)
- (d) Other sources (detailed at the discretion of the commissioner).
- b. (Deleted by amendment, P.L.1993, c.117).
- c. In the event that the total expenditure for any item of appropriation is equal to \$0.00 for: (1) the preceding school year, (2) the current school year, and (3) the amount estimated to be necessary to be appropriated for the ensuing school year, that item shall not be required to be published pursuant to N.J.S.18A:22-11.
- d. The instruction function of the budget shall be divided at a minimum into elementary (K-5), middle school (6-8), and high school (9-12) cost centers, each of which shall be further divided by the core curriculum content areas. The commissioner shall phase in these requirements as soon as practicable.
- e. The budget as adopted for the school year pursuant to section 5 of P.L.1996, c.138 (C.18A:7F-5) shall be provided for public inspection on the school district's Internet site, if one exists, and made available in print in a "user-friendly" format using plain language. The Commissioner of Education shall promulgate a "user-friendly," plain language budget summary format for the use of school districts for this purpose.

19. This act shall take effect immediately.

Approved March 15, 2007.

CHAPTER 54

AN ACT establishing the “Local Unit Alignment, Reorganization, and Consolidation Commission,” performance measures for municipalities, and the Municipal Efficiency Promotion Aid Program, amending P.L.1995, c.247, supplementing chapter 27D of 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.52:27D-501 Findings, declarations relative to municipal consolidation and efficiency.

1. The Legislature finds and declares:

a. The State of New Jersey currently has 566 municipalities, 616 school districts, and 186 fire districts, each with its own layers of local bureaucracy that contribute to the high property tax burden suffered by New Jersey residents.

b. Consolidating local units, structurally and administratively streamlining county and municipal government, and transferring services to the most appropriate level of government for delivery would help to alleviate the property tax crisis by reducing the administrative costs of local government and making the delivery of local services more efficient due to economies of scale.

c. Due to legal obstacles, conflicting interests, and local concerns about sacrificing community identity, current laws permitting consolidation of municipalities and sharing of services between local units are seldom used.

d. Tough political decisions are often most expeditiously made through the use of bipartisan commissions, as demonstrated by the success of the federal base realignment and closure (BRAC) procedure.

e. Municipalities and other taxing districts are creatures of the Legislature; however, due to the pervasive notion of "home rule" and the political conflicts inherent in mandatory consolidation, it is necessary and proper to establish a bipartisan commission to fairly examine the allocation of responsibilities among local units in order to determine: (1) which level of government is best suited to deliver a given local government service, and (2) when consolidation will reduce the property tax burden for pairs or groups of local units, and to make those recommendations to the Legislature for approval by the affected voters in order to make a serious effort to reduce the number of municipalities and other local units in the State.

f. Consolidation and mandates for increased efficiency in the delivery of services are complementary processes, as the former reduces the administrative costs of local government on an external level and the latter does so on an internal level.

g. Local governments must be trained to use performance measures for decision making, strategic planning, performance improvement, accountability, and communication, and rewarded for increased efficiencies that result from their use.

C.52:27D-502 "Commission," "local unit" defined.

2. For the purposes of this act:

"Commission" means the "Local Unit Alignment, Reorganization, and Consolidation Commission" established pursuant to section 3 of P.L.2007, c.54 (C.52:27D-503).

"Local unit" means a municipality or fire district, and shall not include a school district, regional school district, or county.

C.52:27D-503 "Local Unit Alignment, Reorganization, and Consolidation Commission."

3. a. There is established in but not of the Department of Community Affairs, the "Local Unit Alignment, Reorganization, and Consolidation Commission."

b. The commission shall consist of nine voting members: the Commissioner of Community Affairs (or a designee) and the State Treasurer (or a designee), who shall both serve ex-officio; and seven public members, and shall be appointed as follows: one member appointed by the President of the Senate, one member appointed by the Minority Leader of the Senate, one member appointed by the Speaker of the General Assembly, one member appointed by the Minority Leader of the General Assembly, and three members, no more than two of whom shall be of the same political party, appointed by the Governor, with the advice and consent of the Senate. Of the three public members appointed by the Governor, one member shall reside in a northern county (Bergen, Essex, Hudson, Morris, Passaic, Union, Sussex, or Warren), one member shall reside in a central county (Hunterdon, Mercer, Middlesex, Monmouth, or Somerset), and one member shall reside in a southern county (Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem). No appointee shall be an elected official of a local unit or county unless that person has significant experience in shared service initiatives and demonstrated success at having implemented such agreements at the local level.

c. Members of the commission shall serve without compensation, but shall be reimbursed for expenses actually incurred in the performance of their duties.

d. The members shall be appointed within 60 days following the effective date of this act. The public members shall serve for terms of five years and until the appointment and qualification of a successor; except that in making the first appointments to the commission, one person shall be appointed to serve for one year, one for two years, one for three years, one for four years, and four for five years. The length of the respective term of each member of the first commission shall be determined by lot at the organization of the first commission. A public member may be reappointed. Any vacancy in the membership of the commission shall be filled in the same manner as the original appointment was made for the unexpired term only.

C.52:27D-504 Organization of commission, executive director and staff, meetings.

4. a. The "Local Unit Alignment, Reorganization, and Consolidation Commission" shall organize as soon as practicable after the appointment of its members and annually shall select a chair from among its members and a secretary, who need not be a member of the commission. The commission shall appoint an executive director, who shall serve at the pleasure of the commission and who shall have expertise in one or more local government subjects, such as planning, local finance, geography, taxation, or other relevant fields. The executive director shall appoint professional staff qualified by training and experience to serve the commission. The executive director and professional staff shall serve at the pleasure of the commission.

b. The commission may meet and hold hearings at the places it designates throughout the State.

C.52:27D-505 Duties of commission.

5. a. (1) The commission shall study and report on the structure and functions of county and municipal government, including local taxing districts, their statutory bases, including the fiscal relationship between local governments, and the appropriate allocation of service delivery responsibilities from the standpoint of efficiency.

(2) The commission shall recommend legislative changes which would encourage the more efficient operation of local government. These changes may include the structural and administrative streamlining of county and municipal government functions, including but not limited to, the transfer of functions from one level of government to another, and the use or establishment of regional service delivery entities.

(3) The commission shall also consider optimal service levels, ratios of employees to population served, cost structures for service delivery, and other best practices.

Within two years following the effective date of this act, the commission shall report its findings to the Governor, the President of the Senate, and the Speaker of the General Assembly.

b. Based on its findings pursuant to paragraph 3 of subsection a. of this section, the commission shall develop criteria to serve as the basis for recommending the consolidation of specific municipalities, the merger of specific existing autonomous agencies into the parent municipal or county government, or the sharing of services between municipalities or between municipalities and other public entities. Recommendations for sharing services may result from a study focusing exclusively on the sharing of services or may result from a study examining potential consolidation. Municipalities to be considered for consolidation shall be within the same county and shall also be situated within the same legislative district.

The criteria to govern a study to examine consolidation or the sharing of services shall include, but need not be limited to:

(1) a consideration of geographic factors, such as a shared boundary, or in the case of the recommended consolidation of more than two local units, that the consolidated local unit will have a contiguous boundary;

(2) an analysis of the economic costs and benefits of consolidation or the sharing of services, as the case may be, including potential tax savings and reductions in government costs through economies of scale;

(3) measures to ensure that costs and benefits of consolidation or service sharing are distributed equitably across the entire community; and

(4) measures to safeguard the interests of communities in the municipalities for which consolidation is recommended.

The commission shall give priority to local units that volunteer to be studied.

c. When a municipal consolidation is recommended by the commission, the commission shall substitute for a joint municipal consolidation study commission that would be formed pursuant to section 7 of the "Municipal Consolidation Act," P.L.1977, c.435 (C.40:43-66.41) or any other statute governing municipal consolidation, and no voter approval shall be required to create the study commission.

d. When a consolidation or shared service is recommended by the commission, the commission shall recommend for State funding any extraordinary expenses necessitated by the consolidation plan or shared service agreement. The commission shall recommend that this funding be provided

either by funds made available to the commission for that purpose or by the Legislature or State Treasurer as part of the annual State budget process.

C.52:27D-506 Local entities to cooperate with commission.

6. a. The "Local Unit Alignment, Reorganization, and Consolidation Commission" shall work in conjunction with the Local Finance Board and the Division of Local Government Services in the Department of Community Affairs. To the extent possible, the commission shall be entitled to the assistance and services of the employees of any State department, board, bureau, commission, or agency, as it may require and as may be available to it for its purposes.

b. The commission shall be entitled to the cooperation of the officials and employees of every county and municipality as it may require.

c. The commission may incur traveling and other miscellaneous expenses necessary to perform its duties, within the limits of funds available to it for its purposes.

C.52:27D-507 Annual report to Governor, Legislature; consolidation proposals.

7. a. The "Local Unit Alignment, Reorganization, and Consolidation Commission" shall annually, by January 31st, submit to the Governor and the Legislature a report summarizing the commission's activities over the course of the previous calendar year.

b. In the event that the commission proposes consolidation of local units or a shared services agreement, the commission shall submit a consolidation or shared services proposal to the Governor and the Legislature no later than May 1st of the year in which the proposed consolidation is to be put before the voters pursuant to subsection a. of section 8 of P.L.2007, c.54 (C.52:27D-508). A municipal consolidation proposal shall include, but not be limited to, a description of the form of government, the election of officers, the apportionment of debts, and other issues between pairs or groups of municipalities which the commission proposes should consolidate or share services.

c. A consolidation or shared services proposal shall take effect at the end of a period of 30 calendar days after the date on which the proposal is transmitted to the Senate and General Assembly, on a day on which both thereof shall be meeting in the course of a regular or special session, unless, between the date of transmittal and the end of the 30-day period, the Legislature passes a concurrent resolution stating in substance that the Legislature does not favor the consolidation proposal.

C.52:27D-508 Recommendations put before voters; adoption.

8. a. Upon the taking effect of a consolidation or shared services proposal pursuant to subsection b. of section 7 of P.L.2007, c.54 (C.52:27D-507), each recommendation included therein shall be put before the affected voters at the next general election and shall become effective only upon its adoption by a majority of the voters of each affected municipality.

b. In order to effectuate the provisions of subsection a. of this section, the Secretary of State shall forward to the clerk of each county in which the affected local units are located a public question to be included on the ballots at the next general election for the election districts encompassing those affected local units.

(1) The question with respect to consolidation shall read as follows:

“Shall (insert the names of the participating local units) be consolidated into a single local unit to be known as (insert the name proposed for the consolidated local unit)?”

(2) The question with respect to shared services shall read as follows:

“Shall (insert the services to be shared) be jointly undertaken between (insert the names of the entities between which sharing is to occur)?”

c. The consolidation of pairs or groups of local units recommended for consolidation under subsection a. of this section shall be accomplished within 14 months following the voter approval of the consolidation recommendation.

d. The adoption of a form of government, the election of officers, the apportionment of debts, and other issues between pairs or groups of municipalities required to consolidate pursuant to an approved consolidation recommendation under subsection c. of this section shall be determined by the commission, as far as practicable, in accordance with the procedures set forth in the “Municipal Consolidation Act,” P.L.1977, c.435 (C.40:43-66.35 et al.) or any other statute governing municipal consolidation.

e. For a period of 10 years from the consolidation of a pair or group of municipalities pursuant to a consolidation recommendation approved under subsection c. of this section, and notwithstanding any law to the contrary, the residents of those municipalities, or portions thereof, shall not have the right to secede to form a new municipality, or to consolidate with, or annex themselves to, any other municipality.

C.52:27D-18.2 Rules, regulations promulgated by Local Finance Board; efficiency benchmarks.

9. a. Within 12 months of the effective date of this act, the Local Finance Board shall promulgate rules and regulations establishing performance measures to promote cost savings in the delivery of services by mu-

municipal governments. In developing these measurements, the board shall take into account differing size, demographic, and geographic characteristics of municipalities that may have an impact on the demand for, and delivery of, specific services. In addition, these rules and regulations shall include consideration of the measurement process, identification of performance indicators, and design of data collection forms in order to assure consistency of information. In promulgating efficiency benchmarks, the Local Finance Board shall also include a training module for key municipal staff in order to facilitate the institutionalization of performance measurement.

b. The Commissioner of Community Affairs shall be authorized to finance the development of the performance measures and training modules promulgated pursuant to subsection a. of this section by using funds from the Regional Efficiency Development Incentive Program (REDI) established pursuant to P.L.1999, c.60 (C.40:8B-14 et seq.) and the Regional Efficiency Aid Program (REAP) established pursuant to P.L.1999, c.61 (C.54:4-8.76 et seq.).

c. Following the promulgation of the performance measures and training modules pursuant to subsection a. of this section, every municipality shall submit an annual performance report to the Local Finance Board setting forth an assessment of its performance of local government services. Each report also shall be posted on the municipality's official web site. The board shall provide that reporting of performance measurement data to the board shall be done through electronic submission over the Internet.

Funding for the costs of development of performance measures, training programs, and the implementation of the reporting system shall be appropriated from the "Sharing Available Resources Efficiently" account within the Property Tax Relief Fund.

d. Within two years of adopting rules implementing performance measures, the Local Finance Board shall develop and electronically publish on the Department of Community Affairs website a municipal report card, indicating a municipality's performance relative to efficiency standards, and how its efficiency changes over time.

10. Section 1 of P.L.1995, c.247 (C.52:27D-181.1) is amended to read as follows:

C.52:27D-181.1 Municipal Efficiency Promotion Aid Program.

1. There shall be appropriated annually by the Legislature for each State fiscal year an amount not less than \$34,825,000 for the Municipal Efficiency Promotion Aid Program. Prior to the adoption of rules and regu-

lations by the Local Finance Board pursuant to section 9 of P.L.2007, c.54 (C.52:27D-18.2), the amount appropriated shall be distributed to municipalities on or before September 1 of the State fiscal year in proportion to the number of residents of each municipality as determined pursuant to the most recent federal decennial census. In the second year following the adoption of regulations by the Local Finance Board pursuant to section 9 of P.L.2007, c.54 (C.52:27D-18.2), amounts appropriated to municipalities shall be distributed as aid to reward those municipalities that meet the performance measures promulgated by the board. The payment of Municipal Efficiency Promotion Aid Program aid shall be used solely and exclusively by each municipality for the purpose of reducing the amount the municipality is required to raise by local property tax levy for municipal purposes. If the amount of the payment exceeds the amount required to be raised by local property tax levy for municipal purposes, the balance of the payment shall be used to reduce the amount the municipality is required to collect for county purposes, notwithstanding the provisions of this or any other law to the contrary. The Local Finance Board shall certify annually that each municipality has complied with the requirements set forth herein.

11. There is appropriated from the General Fund to the Department of the Treasury the sum of \$95,000 to effectuate the purposes of sections 2 through 8 of this act.

12. This act shall take effect immediately.

Approved March 15, 2007.

CHAPTER 55

AN ACT creating a Joint Committee on Housing Affordability to provide oversight of housing availability in the State and supplementing Title 52 of the New Jersey Statutes.

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

C.52:9RR-1 Findings, declarations relative to housing affordability.

1. The Legislature finds and declares:

a. It has been more than twenty years since the Legislature enacted the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.) which provides a

voluntary system for municipalities to follow in zoning for affordable housing. Since the time of the enactment of this law, there has not been a unified review by the Legislature of the administration of the "Fair Housing Act," or a review of the issue of housing availability and affordability in general.

b. Soaring housing prices, escalating property taxes, increasing municipal fees, rising energy costs, and the costs to implement various State rules and regulations have put housing out of the reach of many citizens, particularly senior citizens on fixed incomes.

c. Available land to develop is rapidly dwindling, causing many experts to predict that New Jersey will be "built-out" by the end of the next decade. New Jersey currently is the most densely populated State in the nation.

d. Conflicting public policies on land use and planning have resulted in a lack of a coordinated approach by the State in addressing the issues that relate to the availability of decent, affordable housing for both home buyers and renters.

e. There is a need for continued, integrated oversight by the Legislature to review and shape solutions to address the State's residents' housing needs, and to address the Legislature's responsibility for the "Fair Housing Act" as an alternative to the court's remedies granted under the *Mount Laurel* doctrine.

C.52:9RR-2 "Joint Committee on Housing Affordability."

2. There is hereby created a committee to be known as the "Joint Committee on Housing Affordability." The committee shall consist of five members of the Senate, including two members of the Senate Community and Urban Affairs Committee, or its successor, to be appointed by the President of the Senate and five members of the General Assembly, including two members of the Assembly Housing and Local Government Committee, or its successor, to be appointed by the Speaker of the General Assembly. No more than three of the members from each House shall be of the same political party. All members shall serve without compensation and vacancies in the membership of the committee shall be filled in the same manner as the original appointments are made.

C.52:9RR-3 Chairman, vice chairman, secretary.

3. The committee shall select a chairman and vice chairman from among its members and a secretary who need not be a member of the committee.

C.52:9RR-4 Powers, duties of committee.

4. The committee is authorized, empowered and directed to conduct a continuing study of the availability and provision of housing affordable to all

New Jersey households, the financing and administration of programs providing affordable housing, the rules, regulations or actions promulgated or enforced by various State government entities, including but not limited to, departments, boards, bureaus, commissions, or agencies, that may negatively impact the affordability of housing, and land use policies and other issues related to making housing affordable, for the purpose of making recommendations for legislative action, including amendments to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.) or to the "State Planning Act," P.L.1985, c.398 (C.52:18A-196 et al.), or to any other statute as it deems practicable and desirable for the provision of opportunities for the affordability and availability of housing for all residents throughout the State.

C.52:9RR-5 Review of introduced bills by committee; housing affordability impact notes.

5. The staff of the Joint Committee shall review all bills introduced into both houses each Legislative session for identification of those bills which will clearly have a significant impact upon the cost, availability, or affordability of housing in New Jersey. A list of those bills so identified shall be prepared, and thereafter a statement to the sponsor and the chairman of the committee, if any, to which a bill on the list was referred, or to the presiding officer of the House in which the bill originated if no such reference was made, shall be sent by the Joint Committee Staff indicating that a housing affordability impact note is required. An impact note for each bill on the list shall thereafter be completed by the Joint Committee as soon as practicable, unless a request to expedite the preparation of an impact note is made by the bill's sponsor. If there is insufficient information to prepare a reliable estimate of the anticipated impact, a statement to that effect may be filed and shall meet the requirements of this section. The Legislative Budget and Finance Officer and the Office of Legislative Services shall provide such assistance as may be requested by the Joint Committee in the preparation of the housing affordability impact note.

C.52:9RR-6 Services available to the committee.

6. The committee shall be entitled to call to its assistance and avail itself of the services of the employees of the Legislative Services Commission, as well as employees of any other State, county or municipal department, board, bureau, commission or agency as it may require and as may be available to it for its purposes, and to employ such professional, stenographic and clerical assistants and incur such traveling and other miscellaneous expenses as it may deem necessary, in order to perform its duties,

and as may be within the limits of funds appropriated or otherwise made available to it for those purposes.

C.52:9RR-7 Meetings, hearings.

7. The committee may meet and hold hearings at such place or places as it shall designate during the sessions or recesses of the Legislature and shall make an annual report of its findings and recommendations to the Governor and the Legislature, and may make other reports or recommendations as it deems necessary or desirable.

8. This act shall take effect immediately.

Approved March 15, 2007.

CHAPTER 56

AN ACT concerning the Department of the Treasury, supplementing Title 52 of the Revised Statutes and amending P.L.2005, c.46 and P.L.1989, c.3.

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

C.52:18A-219 Division of Risk Management.

1. a. There is established in the Department of the Treasury a Division of Risk Management.

b. All of the functions, powers and duties of the Bureau of Risk Management within the Division of Purchase and Property in the Department of the Treasury are hereby transferred to the Division of Risk Management. Unless otherwise specified in the act, this transfer shall be subject to the provisions of the "State Agency Transfer Act," P.L.1971, c.375 (C. 52:14D-1 et seq.).

c. Whenever any statute, rule, regulation, order, contract, tariff, document, reorganization plan, judicial or administrative proceeding concerning risk management refers to the Bureau of Risk Management, the reference shall mean and refer to the Division of Risk Management.

C.52:18A-220 Director of the Division of Risk Management.

2. The division shall be under the immediate supervision of a director who shall administer the work of the division under the direction and su-

pervision of the State Treasurer. The director shall be appointed by the Governor, with the advice and consent of the Senate, and shall serve at the pleasure of the Governor. The Director of the Division of Risk Management shall receive such salary as shall be determined by the Treasurer within the limits of available appropriations. Notwithstanding the supervision and direction of the director by the State Treasurer, the director shall report directly to the Governor on all activities and responsibilities of the division as specified in this act.

C.52:18A-221 Mission of the division.

3. The mission of the division shall be to implement a well-coordinated strategy to identify and respond to the needs of the various departments and agencies of State Government in this regard. Specifically, the division shall:

- a. Procure insurance coverage, if appropriate, for any or all of the various departments and agencies of State Government, other than independent authorities and instrumentalities of the State, including, as otherwise required by law or as appropriate, coverage through self-insurance and use of third party administrators;
- b. Assist the various departments and agencies of State Government in developing sound plans of risk management, including developing programs to protect physical assets, and developing and implementing safety programs to mitigate both the frequency and severity of accidental loss and by reviewing these plans and programs from time to time;
- c. Administer the processing of all claims for the various self-administered and self-funded insurance programs of State agencies and departments, with litigation support from the Department of Law and Public Safety;
- d. Compile and distribute, on a monthly basis, accident frequency reports to the Governor, the commissioner of each principal department of State Government, and the Legislature. These reports shall track each department's current accident rate compared to historical trends and shall include summaries of any protocols in place to reduce risk; and
- e. Continue all of the previous functions and responsibilities of the Bureau of Risk Management, in addition to those listed in this section, and develop new strategies and programs, as appropriate.

C.52:18A-222 Risk Management Committee.

4. a. There is created a Risk Management Committee to monitor the State's risk management program as developed and coordinated by the divi-

sion. The committee shall be comprised of the commissioner of each principal department in State Government, or his designee. The State Treasurer and the Commissioner of Banking and Insurance shall serve as co-chairpersons of the committee, and the director of the division shall serve as Executive Secretary. The committee shall meet at least once every three months to:

- (1) review the accident frequency reports prepared by the division pursuant to subsection d. of section 3 of P.L.2007, c.56 (C.52:18A-221);
- (2) review policy issues related to worker safety and capital repair issues and their relationship to workers' compensation claims;
- (3) develop a program and schedule for risk management training of appropriate managers within the principal departments; and
- (4) oversee the establishment and operation of the risk management committees of each of the principal departments.

b. Each commissioner shall, pursuant to his general rule-making authority within each respective department, direct the appropriate personnel to administer and enforce any programs or protocols developed by the committee.

C.52:18A-223 Rules, regulations.

5. The Director of the Division of Risk Management shall promulgate 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.

C.52:18A-224 Short title.

6. Sections 6 through 16 of P.L.2007, c.56 (C.52:18A-224 through C.52:18A-234) shall be known and may be cited as "The Office of Information Technology Reorganization Act."

C.52:18A-225 Findings, declarations relative to Office of Information Technology.

7. The Legislature finds and declares:

a. Since its inception, the Office of Information Technology (OIT) has served an integral role in providing essential State services, developing the State's technical infrastructure, and maintaining an efficient and transparent State government;

b. Beyond its core responsibilities of application development and maintenance, data center operations, and telecommunications, OIT provides invaluable data management, Internet development, and geographic information systems to departments and agencies within the Executive Branch of State Government;

c. From developing the Department of Human Services' computer-based disability insurance systems to maintaining criminal databases utilized by the State Police, and from designing the Motor Vehicle Commission's online services to assisting the Division of Taxation in collecting State revenues, OIT provides the critical resources to connect various layers of State Government and deliver services to State residents;

d. Despite its achievements, OIT has been restrained by a lack of accountability, control, and monitoring in planning, developing, and conducting department and agency information technology projects;

e. The lack of oversight has contributed to disorganization and economic inefficiencies, while also restricting growth, limiting innovation, and discouraging creative input within OIT;

f. In order to realize the office's potential, keep pace with technological advancements, and meet the needs of residents and businesses throughout the State, it is necessary to reinforce OIT's role with a new structure, leadership, and mission; and

g. Therefore, the State must take a proactive approach in coordinating and integrating information technology planning, budgeting, and spending throughout the Executive Branch to advance cost savings, improve the quality of services, and retain operating efficiencies.

C.52:18A-226 Definitions relative to Office of Information Technology.

8. As used in this act:

a. "Chair" means the chairperson of the New Jersey Information Technology Governing Board.

b. "Governing Board" means the New Jersey Information Technology Governing Board established by section 10 of P.L.2007, c.56 (C.52:18A-228).

c. "Office" means the Office of Information Technology established by section 9 of P.L.2007, c.56 (C.52:18A-227).

d. "Project Review Board" means the New Jersey Information Technology Project Review Board established by section 14 of P.L.2007, c.56 (C.52:18A-232).

C.52:18A-227 Office of Information Technology.

9. a. There is established an Office of Information Technology.

b. The office shall be established in the Executive Branch of State Government and to comply with the provisions of Article V, Section IV, paragraph 1 of the New Jersey Constitution, the office shall be allocated in but not of the Department of the Treasury. Notwithstanding this allocation, the office shall be independent of any supervision or control by the State

Treasurer, or the department, or by any division, board, office, or other officer thereof.

c. The office shall be directed by the Chief Technology Officer, who shall report directly to the Governor.

d. The Chief Technology Officer shall submit requests for the budget of the office directly to the Governing Board which shall review the requests and upon approval forward them to the Division of Budget and Accounting in the Department of the Treasury.

e. Under the direction of the Chief Technology Officer, the office shall be responsible for:

(1) providing and maintaining the information technology infrastructure of the Executive Branch of State Government, including all ancillary departments and agencies of the Executive Branch of State Government; and

(2) providing staff support to the Governing Board at the request of the Chair.

f. The functions, powers, and duties granted to the office by Executive Order No. 84 of 1984, Executive Order No. 87 of 1998, and Executive Order No. 42 of 2006 shall be continued, and any function, power, or duty granted to the office by the Executive Orders that is inconsistent with the provisions of this act shall be rescinded.

C.52:18A-228 New Jersey Information Technology Governing Board.

10. a. There is established the New Jersey Information Technology Governing Board.

b. The Governing Board shall be comprised of nine members, including:

(1) the Chair, who shall be appointed by and serve at the pleasure of the Governor and shall possess the qualifications, training, and experience to perform the duties and fulfill the responsibilities of the position;

(2) the Chief Technology Officer;

(3) the State Treasurer, or a designee, who shall serve ex officio;

(4) three Executive Branch Commissioners, who shall be appointed by and serve at the pleasure of the Governor; and

(5) three public members, who shall be appointed by and serve at the pleasure of the Governor.

c. The Governing Board shall organize as soon as practicable, but no later than the 30th day after the appointment of a majority of its members. The Governing Board shall elect a vice-chair from among its members and appoint a secretary who need not be a member of the board.

d. Vacancies in the membership of the Governing Board shall be filled in the same manner as provided for in the original appointments.

e. The Governing Board shall meet quarterly or at more frequent intervals at the discretion of the Chair. The meetings of the board shall be held at the times and in the places the Chair deems necessary and appropriate to fulfill its duties and responsibilities.

f. The Office of Information Technology shall provide such stenographic, clerical, and other administrative assistants, and such professional staff, as the Governing Board requires to carry out its work. The board 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 for its purposes.

g. The public members of the Governing Board shall serve without compensation for their services, but may be reimbursed for traveling and other miscellaneous expenses necessary to perform their duties, within the limits of the funds made available to the board for its purposes.

h. The public members appointed to the Governing Board shall be considered public officers, subject to the financial disclosure requirements of Executive Order No. 1 of 2006.

i. It shall be the duty and responsibility of the Governing Board to:

(1) define and establish the overall direction, standards, and priorities for the information technology community in the Executive Branch of State Government;

(2) review and approve the annual budget request of the Office of Information Technology;

(3) review and approve all requests from departments and agencies for new information technology spending, prior to submission to the Division of Budget and Accounting in the Department of the Treasury; and

(4) define the extent of large-scale information technology projects and establish a monetary threshold for information technology projects requiring the review and approval of the Project Review Board.

C.52:18A-229 Administration of Office of Information Technology; Chief Technology Officer.

11. a. The Office of Information Technology shall be administered by the Chief Technology Officer for the State of New Jersey. The Chief Technology Officer shall be appointed by and serve at the pleasure of the Governor. The Chief Technology Officer shall be qualified by education, training, and prior experience to direct the work of the office and to perform the duties, functions and responsibilities of the position.

b. The Chief Technology Officer shall serve during the term of the Governor appointing the officer and until a successor is appointed and has qualified.

c. The Chief Technology Officer shall devote full-time to the duties and responsibilities of the office and shall receive a salary as shall be provided pursuant to law.

d. A vacancy in the position of Chief Technology Officer shall be filled in the same manner as provided for in the original appointment.

C.52:18A-230 Authority of Chief Technology Officer.

12. The Chief Technology Officer shall be authorized to:

a. Establish the internal organizational structure of the Office of Information Technology in a manner appropriate to carrying out the duties and functions, and fulfilling the responsibilities, of the office;

b. Coordinate and conduct all information technology operations in the Executive Branch of State Government, including agency technology operations;

c. Draft and establish Service Level Agreements with each department and agency in the Executive Branch of State Government;

d. In consultation with the Governing Board, review and analyze the results of the Statewide Information Technology Assessment Study; and

e. Enter into agreements, in accordance and consistent with applicable law, regulations, and existing contracts, with private and public entities or individuals to effectuate the purposes of sections 6 through 16 of P.L.2007, c.56 (C.52:18A-224 through C.52:18A-234).

C.52:18A-231 Deputy Chief Technology Officers.

13. a. The Chief Technology Officer is authorized to appoint up to six Deputy Chief Technology Officers.

b. Each Deputy Chief Technology Officer shall be appointed by and serve at the pleasure of the Chief Technology Officer, and shall be responsible for information technology planning, coordination, budgeting, technical architecture, and management of large-scale information technology initiatives, in a single area of interest as determined by the Chair of the Governing Board and the Chief Technology Officer.

C.52:18A-232 New Jersey Information Technology Project Review Board.

14. a. There is established the New Jersey Information Technology Project Review Board.

b. The Project Review Board shall report directly to the Governing Board and shall be comprised of between three and five Executive Branch

officials, selected by the Chair of the Governing Board with the approval of the Governor.

c. The Project Review Board shall be responsible for the review, approval, and monitoring of large-scale information technology projects in the Executive Branch of State Government.

d. The Project Review Board shall meet at the discretion of the Chair of the Governing Board, and shall convene meetings and hearings at the times and in the places as a majority of the members of the board shall decide.

e. The Office of Information Technology shall provide such stenographic, clerical, and other administrative assistants, and such professional staff, as the Project Review Board requires to carry out its work. The board 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 for its purposes.

C.52:18A-233 Reports to Governor, Legislature.

15. a. The Chief Technology Officer shall provide periodic reports to the Governor, and shall issue an annual report to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature regarding the information technology operations of the Executive Branch of State Government and the activities of the Office of Information Technology.

b. The annual report shall be issued on or before September 30 of each year, and shall be made available to the public.

C.52:18A-234 Cooperation required.

16. All Executive Branch departments and State agencies are directed to cooperate fully with the Office of Information Technology, the Governing Board, and the Chief Technology Officer to implement the provisions of sections 6 through 16 of P.L.2007, c.56 (C.52:18A-224 through C.52:18A-234) and to ensure effective use of information technology within the Executive Branch of State Government.

17. Section 5 of P.L.2005, c.46 (C.5:12-100.2) is amended to read as follows:

C.5:12-100.2 Prompt notice of award of annuity jackpot; offset, lien for child support arrearages.

5. a. Each slot system operator that awards an annuity jackpot shall provide prompt notice to the commission of the name, address and social security number of each annuity jackpot winner and the amount of the pending

payments. The commission shall forward such information to the Office of Information Technology in but not of the Department of the Treasury.

b. The Office of Information Technology shall cross check the annuity jackpot winner list with the data supplied by the Commissioner of Human Services pursuant to section 2 of P.L.1991, c.384 (C.5:9-13.2) for a social security number match. If a match is made, the Office of Information Technology shall notify the Commissioner of Human Services.

c. If an annuity jackpot winner is in arrears of a child support order, or is a former recipient of Aid to Families with Dependent Children or Work First New Jersey, food stamp benefits or low-income home energy assistance benefits who has incurred an overpayment which has not been repaid, the Probation Division of the Superior Court or the Department of Human Services, as appropriate, shall promptly notify the slot system operator of the name, address, social security number and amount due on an arrears child support order or the amount due on an overpayment. The slot system operator shall withhold this amount from the pending annuity jackpot payment and transmit same to the Probation Division of the Superior Court or the Department of Human Services, as appropriate, in accordance with regulations promulgated by the State Treasurer.

d. The Probation Division of the Superior Court, acting as agent for the child support payee or the county welfare agency that provided the public assistance benefits, as appropriate, shall have a lien on the proceeds of the annuity jackpot payment in an amount equal to the amount of child support arrearage or the amount of overpayment incurred, as appropriate. The lien imposed by this section shall be enforceable in the Superior Court. Any of the annuity jackpot winner's funds remaining after withholding pursuant to the lien established pursuant to this section shall be paid to the winner in accordance with the rules of the commission.

e. The Commissioner of Human Services shall promulgate such regulations as may be necessary to effectuate the purposes of this section including, but not limited to, regulations providing for prompt notice to any annuity jackpot winner, from whose payments the Probation Division of the Superior Court or the Department of Human Services seeks to withhold funds, of the amount to be withheld and the reason therefor and providing the annuity jackpot winner with the opportunity for a hearing upon request prior to the disposition of any funds.

f. The State Treasurer shall also provide, by regulation, safeguards against the disclosure or inappropriate use of any personally identifiable information regarding any person obtained pursuant to this section.

g. For the purposes of this section, "prompt notice" shall mean notice within 14 days or less.

18. Section 1 of P.L.1989, c.3 (C.52:17C-1) is amended to read as follows:

C.52:17C-1 Definitions.

1. As used in this act:

a. "Automatic number identification (ANI)" means an enhanced 9-1-1 service capability that enables the automatic display of the callback number used to place a 9-1-1 call;

b. "Automatic location identification (ALI)" means an enhanced 9-1-1 service capability that enables the automatic display of information defining the geographical location of the telephone used to place a 9-1-1 call;

c. "Commission" means the 9-1-1 Commission;

d. "County 9-1-1 Coordinator" means the County 9-1-1 Coordinator appointed pursuant to section 5 of this act;

e. "Enhanced 9-1-1 network" means the switching equipment, trunk system, database operation and connections to the public safety answering point;

f. "Enhanced 9-1-1 network features" means those features of selective routing which have the capability of automatic number and location identification;

g. "Enhanced 9-1-1 service" means a service consisting of telephone network features and public safety answering points provided for users of the public telephone system enabling the users to reach a public service answering point by dialing the digits "9-1-1." The service directs 9-1-1 calls to appropriate public safety answering points by selective routing based on the location from which the call originated and provides for automatic number identification and automatic location identification features;

h. "Enhanced 9-1-1 termination equipment" means the equipment located at the public safety answering point which is needed to receive or record voice and data communications from the enhanced 9-1-1 network;

i. "Office" means the Office of Emergency Telecommunications Services established by section 3 of this act;

j. "Public safety agency" means a functional division of a municipality, a county, or the State which dispatches or provides law enforcement, fire fighting, emergency medical services, or other emergency services;

k. "Private safety agency" means any entity, except a municipality or a public safety agency, providing emergency medical services, fire fighting, or other emergency services;

l. "Public safety answering point (PSAP)" means a facility, operated on a 24-hour basis, assigned the responsibility of receiving 9-1-1 calls and, as appropriate, directly dispatching emergency response services or transferring or relaying emergency 9-1-1 calls to other public safety agencies. A public safety answering point is the first point of reception by a public safety agency of 9-1-1 calls and serves the jurisdictions in which it is located or other participating jurisdictions;

m. "Selective routing" means the method employed to direct 9-1-1 calls to the appropriate public safety answering point based on the location from which the call originated;

n. "Emergency enhanced 9-1-1 system" or "system" means the emergency enhanced 9-1-1 telephone system to be established pursuant to this act, including wireless enhanced 9-1-1 service;

o. "Telephone company" means the organization that provides switched local telephone exchange access service;

p. "Wireless telephone company" means any person providing commercial mobile radio service as defined in 47 U.S.C. s.332 (d);

q. "FCC wireless E9-1-1 requirements" means the order adopted in the Federal Communications Commission proceeding entitled "Revision of the Commission's Rules to Ensure Comparability with Enhanced 9-1-1 Emergency Calling Systems," (CC Docket No. 94-102: RM-8143), or any successor proceeding, and the rules adopted by the Federal Communications Commission in any such proceeding, as these rules may be amended from time to time;

r. "Wireless 9-1-1 service" means the service which enables wireless telephone company customers to dial the digits 9-1-1 and be connected to a public safety agency;

s. "Wireless enhanced 9-1-1 service" means the service required to be provided by a wireless telephone company pursuant to FCC wireless E9-1-1 requirements;

t. "Chief Technology Officer" means the person appointed by and serving at the pleasure of the Governor who is responsible for the day-to-day operations of the Office of Information Technology;

u. "Governing Board" means the board established pursuant to section 10 of P.L.2007, c.56 (C.52:18A-228), to oversee the Office of Information Technology; and

v. "Office of Information Technology" means the Office of Information Technology in but not of the Department of the Treasury.

19. Section 2 of P.L.1989, c.3 (C.52:17C-2) is amended to read as follows:

New Jersey State Library

C.52:17C-2 9-1-1 Commission.

2. a. There is created in the Office of Information Technology a commission to be known as the 9-1-1 Commission which shall oversee the office in the planning, design, and implementation of the Statewide emergency enhanced 9-1-1 telephone system to be established pursuant to this act. The commission shall consist of 30 members as follows: two members of the Senate appointed by the President of the Senate, who shall not be both of the same political party; two members of the General Assembly appointed by the Speaker of the General Assembly, who shall not be both of the same political party; the following members ex officio: Chief Technology Officer of the Office of Information Technology; President of the Board of Public Utilities; Superintendent of State Police; Deputy Director of the State Office of Emergency Management in the Department of Law and Public Safety; Director of the Bureau of Fire Safety in the Department of Community Affairs; Director of Emergency Medical Services in the Department of Health and Senior Services; one member of the Governing Board of the Office of Information Technology in but not of the Department of the Treasury; the following public members appointed by the Governor with the advice and consent of the Senate: a representative of the New Jersey State League of Municipalities; a representative of the New Jersey State Association of Chiefs of Police; a representative of the Fire Fighters' Association of New Jersey; a representative of the New Jersey First Aid Council; a representative of the Associated Public Safety Communications Officers (APCO); a representative of Bell Atlantic-New Jersey; a representative of the independent telephone companies; two representatives of the wireless telephone companies; one representative of the National Emergency Number Association; two members representing county-wide dispatch centers; one representative of the Sheriffs Association of New Jersey; one representative of the New Jersey Fire Chiefs Association; one representative from the Certified Local Exchange Carriers; two members representing multi-municipal public safety dispatch centers who serve more than one, but less than five municipalities; and two members representing municipal public safety dispatch centers.

The members of the Senate and General Assembly appointed to the commission shall serve for terms which shall be for the term for which they were elected. Of the public members first appointed by the Governor with the advice and consent of the Senate, seven shall be appointed for terms of three years, six shall be appointed for terms of two years, and six shall be appointed for terms of one year. Thereafter, the public members of the commission shall be appointed for terms of three years. Vacancies on the

commission shall be filled in the same manner as the original appointment but for the unexpired term. Members may be removed by the appointing authority for cause. The initial members shall be appointed within 30 days of the effective date of P.L.1999, c.125 (C.52:17C-3.1 et al.). The commission shall have the authority to establish subcommittees as it deems appropriate to carry out the purposes of this act.

The members of the Senate and General Assembly appointed to the commission shall be non-voting, advisory members, appointed solely for the purpose of developing and facilitating legislation to assist the commission in fulfilling its statutory mission, and may not exercise any of the executive powers delegated to the commission by law.

b. Members of the commission shall serve without compensation, but the legislative and public members shall be entitled to reimbursement for expenses incurred in performance of their duties, within the limits of any funds appropriated or otherwise made available for that purpose.

c. Each ex officio member may designate an employee of the member's department or agency to represent the member at meetings or hearings of the commission. All designees may lawfully vote and otherwise act on behalf of the members for whom they constitute the designees.

d. The 9-1-1 Commission shall be constituted upon the appointment of the majority of its authorized membership and shall have no expiration date.

20. Section 3 of P.L.1989, c.3 (C.52:17C-3) is amended to read as follows:

C.52:17C-3 Office of Emergency Telecommunications Services.

3. a. There is established in the Office of Information Technology an Office of Emergency Telecommunications Services.

b. The office shall be under the immediate supervision of a director, who shall be a person qualified by training and experience to direct the work of the office. The director shall administer the provisions of this act subject to review by the Chief Technology Officer and shall perform other duties as may be provided by law. The director shall be appointed by the Chief Technology Officer, but the commission shall advise the Chief Technology Officer on the qualifications of the director. The Chief Technology Officer is authorized to appoint, in accordance with Title 11A of the New Jersey Statutes, clerical, technical, and professional assistants, and also may designate any available personnel as shall be necessary to effectuate the purposes of this act.

The office shall, subject to review by the commission and the Chief Tech-

nology Officer, only as provided in subsection c. of this section, and in consultation with the telephone companies, the Board of Public Utilities and the wireless telephone companies, and with the assistance of the Office of Information Technology in but not of the Department of the Treasury, continue to plan, design, implement, and coordinate the Statewide emergency enhanced 9-1-1 telephone system to be established pursuant to this act as well as any changes to that system needed to provide wireless enhanced 9-1-1 service.

To this end the office shall establish, after review and approval by the commission, a State plan for the emergency enhanced 9-1-1 system in this State, which plan shall include:

(1) The configuration of, and requirements for, the enhanced 9-1-1 network. The office with the approval of the commission and the Chief Technology Officer, only as provided herein, and assistance and advice of the Office of Information Technology in but not of the Department of the Treasury is empowered to enter into contracts with the telephone companies and the wireless telephone companies for the provision of this network.

(2) The role and responsibilities of the counties and municipalities of the State in the implementation of the system, consistent with the provisions of this act, including a timetable for implementation.

(3) Technical and operational standards for the establishment of public safety answering points (PSAPs) which utilize enhanced 9-1-1 network features in accordance with the provisions of this act. Those entities having responsibility for the creation and management of PSAPs shall conform to these standards in the design, implementation and operation of the PSAPs. These standards shall include provision for the training and certification of call-takers and public safety dispatchers or for the adoption of such a program.

The State plan shall be established within 270 days of the operative date of this act except that the technical and operational standards specified in paragraph (3) of this subsection shall be established within 180 days of the operative date of this act.

The office, after review and approval by the commission and the Chief Technology Officer, only as provided herein, may update and revise the State plan from time to time.

The office may inspect each PSAP to determine if it meets the requirements of this act and the technical and operational standards established pursuant to this section. The office shall explore ways to maximize the reliability of the system.

The plan or any portion of it may be implemented by the adoption of regulations pursuant to subsection b. of section 15 of this act.

The State plan shall require the consolidation of PSAPs as appropriate, consistent with revisions in the plan to upgrade the enhanced 9-1-1 system and shall condition the allocation of moneys dedicated for the operation of PSAPs on the merging and sharing of PSAP functions by municipalities, counties and the State Police, consistent with the revised plan. The Treasurer may establish, by regulation, a 9-1-1 call volume minimum that may be utilized as a factor in determining which PSAP functions are to be consolidated under the State plan.

The State plan shall limit the use of sworn law enforcement officers to provide dispatch services and the office shall condition the receipt of moneys dedicated for the operation of PSAPs on the limited use of sworn law enforcement officers, except for officers returning to active duty from an injury or other physical disability.

The office shall plan, implement and coordinate a Statewide public education program designed to generate public awareness at all levels of the emergency enhanced 9-1-1 system. Advertising and display of 9-1-1 shall be in accordance with standards established by the office. Advertising expenses may be defrayed from the moneys appropriated to the office.

The office, after review and approval by the commission and the Chief Technology Officer, only as provided herein, shall submit a report to the Senate Revenue, Finance and Appropriations Committee and the Assembly Appropriations Committee, or their successors, not later than February 15 of each year, concerning its progress in carrying out this act and the expenditure of moneys appropriated thereto and appropriated for the purposes of installation of the Statewide enhanced 9-1-1 network.

c. (Deleted by amendment, P.L.1999, c.125).

21. Section 7 of P.L.1989, c.3 (C.52:17C-7) is amended to read as follows:

C.52:17C-7 Public safety answering points.

7. No provision of this act shall be construed to prohibit in any manner the formation of multi-agency, multi-jurisdictional, regional or county-wide public safety answering points. The formation of public safety answering points that serve groups of municipalities is encouraged in the interest of reducing cost and increasing the efficiency of administration.

22. This act shall take effect on the first day of the fourth month after enactment.

Approved March 16, 2007.

CHAPTER 57

AN ACT concerning the administration of epinephrine for certain students, amending P.L.1993, c.308 and amending and supplementing P.L.1997, c.368.

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 or a life-threatening allergic reaction 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 or is subject to a life-threatening allergic reaction 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 or prescribed medication for allergic reactions, including a pre-filled auto-injector mechanism, 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.

2. Section 1 of P.L.1997, c.368 (C.18A:40-12.5) is amended to read as follows:

C.18A:40-12.5 Development of policy for emergency administration of epinephrine via pre-filled auto-injector mechanism to pupil.

1. Each board of education or chief school administrator of a nonpublic school shall develop a policy in accordance with the guidelines established by the Department of Education pursuant to section 4 of P.L.2007, c.57 (C.18A:40-12.6a) for the emergency administration of epinephrine via a pre-filled auto-injector mechanism to a pupil for anaphylaxis provided that:

a. the parents or guardians of the pupil provide to the board of education or chief school administrator of a nonpublic school written authorization for the administration of the epinephrine;

b. the parents or guardians of the pupil provide to the board of education or chief school administrator of a nonpublic school written orders from the physician or advanced practice nurse that the pupil requires the administration of epinephrine for anaphylaxis;

c. the 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 have no liability as a result of any injury arising from the administration of the epinephrine via a pre-filled auto-injector mechanism;

d. the parents or guardians of the pupil sign a statement acknowledging their understanding that the district or the nonpublic school shall have no liability as a result of any injury arising from the administration of the epinephrine via a pre-filled auto-injector mechanism to 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 administration of the epinephrine via a pre-filled auto-injector mechanism; and

e. 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 subsections a. through d. of this section.

The policy developed by a board of education or chief school administrator of a nonpublic school shall require:

(1) the placement of a pupil's prescribed epinephrine in a secure but unlocked location easily accessible by the school nurse and designees to ensure prompt availability in the event of an allergic emergency at school or at a school-sponsored function. The location of the epinephrine shall be indicated on the pupil's emergency care plan. Back-up epinephrine shall also be available at the school if needed;

(2) the school nurse or designee to be promptly available on site at the school and school-sponsored functions in the event of an allergic reaction; and

(3) the transportation of the pupil to a hospital emergency room by emergency services personnel after the administration of epinephrine, even if the pupil's symptoms appear to have resolved.

3. Section 2 of P.L.1997, c.368 (C.18A:40-12.6) is amended to read as follows:

C.18A:40-12.6 Policy for administration of epinephrine to pupil.

2. The policy for the administration of medication to a pupil shall provide that the school nurse shall have the primary responsibility for the administration of the epinephrine. The school nurse shall designate, in consultation with the board of education, or chief school administrator of a nonpublic school additional employees of the school district or nonpublic school who volunteer to administer epinephrine via a pre-filled auto-injector mechanism to a pupil for anaphylaxis when the nurse is not physically present at the scene. The school nurse shall determine that:

a. the designees have been properly trained in the administration of the epinephrine via a pre-filled auto-injector mechanism using standardized training protocols established by the Department of Education in consultation with the Department of Health and Senior Services;

b. the parents or guardians of the pupil consent in writing to the administration of the epinephrine via a pre-filled auto-injector mechanism by the designees;

c. the 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 and agents shall have no liability as a result of any injury arising from the administra-

tion of the epinephrine to the pupil;

d. the parents or guardians of the pupil sign a statement acknowledging their understanding that the district or nonpublic school shall have no liability as a result of any injury arising from the administration of the epinephrine via a pre-filled auto-injector mechanism to the pupil and that the parents or guardians shall indemnify and hold harmless the district and its employees or agents against any claims arising out of the administration of the epinephrine via a pre-filled auto-injector mechanism to the pupil; and

e. 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 subsections a. through d. of this section.

The Department of Education, in consultation with the Department of Health and Senior Services, shall require trained designees for students enrolled in a school who may require the emergency administration of epinephrine for anaphylaxis when the school nurse is not available.

Nothing in this section shall be construed to prohibit the emergency administration of epinephrine via a pre-filled auto-injector mechanism to a pupil for anaphylaxis by the school nurse or other employees designated pursuant to this section when the pupil is authorized to self-administer epinephrine pursuant to section 1 of P.L.1993, c.308 (C.18A:40-12.3), or when there is a coexisting diagnosis of asthma, or when a prescription is received from a licensed health care professional for epinephrine coupled with another form of medication.

C.18A:40-12.6a Guidelines for schools for management of food allergies, administration of epinephrine.

4. The Department of Education, in consultation with the Department of Health and Senior Services, appropriate medical experts, and professional organizations representing school nurses, principals, teachers, and the food allergy community, shall establish and disseminate to each board of education and chief school administrator of a nonpublic school guidelines for the development of a policy by a school district or nonpublic school for the management of food allergies in the school setting and the emergency administration of epinephrine to students for anaphylaxis.

C.18A:40-12.6b Implementation of established guidelines.

5. Each board of education and chief school administrator of a nonpublic school shall implement in the schools of the district or the nonpublic school the guidelines established and disseminated pursuant to section 4 of P.L.2007, c.57 (C.18A:40-12.6a).

C.18A:40-12.6c Training protocols for volunteer designees to administer epinephrine.

6. a. In an effort to assist the certified school nurse in recruiting and training additional school employees as volunteer designees to administer epinephrine for anaphylaxis when the school nurse is not physically present, the Department of Education and the Department of Health and Senior Services shall jointly develop training protocols, in consultation with the New Jersey School Nurses Association.

b. The certified school nurse, in consultation with the board of education or the chief school administrator of a nonpublic school, shall recruit and train volunteer designees who are determined acceptable candidates by the school nurse within each school building as deemed necessary by the nursing service plan.

C.18A:40-12.6d Immunity from liability.

7. No school employee, including a school nurse, or any other officer or agent of a board of education or nonpublic school shall be held liable for any good faith act or omission consistent with the provisions of P.L.1997, c.368 (C.18A:40-12.5 et seq.), nor shall an action before the New Jersey State Board of Nursing lie against a school nurse for any such action taken by a person designated in good faith by the school nurse pursuant to section 2 of P.L.1997, c.368 (C.18A:40-12.6). Good faith shall not include willful misconduct, gross negligence or recklessness.

8. This act shall take effect immediately.

Approved March 16, 2007.

CHAPTER 58

AN ACT establishing an Office of the Medicaid Inspector General, supplementing Title 30 of the Revised Statutes, amending P.L.1999, c.162, and making an appropriation.

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

C.30:4D-53 Short title.

1. This act shall be known and may be cited as the “Medicaid Program Integrity and Protection Act.”

C.30:4D-54 Findings, declarations relative to the Office of Medicaid Inspector General.

2. The Legislature finds and declares that:
 - a. The State of New Jersey expends more than \$9 billion in taxpayer funds to fund the Medicaid program each year;
 - b. The State has a continuing responsibility to ensure that funds expended under the Medicaid program are used appropriately and efficiently to promote the public health;
 - c. Fraud, waste, and abuse by providers and recipients in the Medicaid program reduces the ability of the State to properly fund the program and results in harm to the health of the citizens of this State;
 - d. Controlling fraud, waste, and abuse in the Medicaid program includes preventing, detecting, and investigating such fraud, waste, and abuse, and referring it for civil or criminal action when appropriate;
 - e. The current system for controlling Medicaid fraud, waste, and abuse is based largely on formal and informal agreements among the Department of Human Services, the Medicaid Fraud Control Unit of the Department of Law and Public Safety, the Department of Health and Senior Services, and other local, State, and federal agencies whose clients are served by the Medicaid program or who are otherwise responsible for the control of Medicaid fraud, waste, and abuse;
 - f. Centralizing fraud recovery efforts and establishing an independent Office of the Medicaid Inspector General by statute to prevent, detect, and investigate fraud and abuse and coordinate the anti-fraud efforts of all State agencies funded by Medicaid will enhance the efforts of the State to control Medicaid costs;
 - g. The current efforts to control Medicaid fraud, waste, and abuse in New Jersey range from investigating providers before they enroll in the Medicaid program to identifying fraud, waste, and abuse on the part of both providers and recipients;
 - h. Changes in federal and State law, as well as in the health care industry and in available technology, suggest that it is time for a comprehensive review of the Medicaid fraud, waste, and abuse control infrastructure in this State;
 - i. Toward that end, the Governor has appointed the New Jersey Commission on Government Efficiency and Reform to evaluate the budget, structure, and organization of government in New Jersey, including State agencies, instrumentalities and independent authorities, local and county government and school districts, and advise the Governor on governmental restructuring, effectiveness, best practices, efficiencies, cost-saving measures, and

how best to achieve economies of scale in the delivery of services and programs, at the lowest possible cost, consistent with mission and quality; and

j. While the State examines and prepares to implement such fundamental, long-term structural changes, the immediate coordination of State efforts to control Medicaid fraud, waste, and abuse at all levels of government is essential.

C.30:4D-55 Definitions relative to the Office of the Medicaid Inspector General.

3. As used in this act:

“Abuse” means provider practices that are inconsistent with sound fiscal, business, or medical practices and result in unnecessary costs to Medicaid or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care. The term also includes recipient practices that result in unnecessary costs to Medicaid.

“Department” means the Department of Human Services.

“Fraud” means an intentional deception or misrepresentation made by any person with the knowledge that the deception could result in some unauthorized benefit to that person or another person, including any act that constitutes fraud under applicable federal or State law.

“Investigation” means an investigation of fraud, waste, abuse, or illegal acts perpetrated within Medicaid by providers or recipients of Medicaid care, services, and supplies.

“Medicaid” means the Medicaid program established pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.) and the NJ FamilyCare Program established pursuant to P.L.2005, c.156 (C.30:4J-8 et al.).

“Medicaid Fraud Control Unit” means the Medicaid Fraud Control Unit in the Department of Law and Public Safety.

“Office” means the Office of the Medicaid Inspector General created by this act.

C.30:4D-56 Office of the Medicaid Inspector General.

4. a. (1) There is established the Office of the Medicaid Inspector General in the Office of the Inspector General established pursuant to P.L.2005, c.119 (C.52:15B-1 et seq.).

(2) The office shall be devoted to Medicaid program integrity through means including, but not limited to: the detection, prevention, and investigation of fraud and abuse; the recovery of improperly expended Medicaid funds; enforcement; audit; quality review; compliance; referral of criminal prosecutions; investigation; and the oversight of information technology relating to Medicaid fraud and abuse.

(3) Consistent with the provisions of this act, the department shall serve as the designated State agency for the general administration of Medicaid, and the setting of policies for and the oversight of the operation of Medicaid. The department shall serve as the primary point of contact for the federal government regarding Medicaid and shall conduct activities, including, but not limited to, establishing the policy direction with respect to Medicaid, promulgating policies and rules for the administration of Medicaid, issuing programmatic guidance, and establishing reimbursement rates.

b. The office shall be administered by the Medicaid Inspector General, who shall be an attorney, licensed to practice law in a jurisdiction in the United States, and shall be selected without regard to political affiliation and on the basis of capacity for effectively carrying out the duties of the office. The Medicaid Inspector General shall possess demonstrated knowledge, skills, abilities, and experience in conducting audits and investigations, and shall be familiar with the programs subject to oversight by the office. No former or current executive or manager of any program or agency subject to oversight by the office may be appointed Medicaid Inspector General within two years of that individual's period of service with such program or agency.

c. (1) The Medicaid Inspector General shall be appointed by the Governor with the advice and consent of the Senate and shall serve for a term of five years and until a successor is appointed and assumes the position.

(2) The Medicaid Inspector General shall devote full time to the duties and responsibilities of the office and shall receive a salary as shall be provided pursuant to law.

(3) The Medicaid Inspector General shall appoint a First Assistant Medicaid Inspector General to assist in the performance of the duties of the office. The first assistant Medicaid Inspector General shall have the same qualifications as are set forth in subsection b. of this section.

(4) During the term set forth in paragraph (1) of this subsection, the Medicaid Inspector General may be removed by the Governor only for cause upon notice and opportunity to be heard.

(5) A vacancy in the position of Medicaid Inspector General due to a cause other than the expiration of the term shall be filled for the unexpired term only in the same manner as the original appointment.

(6) The Medicaid Inspector General shall function independently within the Office of the Inspector General with respect to the operations of the office, including the performance of investigations and issuance of findings and recommendations.

C.30:4D-57 Functions, powers, duties, responsibilities of Medicaid Inspector General.

5. a. The Medicaid Inspector General shall have the following general functions, duties, powers, and responsibilities:

(1) To appoint such deputies, directors, assistants, and other officers and employees as may be needed for the office to meet its responsibilities, and to prescribe their duties and fix their compensation in accordance with State law and within the amounts appropriated therefor;

(2) To conduct and supervise all State government activities, except those of the Medicaid Fraud Control Unit in the Department of Law and Public Safety, relating to Medicaid integrity, fraud, and abuse;

(3) To call upon any department, office, division, or agency of State government to provide such information, resources, or other assistance as the Medicaid Inspector General deems necessary to discharge the duties and functions and to fulfill the responsibilities of the Medicaid Inspector General under this act. Each department, office, division, and agency of this State shall cooperate with the Medicaid Inspector General and furnish the office with the assistance necessary to accomplish the purposes of this act;

(4) To coordinate activities to prevent, detect, and investigate Medicaid fraud and abuse among the following: the Departments of Human Services, Health and Senior Services, Education, and Treasury; the Office of the Attorney General; and the special investigative unit maintained by each health insurer providing a Medicaid managed care plan within the State;

(5) To apply for and receive federal grants and monies with all necessary assistance as the Medicaid Inspector General shall require from the department;

(6) To enter into any applicable federal pilot programs and demonstration projects and coordinate with the department in order for the department to apply as requested by the Medicaid Inspector General, for necessary federal waivers;

(7) To recommend and implement policies relating to Medicaid integrity, fraud, and abuse, and monitor the implementation of any recommendations made by the office to other agencies or entities responsible for the administration of Medicaid;

(8) To perform any other functions that are necessary or appropriate in furtherance of the mission of the office; and

(9) To direct all public or private Medicaid service providers or recipients to cooperate with the office and provide such information or assistance as shall be reasonably required by the office.

b. As it relates to ensuring compliance with applicable Medicaid standards and requirements, identifying and reducing fraud and abuse, and im-

proving the efficiency and effectiveness of Medicaid, the functions, duties, powers, and responsibilities of the Medicaid Inspector General shall include, but not be limited to, the following:

(1) To establish, in consultation with the department and the Attorney General, guidelines under which the withholding of payments or exclusion from Medicaid may be imposed on a provider or shall automatically be imposed on a provider;

(2) To review the utilization of Medicaid services to ensure that Medicaid funds, regardless of which agency administers the service, are appropriately spent to improve the health of Medicaid recipients;

(3) To review and audit contracts, cost reports, claims, bills, and all other expenditures of Medicaid funds to determine compliance with applicable laws, regulations, guidelines, and standards, and enhance program integrity;

(4) To consult with the department to optimize the Medicaid management information system in furtherance of the mission of the office. The department shall consult with the Medicaid Inspector General on matters that concern the operation, upgrade and implementation of the Medicaid management information system;

(5) To coordinate the implementation of information technology relating to Medicaid integrity, fraud, and abuse; and

(6) To conduct educational programs for Medicaid providers, vendors, contractors, and recipients designed to limit Medicaid fraud and abuse.

c. As it relates to investigating allegations of Medicaid fraud and abuse and enforcing applicable laws, rules, regulations, and standards, the functions, duties, powers, and responsibilities of the Medicaid Inspector General shall include, but not be limited to, the following:

(1) To conduct investigations concerning any acts of misconduct within Medicaid;

(2) To refer information and evidence to regulatory agencies and professional and occupational licensing boards;

(3) To coordinate the investigations of the office with the Attorney General, the State Inspector General, law enforcement authorities, and any prosecutor of competent jurisdiction, and endeavor to develop these investigations in a manner that expedites and facilitates criminal prosecutions and the recovery of improperly expended Medicaid funds, including:

(a) keeping detailed records for cases processed by the State Inspector General and the Attorney General and county prosecutors. The records shall include: information on the total number of cases processed and, for each case, the agency and division to which the case is referred for investigation;

the date on which the case is referred; and the nature of the suspected fraud, waste, or abuse; and

(b) receiving notice from the Attorney General of each case that the Attorney General declines to prosecute or prosecutes unsuccessfully;

(4) To make information and evidence relating to suspected criminal acts which the Medicaid Inspector General may obtain in carrying out his duties available to the Medicaid Fraud Control Unit pursuant to the requirements of federal law, as well as to other law enforcement officials when appropriate, and consult with the Attorney General and county prosecutors in order to coordinate criminal investigations and prosecutions;

(5) To refer complaints alleging criminal conduct to the Attorney General or other appropriate prosecutorial authority. If the Attorney General or other appropriate prosecutorial authority decides not to investigate or prosecute the matter, the Attorney General or other appropriate prosecutorial authority shall promptly notify the Medicaid Inspector General. The Attorney General or the prosecutorial authority shall inform the Medicaid Inspector General as to whether an investigation is ongoing with regard to any matter so referred. The Medicaid Inspector General shall preserve the confidentiality of the existence of any ongoing criminal investigation.

(a) If the Attorney General or the prosecutorial authority decides not to investigate or act upon the matter referred, the Inspector General is authorized to continue an investigation after the receipt of such a notice.

(b) Upon the completion of an investigation or, in a case in which the investigation leads to prosecution, upon completion of the prosecution, the Attorney General or the prosecutorial authority shall report promptly the findings and results to the Medicaid Inspector General. In the course of informing the Medicaid Inspector General, the Attorney General or prosecutorial authority shall give full consideration to the authority, duties, functions, and responsibilities of the Medicaid Inspector General, the public interest in disclosure, and the need for protecting the confidentiality of complainants and informants.

(c) The Medicaid Inspector General shall maintain a record of all matters referred and the responses received and shall be authorized to disclose information received as appropriate and as may be necessary to resolve the matter referred, to the extent consistent with the public interest in disclosure and the need for protecting the confidentiality of complainants and informants and preserving the confidentiality of ongoing criminal investigations.

(d) Notwithstanding any referral made pursuant to this subsection, the Medicaid Inspector General may pursue any administrative or civil remedy under the law;

(6) In furtherance of an investigation, to compel at a specific time and place, by subpoena, the appearance and sworn testimony of any person whom the Medicaid Inspector General reasonably believes may be able to give information relating to a matter under investigation;

(a) For this purpose, the Medicaid Inspector General is empowered to administer oaths and examine witnesses under oath, and compel any person to produce at a specific time and place, by subpoena, any documents, books, records, papers, objects, or other evidence that the Medicaid Inspector General reasonably believes may relate to a matter under investigation.

(b) If any person to whom a subpoena is issued fails to appear or, having appeared, refuses to give testimony, or fails to produce the books, papers or other documents required, the Medicaid Inspector General may apply to the Superior Court and the court may order the person to appear and give testimony or produce the books, papers or other documents, as applicable. Any person failing to obey that order may be punished by the court as for contempt;

(7) Subject to applicable State and federal law, to have full and unrestricted access to all records, reports, audits, reviews, documents, papers, data, recommendations, or other material available to State and local departments of health and human services, other State and local government agencies, and Medicaid service providers relating to programs and operations with respect to which the office has responsibilities under this act;

(8) To solicit, receive, and investigate complaints related to Medicaid integrity, fraud, and abuse;

(9) To prepare cases, provide expert testimony, and support administrative hearings and other legal proceedings; and

(10) Upon reasonable belief of the commission of a fraudulent or abusive act, to conduct on-site facility inspections.

d. As it relates to recovering improperly expended Medicaid funds, imposing administrative sanctions, damages or penalties, negotiating settlements, and developing an effective third-party liability program to assure that all private or other governmental medical resources have been exhausted before a claim is paid by Medicaid or that reimbursement is sought when there is discovered a liable third party after payment of a claim, the functions, duties, powers, and responsibilities of the Medicaid Inspector General shall include, but not be limited to, the following:

(1) On behalf of the department, to collect all overpayments for reimbursable services that are self-disclosed by providers pursuant to current law;

(2) To pursue civil and administrative enforcement actions against those who engage in fraud, abuse, or illegal acts perpetrated within Medicaid, in-

cluding providers, contractors, agents, recipients, individuals, or other entities involved directly or indirectly with the provision of Medicaid care, services, and supplies. These civil and administrative enforcement actions shall include the imposition of administrative sanctions, penalties, suspension of fraudulent, abusive, or illegal payments, and actions for civil recovery and seizure of property or other assets connected with such payments;

(3) To initiate civil suits consistent with the provisions of this act, maintain actions for civil recovery on behalf of the State, and enter into civil settlements;

(4) To withhold payments to any provider for Medicaid services if the provider unreasonably fails to produce complete and accurate records related to an investigation that is initiated by the office with reasonable cause;

(5) To ensure that Medicaid is the payor of last resort, and to provide for the coordination of benefits with each health insurer operating in the State and the recoupment of any duplicate reimbursement paid by the State. Every such health insurer shall be required to provide such information and reports as may be deemed necessary by the Medicaid Inspector General for the coordination of benefits and shall maintain files in a manner and format approved by the department; and

(6) To monitor and pursue the recoupment of Medicaid overpayments, damages, penalties, and sanctions.

C.30:4D-58 Additional authority of the Medicaid Inspector General.

6. a. In addition to the authority otherwise provided by this act, the Medicaid Inspector General is authorized to request, and shall be entitled to receive, such information, assistance, and cooperation from any federal, State, or local government department, board, bureau, commission, or other agency or unit thereof, as may be necessary to carry out his duties and responsibilities pursuant to this act.

b. Upon the request of a prosecutor of competent jurisdiction, the office, department, any other State or local government entity, and the Medicaid Fraud Control Unit shall provide the prosecutor with information, data, assistance, staff, and other resources as shall be necessary, appropriate and available to aid and facilitate the investigation and prosecution of Medicaid fraud.

C.30:4D-59 Transfer of functions, powers, employees to the Office of the Medicaid Inspector General; managerial control.

7. a. The Medicaid audit, program integrity, fraud and abuse prevention and recovery functions, all officers and employees that the Medicaid Inspector General deems qualified and substantially engaged therein, and any

documents and records that the Medicaid Inspector General deems necessary and related to the transfer of such functions and personnel, shall be transferred to the Office of the Medicaid Inspector General from the Medicaid Office of Program Integrity Unit and the Third Party Liability Unit in the Division of Medical Assistance and Health Services, the Division of Disability Services, the Division of Developmental Disabilities, the Division of Mental Health Services, the Division of Youth and Family Services, the Division of Child Behavioral Health Services, the Department of Health and Senior Services and the Department of the Treasury. The Medicaid Inspector General shall consult with the head of each department or agency from which such function is to be transferred to determine the officers and employees to be transferred.

b. The Medicaid Inspector General shall have general managerial control over the office and shall establish the organizational structure of the office as the Medicaid Inspector General deems appropriate to carry out the responsibilities and functions of the office. Within the limits of funds appropriated therefor, the Medicaid Inspector General may hire such employees in the unclassified service as are necessary to administer the office. These employees shall serve at the pleasure of the Medicaid Inspector General. Subject to the availability of appropriations, the Medicaid Inspector General may obtain the services of certified public accountants, qualified management consultants, professional auditors, or other professionals necessary to independently perform the functions of the office.

C.30:4D-60 Reports, recommendations.

8. a. The Medicaid Inspector General shall report the findings of audits, investigations, and reviews performed by the office, and issue recommendations for corrective or remedial action, to the Governor, the President of the Senate and the Speaker of the General Assembly, and the entity at issue. The Medicaid Inspector General shall monitor the implementation of those recommendations.

b. The Medicaid Inspector General shall provide periodic reports to the Governor, and shall issue an annual report to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), which shall be available to the public.

C.30:4D-61 Confidentiality of information.

9. a. The Medicaid Inspector General shall not publicly disclose information that is specifically prohibited from disclosure by any provision of federal or State law.

b. Whenever a person requests access to a government record that the Medicaid Inspector General obtained from another public agency during the course of an investigation, which record was open for public inspection, examination or copying before the investigation commenced, the public agency from which the Medicaid Inspector General obtained the record shall comply with the request if made pursuant to P.L.1963, c.73 (C.47:1A-1 et seq.) and P.L.2001, c.404 (C.47:1A-5 et al.), provided that the request does not in any way identify the record sought by means of a reference to the Medicaid Inspector General's investigation or to an investigation by any other public agency, including, but not limited to, a reference to a subpoena issued pursuant to such investigation.

C.30:4D-62 "Medicaid Fraud Control Fund"; use.

10. a. There is established the "Medicaid Fraud Control Fund" as a nonlapsing, revolving fund in the Department of the Treasury. The fund shall be comprised of monies credited or accruing to the fund pursuant to this section.

b. Beginning with the fiscal year commencing July 1, 2007, the State Treasurer shall deposit 25% of the State share of monies recovered pursuant to subsection d. of section 5 of this act into the fund, to be used solely for the purposes of subsection c. of this section. Monies credited to the fund may be invested in the same manner as assets of the General Fund, and any investment earnings on the fund shall accrue to the fund and shall be available subject to the same terms and conditions as other monies in the fund.

c. In addition to the annual appropriation provided pursuant to section 13 of this act, the monies deposited into the "Medicaid Fraud Control Fund" shall be utilized by the Medicaid Inspector General and the Medicaid Fraud Control Unit for the exclusive purpose of investigating and prosecuting Medicaid fraud claims.

C.30:4D-63 Rules, regulations.

11. The Medicaid Inspector General may adopt rules and regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to accomplish the objectives and carry out the duties prescribed by this act.

12. Section 1 of P.L.1999, c.162 (C.2C:21-22.1) is amended to read as follows:

C.2C:21-22.1 Definitions relative to use of runners; crime; sentencing.

1. a. As used in this section:

"Provider" means an attorney, a health care professional, an owner or operator of a health care practice or facility, any person who creates the impression that he or his practice or facility can provide legal or health care services, or any person employed or acting on behalf of any of the aforementioned persons.

"Public media" means telephone directories, professional directories, newspapers and other periodicals, radio and television, billboards and mailed or electronically transmitted written communications that do not involve in-person contact with a specific prospective client, patient or customer.

"Runner" means a person who, for a pecuniary benefit, procures or attempts to procure a client, patient or customer at the direction of, request of or in cooperation with a provider whose purpose is to seek to obtain benefits under a contract of insurance or assert a claim against an insured or an insurance carrier for providing services to the client, patient or customer, or to obtain benefits under or assert a claim against a State or federal health care benefits program or prescription drug assistance program. "Runner" shall not include a person who procures or attempts to procure clients, patients or customers for a provider through public media or a person who refers clients, patients or customers to a provider as otherwise authorized by law.

b. A person is guilty of a crime of the third degree if that person knowingly acts as a runner or uses, solicits, directs, hires or employs another to act as a runner.

c. Notwithstanding the provisions of subsection e. of N.J.S.2C:44-1, the court shall deal with a person who has been convicted of a violation of this section by imposing a sentence of imprisonment unless, having regard to the character and condition of the person, the court is of the opinion that imprisonment would be a serious injustice which overrides the need to deter such conduct by others. If the court imposes a noncustodial or probationary sentence, such sentence shall not become final for 10 days in order to permit the appeal of such sentence by the prosecution. Nothing in this section shall preclude an indictment and conviction for any other offense defined by the laws of this State.

C.30:4D-64 Annual appropriation, minimum required.

13. For each fiscal year beginning after the fiscal year in which this act takes effect, the Governor shall recommend and the Legislature shall appropriate at least \$3,000,000 from the General Fund to the Office of the Medicaid Inspector General to effectuate the purposes of this act.

14. a. The Medicaid Inspector General or the designated nominee therefor shall prepare and submit to the Director of the Division of Budget

and Accounting in the Department of the Treasury a written plan, prepared in consultation with the Commissioners of the Departments of Human Services and Health and Senior Services, setting forth the transition and operation plan for the Office of the Medicaid Inspector General.

b. There is appropriated from the General Fund an amount not to exceed \$3,000,000, subject to the approval by the Director of the Division of Budget and Accounting, to the Office of the Medicaid Inspector General in the Office of the Inspector General, for deposit in the Medicaid Fraud Control Fund, after submission of the written plan for the Office of the Medicaid Inspector General.

15. This act shall take effect immediately provided however that sections 1 and 2 and sections 6 through 13 shall remain inoperative until the earlier of the date of the approval of the transition and operation plan submitted pursuant to subsection a. of section 14 of this act or June 30, 2007.

Approved March 16, 2007.

CHAPTER 59

AN ACT establishing a Blue Heart Law Enforcement Assistance Program and amending P.L.1998, c.149 .

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

1. Section 1 of P.L.1998, c.149 (C.11A:2-25) is amended to read as follows:

C.11A:2-25 "Law Enforcement Officer Crisis Intervention Services" telephone hotline, "Blue Heart Law Enforcement Assistance Program."

1. a. The Commissioner of Personnel shall establish and maintain, on a 24-hour daily basis, a toll-free information "Law Enforcement Officer Crisis Intervention Services" telephone hotline. The hotline shall receive and respond to calls from law enforcement officers and sheriff's officers who have been involved in any event or incident which has produced personal or job-related depression, anxiety, stress, or other psychological or emotional tension, trauma, or disorder for the officer and officers who have been wounded in the line of duty. The operators of the hotline shall seek to

identify those officers who should be referred to further debriefing and counseling services, and to provide such referrals. In the case of wounded officers, those services may include peer counseling, diffusing, debriefing, group therapy and individual therapy as part of a coordinated assistance program, to be known as the "Blue Heart Law Enforcement Assistance Program," designed and implemented by the University of Medicine and Dentistry of New Jersey's University Behavioral Healthcare Unit.

b. The operators of the hotline shall be trained by the commissioner and, to the greatest extent possible, shall be persons, who by experience or education, are: (1) familiar with post trauma disorders and the emotional and psychological tensions, depressions, and anxieties unique to law enforcement officers and sheriff's officers; or (2) trained to provide counseling services involving marriage and family life, substance abuse, personal stress management and other emotional or psychological disorders or conditions which may be likely to adversely affect the personal and professional well-being of a law enforcement officer and a sheriff's officer.

c. To ensure the integrity of the telephone hotline and to encourage officers to utilize it, the commissioner shall provide for the confidentiality of the names of the officers calling, the information discussed by that officer and the operator, and any referrals for further debriefing or counseling; provided, however, the commissioner may, by rule and regulation, (1) establish guidelines providing for the tracking of any officer who exhibits a severe emotional or psychological disorder or condition which the operator handling the call reasonably believes might result in harm to the officer or others and (2) establish a confidential registry of wounded New Jersey law enforcement officers.

2. This act shall take effect immediately.

Approved March 21, 2007.

CHAPTER 60

AN ACT creating a pilot project for the public financing of candidates seeking election to the offices of member of the Legislature in three districts in 2007, and making an appropriation.

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 2007 New Jersey Fair and Clean Elections Pilot Project Act."

2. The Legislature finds and declares that:

a. On August 11, 2004, P.L.2004, c.121 was enacted into law, creating the "New Jersey Fair and Clean Elections Pilot Project."

b. The pilot project was based on similar programs in Arizona and Maine and it sought to have candidates for election to the office of member of the General Assembly in two legislative districts seek office with equal financial resources.

c. This project was a milestone in the political history of this State that sought to halt the erosion in public confidence in the political process by instituting a voluntary, publicly funded campaign finance system for legislative office designed to remove access to monied contributors as a major determinant of a citizen's influence within the political process.

d. The pilot project was a success in the sense that all the candidates in each of the selected districts sought election as "clean elections" candidates, though only two candidates were actually certified as such, and the project raised public awareness about a proven method of campaign finance that allows candidates to compete for election on the basis of issues without reliance on how much money they raise and spend.

e. The New Jersey Citizens' Clean Elections Commission (NJCCEC), which was created by P.L.2004, c.121 to monitor the project and report to the Legislature, found that the project was worth continuing and, with some adjustments, was ready to be used in elections for the office of member of the Senate and the office of member of the General Assembly in 2007, as provided for in the act.

f. P.L.2007, c.60 embodies changes to P.L.2004, c.121 suggested by participants in the pilot project, legislators and the members of interest groups who monitored the program, and the members of the NJCCEC.

g. As with P.L.2004, c.121, the 2007 pilot project's goal is to improve the unfavorable opinion that many residents of this State have toward the political process and to strengthen the integrity of that process and improve access to it by many individuals and groups who have traditionally not been part of it.

3. As used in this act:

"Candidate intending to become certified" means a candidate from a participating district, as designated by section 6 of this act, who seeks election to the office of member of the Senate or the office of member of the

General Assembly pursuant to this act and is seeking certification pursuant to section 9 of this act.

"Certified candidate" means a candidate seeking election to the office of member of the Senate or the office of member of the General Assembly who has chosen to seek such office pursuant to the provisions of this act, P.L.2007, c.60, and is certified pursuant to section 9 of this act.

"Commission" means the Election Law Enforcement Commission, established pursuant to section 5 of P.L.1973, c.83 (C.19:44A-5).

"Department" means the Department of the Treasury.

"Fund" means the New Jersey Fair and Clean Elections Fund, established pursuant to section 5 of this act.

"Non-certified candidate" means a candidate seeking election to the office of member of the Senate or member of the General Assembly who does not seek office pursuant to the provisions of this act and is not certified pursuant to section 9 of this act.

"Political party committee" has the same meaning as provided in subsection p. of section 3 of P.L.1973, c.83 (C.19:44A-3).

"Qualifying contribution" means a contribution of \$10 given to a candidate intending to become certified by an individual who is registered to vote and resides in the district the candidate seeks to represent that is contributed during the qualifying period, with at least 400 such contributions needed to receive the minimum amount of public funding and at least 800 such contributions needed to receive the maximum amount of public funding, pursuant to section 11 of this act.

"Qualifying period" means the period during which both seed money contributions and qualifying contributions can be collected, beginning on April 23, 2007 and ending on September 30, 2007.

"Seed money contribution" means a contribution of money of no more than \$500 from any individual registered to vote in this State, including the candidate and candidate's immediate family, but not from a candidate committee, joint candidates committee, political committee, continuing political committee, political party committee or legislative leadership committee, up to a limit of \$10,000 in the aggregate.

4. There is established a pilot project for the public financing of the campaigns of candidates seeking election to the office of member of the Senate or seeking election to the office of member of the General Assembly from three legislative districts in 2007, pursuant to section 6 of this act. The pilot project shall be open to candidates for those offices in those districts who are nominated directly by petition. Candidates participating in

this pilot project shall comply with the applicable provisions of the "The New Jersey Campaign Contributions and Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1 et al.), unless otherwise provided by this act.

5. a. There is established in the Department of the Treasury a fund to be known as the "New Jersey Fair and Clean Elections Fund," hereinafter referred to as the fund, to be held separate and apart from all other funds of the State. The department shall administer the fund and moneys in the fund shall be used to finance the election campaigns of certified candidates. All moneys on deposit pursuant to this section shall be appropriated for the fiscal year in which there is an election to elect members of the Senate and members of the General Assembly.

b. Moneys from the following sources shall be deposited in the fund:

- (1) voluntary donations made directly to the fund;
- (2) all earnings received from the investment of money in the fund;
- (3) fines and penalties collected by the State Treasurer or by the commission, pursuant to section 19 of this act;
- (4) money returned to the fund by candidates who withdraw from being certified candidates, pursuant to section 10 of this act; and
- (5) money appropriated to the fund, pursuant to section 22 of this act.

6. Three legislative districts shall be selected to participate in "The 2007 New Jersey Fair and Clean Elections Pilot Project." They shall be selected as follows:

a. The President of the Senate and the Speaker of the General Assembly shall together select one legislative district in which the member of the Senate and the members of the General Assembly are each members of the political party whose candidate for the office of Governor received the largest number of votes in the most recent gubernatorial election.

b. The Minority Leader of the Senate and the Minority Leader of the General Assembly shall together select one legislative district in which the member of the Senate and the members of the General Assembly are each members of the political party whose candidate for the office of Governor received the next largest number of votes in the most recent gubernatorial election.

c. The President of the Senate and the Minority Leader of the Senate, and the Speaker of the General Assembly and the Minority Leader of the General Assembly, shall together select one legislative district in which no more than two members of the Legislature are members of the same political party as the other member of the Legislature.

d. The selections required by subsections a., b., and c. of this section shall take into account geographic diversity in this State and shall be made no later than April 9, 2007.

e. In the event that the President of the Senate and the Minority Leader of the Senate, and the Speaker of the General Assembly and the Minority Leader of the General Assembly refuse to make one or more such selections by April 11, 2007, an alternative selection committee shall be established to make the selection. The committee shall consist of a total of five individuals, four members of the public, one appointed by the President of the Senate, one appointed by the Minority Leader of the Senate, one appointed by the Speaker of the General Assembly and one appointed by the Minority Leader of the General Assembly, and one former Governor of this State appointed jointly by the Senate President and the Speaker. No more than three members of the committee shall be members of the same political party. The committee shall select the districts to participate in the pilot project no later than April 16, 2007.

f. The legislative districts selected to participate in the pilot project shall be those districts approved by the Apportionment Commission on April 11, 2001 and described in the corrected plan for legislative districts filed with the New Jersey Secretary of State on April 17, 2001.

7. a. Following the selection of districts pursuant to section 6 of this act, each candidate who becomes a candidate intending to become certified shall:

(1) sign and file a declaration of intent to seek certification and to comply with the requirements of this act, which shall be filed with the commission at any time during the qualifying period, using the forms and procedures developed by the commission pursuant to section 20 of this act;

(2) begin to accept seed money contributions and qualifying contributions under section 8 of this act; and

(3) except as permitted by section 8 of this act, suspend for the time the candidate is a candidate intending to become certified all access that candidate has to the funds of the candidate committee of that candidate, including those that the candidate has as part of a joint candidates committee, which have been raised prior to becoming a candidate intending to become certified.

b. (1) Candidates intending to become certified who are seeking election to the office of member of the General Assembly from the same legislative district and are members of the same political party shall be required to become certified candidates together and shall seek election together. A

candidate intending to become certified who is seeking election to the office of member of the Senate shall not be required to become certified at the same time as candidates for election to the office of member of the General Assembly from the same political party and in the same legislative district, nor shall candidates for the office of member of the General Assembly be required to seek election together with a candidate for the office of member of the Senate from the same political party and in the same legislative district. Such candidates, however, may coordinate their campaigns pursuant to section 9 of this act.

Any candidate intending to become certified who does not file a declaration of intent to seek certification during the qualifying period shall be considered a noncertified candidate and precluded from becoming a certified candidate in the 2007 general election.

8. After filing a declaration of intent, and prior to certification as a certified candidate, a candidate intending to become certified shall collect seed money contributions and qualifying contributions, starting on April 23, 2007 and continuing for the remainder of the qualifying period. All moneys that a candidate collects during that time as a participant in the pilot project created by this act shall be separate from, and in no way infringe on, the collection of money in which the candidate may be engaged as a candidate for nomination for election in the legislative district the candidate seeks to represent.

a. (1) A candidate intending to become certified shall obtain seed money contributions in amounts of no more than \$500 per individual, up to a maximum of \$10,000 in the aggregate. Such funds shall be raised and spent by a candidate during the qualifying period while the candidate seeks the required number of qualifying contributions. Except as provided in paragraph (2) of this subsection, no seed money contributions shall be accepted from an individual who is not a registered voter in this State, nor from a candidate committee, joint candidates committee, political committee, continuing political committee or legislative leadership committee.

(2) A candidate intending to become certified may use funds raised and reported to the commission pursuant to P.L.1973, c.83 (C.19:44A-1 et al.) prior to becoming such a candidate as part of the seed money collected by a candidate intending to become certified, but only to the extent that such money can be attributable to contributions of \$500 or less from individuals who are registered to vote in this State.

(3) Seed money contributions shall be in the form of cash, check, money order, electronic check, debit card, or credit card payable to one or more candidates intending to become certified.

(4) Seed money contributions shall be deposited by the candidate or an individual associated with his or her campaign as soon as possible into an account separate from all other accounts but in the name of the candidate in a banking institution holding a State or federal charter. No such funds shall be transferred subsequently into an investment account of any type or used by the candidate for the purpose of gambling. The candidate shall file a report with the commission on the amount of seed money contributions collected at the same time as the candidate files reports on the number of qualifying contributions collected, as required by this section. The report shall be made on the forms required by this subsection.

(5) De minimis, in-kind contributions of seed money that have a fair market value of \$200 or less per individual per year shall be permitted and not counted toward the \$10,000 seed money maximum. Pursuant to section 20 of this act, the commission shall use current Federal Election Commission regulations to define what constitutes a de minimis, in-kind contribution of seed money, especially with respect to events held in an individual's home to raise qualifying contributions.

(6) Each seed money contribution shall be accompanied by a form developed by the commission. The form for non-cash contributions shall: (a) be as clear, concise and easy to use as possible; (b) serve as the acknowledgement of one or more contributions by one or more individuals to a single candidate; and (c) include such other identifying information deemed appropriate by the commission. The form for cash contributions shall: (a) be as clear, concise and easy to use as possible; (b) include the contributor's name, mailing address, contact telephone number and the date of the contribution; (c) be signed by the individual; (d) include an affirmation that the contribution is made without knowing intention to commit fraud; and (e) include such additional information deemed appropriate by the commission.

b. (1) A candidate intending to become certified shall obtain qualifying contributions of \$10 per individual during the qualifying period from at least 400 registered voters residing in the district the candidate is seeking to represent. Such individuals may include the candidate and the candidate's immediate family. No such funds shall be spent by a candidate during the qualifying period. No qualifying contributions shall be accepted from a candidate committee, joint candidates committee, political committee, continuing political committee or legislative leadership committee.

(2) Qualifying contributions shall be in the form of cash, check, money order, electronic check, debit card, or credit card payable to the one or more candidates intending to become certified. No such contribution shall be in the form of an in-kind contribution.

(3) All qualifying contributions shall be deposited by the candidate or an individual associated with his or her campaign as soon as possible into an account separate from all other accounts but in the name of the candidate in a banking institution holding a State or federal charter. No such funds shall be transferred subsequently into an investment account of any type or used by the candidate for the purpose of gambling. The candidate shall notify the commission within three business days when he or she has received at least 400 qualifying contributions, and thereafter shall file a report each week listing the number and aggregate dollar amount of qualifying contributions received to date and such other information about the contributions as may be required by the commission including after 800 qualifying contributions have been received.

(4) Each qualifying contribution shall be accompanied by a form developed by the commission. The form for non-cash contributions shall: (a) be as clear, concise and easy to use as possible; (b) serve as the acknowledgement of one or more contributions by one or more individuals to a single candidate; and (c) include such other identifying information deemed appropriate by the commission, except that such information shall not include the name and mailing address of the employer of the individual. The form for cash contributions shall: (a) be as clear, concise and easy to use as possible; (b) include the contributor's name, mailing address, contact number and the date of the contribution; (c) be signed by the individual; (d) include an affirmation that the contribution is made without knowing intention to commit fraud; and (e) include such additional information deemed appropriate by the commission, except that such information shall not include the name and mailing address of the employer of the individual.

c. Each candidate intending to become certified shall be permitted to create and use a qualifying contribution form, based on the requirements established by this act and the commission, to mail to potential contributors, provided the candidate submits a draft of the form to the commission and the commission does not disapprove of the draft form within 24 hours of its receipt.

d. An individual shall be permitted to make both a seed money contribution and a qualifying contribution to one or more candidates intending to become certified.

e. Joint checking account holders shall be permitted to make a qualifying contribution, a seed money contribution, or both, using one check that is signed by one account holder; however, if both persons holding a joint checking account wish to make a seed money contribution, a qualifying contribution, or both, the check must include the signature of each person

and each such individual shall sign the contribution form required by this section.

f. The following activities shall be permitted and not counted as an in-kind contribution on behalf of a certified candidate or a candidate intending to become certified:

(1) personal services performed by an individual, a political party committee or another association, organization or group on a voluntary, non-compensated basis for the purpose of collecting seed money contributions, qualifying contributions, or both, and the collection of signatures on petitions of nomination;

(2) communications in writing, or delivered via telephone or the Internet, in support of or in opposition to the election of any candidate by a labor organization or membership organization or other such association to its members and their families, or by any association, group or organization, other than a labor organization, to its members and their families; and

(3) communications to the general public in any form by any means undertaken by any organization, group, association or business that seeks to disseminate information in any form about this act that is neither in support of, or in opposition to, the election of any candidate.

g. Except as provided otherwise by this act, all cash contributions shall be subject to the provisions of P.L.1973, c.83 (C.19:44A-1 et al.), as amended and supplemented.

h. (1) Unless the candidate has already begun reporting as required by subsection b. of this section, starting on May 23, 2007 and continuing each week thereafter, each candidate intending to become certified who has been nominated by the voters of a political party and has signed and filed a declaration of intent to become certified shall file with the commission a report listing the number and aggregate dollar amount of qualifying contributions received to date and such other information about the contributions as may be required by the commission. Nothing in this subsection shall preclude a candidate intending to become certified from becoming certified before May 23, 2007.

(2) Each candidate intending to become certified who is nominated by direct petition filed with the Attorney General pursuant to chapter 13 of Title 19 of the Revised Statutes may start collecting seed money and qualifying contributions after his or her petitions of nomination are filed with the Attorney General, provided the candidate does so during the qualifying period. Unless the candidate has already begun reporting as required by subsection b. of this section, starting on the 30th day after the candidate signs and files a declaration of intent to become a certified candidate, and each

week thereafter, such a candidate intending to become certified shall file with the commission a report listing the number and aggregate dollar amount of qualifying contributions received to date and such other information about the contributions as may be required by the commission. Nothing in this subsection shall preclude a candidate intending to become certified from becoming certified before the 30th day after the candidate signs and files a declaration of intent to become certified.

i. Notwithstanding any law, rule or regulation to the contrary, no candidate intending to become certified shall collect contributions or make expenditures as part of the candidate's campaign for nomination for election and election at the general election in 2007 at the same event where the candidate intending to become certified is seeking to collect seed money or qualifying contributions.

j. In addition to the types of contributions provided for in this section, an individual shall be permitted to make a seed money contribution, a qualifying contribution, or both, to a candidate by means of the Internet. Such a contribution shall be accompanied by an electronic version of the forms required by this section and may be made on the website of the candidate if such a site is established. The commission shall establish a link on its own website to other websites collecting such contributions and shall be responsible for providing technical assistance to candidates seeking to collect contributions by means of the Internet.

k. The commission shall ensure the rapid transmission and public access to the reports required by this section and, wherever possible, shall use electronic means for receiving, reporting, storing and displaying such information.

9. a. The commission shall certify a candidate intending to become certified if he or she has:

(1) received at least 400 qualifying contributions by September 30, 2007 from registered voters residing within the candidate's district, pursuant to section 8 of this act;

(2) not accepted other contributions, except for seed money contributions, and otherwise complied with the contribution restrictions of this act;

(3) in the case of a candidate seeking election to the office of member of the Senate or election to the office of member of the General Assembly by direct nomination, submitted to the Attorney General a petition for such pursuant to chapter 13 of Title 19 of the Revised Statutes; and

(4) otherwise met the requirements to be considered a certified candidate pursuant to this act.

b. The commission shall certify a candidate intending to become certified as soon as possible, and in any case no later than three days after the candidate makes his or her final submission of qualifying contributions. A certified candidate shall comply with the provisions of this act after certification and through the general election.

c. After certification, a candidate shall limit his or her campaign expenditures and obligations, including outstanding obligations, to the moneys in the candidate's qualifying contribution account, including qualifying contributions and moneys distributed to the candidate from the fund and shall not accept any other contributions, including seed money, unless specifically authorized by this act or the commission. All such funds distributed to certified candidates from the fund shall be used only for the purposes provided in section 17 of P.L.1993, c.65 (C.19:44A-11.2).

d. If a candidate intending to become certified or a certified candidate is not nominated for election at the primary election preceding the general election held in 2007, the candidate shall either return all seed money and qualifying contributions collected prior to the day of the primary election for the general election to contributors thereof on a pro-rata basis or remit such moneys to the fund; and shall, if in receipt of moneys from the fund pursuant to section 11 or 12 of this act, return to the fund the full amount of such moneys received.

e. In the event that the candidates for the office of member of the General Assembly from the same legislative district are certified and are members of the same political party and the candidate for the member of the Senate from the same legislative district is a member of the same political party and is also certified, nothing in this act shall prevent such candidates from coordinating their campaigns for election to office in the general election. In the event, however, that either the candidates for the office of member of the General Assembly or the candidate for the member of the Senate does not become certified, the certified candidate or candidates shall not be permitted to coordinate his or her campaign with the noncertified candidate or candidates. The failure by either the certified candidates or the noncertified candidates to comply with this restriction shall constitute an illegal contribution and both candidates shall be liable for the penalty provided by subsection a. of section 19 of this act.

f. Notwithstanding any law, rule or regulation to the contrary, each candidate who is certified no later than August 17, 2007 shall:

(1) have included with his or her name on the general election ballot the slogan "Clean Elections Candidate" in such size and type face as to be

easily readable to the voter and in addition to the name of the political party of which the candidate is a member; and

(2) be permitted to submit to the commission a statement of no more than 250 words for inclusion with the sample ballot mailed to registered voters in the district in which the candidate is seeking office prior to the election pursuant to R.S.19:14-21 et al.

10. a. (1) If a certified candidate wishes to withdraw from the pilot project and become a noncertified candidate because the noncertified opponent of the candidate has spent substantially more than the certified candidate has been provided pursuant to sections 11 and 12 of this act; or if a certified candidate wishes to withdraw from the pilot project and no longer seek election to either the office of member of the Senate or the office of member of the General Assembly at the 2007 general election, the candidate may do so after transmitting written notification to the commission. The commission shall provide the candidate with a receipt of the notification within 24 hours of receiving the notification and shall, as soon as possible thereafter, make a public announcement noting the withdrawal, and as part of the announcement, inform available electronic news media and at least three newspapers that circulate within at least three counties in this State, including the district the candidate seeks to represent, that the candidate who has withdrawn is no longer a certified candidate. Upon the receipt of the notification, the candidate shall: (a) immediately suspend all activity on the qualifying contribution and seed money accounts established and used by the candidate; (b) within 24 hours thereafter, make and certify an accounting of the moneys remaining in the accounts, including any money received from the fund; and (c) within 24 hours thereafter, return to the commission for deposit into the fund all moneys remaining in the accounts. As used in this paragraph "substantially more" means an expenditure by a noncertified candidate that exceeds by 100 percent or more of the maximum allowable amount of money provided to a certified candidate pursuant to sections 11 and 12 of this act.

(2) If a certified candidate wishes to withdraw from being such and become a noncertified candidate, although the opponent of that candidate is a certified candidate who is continuing in the program; or if a certified candidate leaves or is forced out of the pilot project due to his or her criminal misconduct, the candidate shall do so pursuant to the provisions of this paragraph. The candidate shall transmit written notification to the commission and it shall provide the candidate with a receipt of the notification within 24 hours of receiving the notification. It shall also, as soon as possi-

ble thereafter, make a public announcement noting the withdrawal, and as part of the announcement, inform available electronic news media and at least three newspapers that circulate within at least three counties in this State, including the district the candidate seeks to represent, that the candidate who has withdrawn is no longer a certified candidate. Upon the receipt of the notification, the candidate shall: (a) immediately suspend all activity on the qualifying contribution and seed money accounts established and used by the candidate; (b) within 24 hours thereafter, make and certify an accounting of the moneys remaining in the accounts, including any money received from the fund; (c) within 24 hours thereafter, return to the commission for deposit into the fund all moneys remaining in the accounts; and (d) return to the commission for deposit into the fund an amount equal to all moneys the candidate already spent from public funds he or she received pursuant to section 11 or section 12, or both, of this act by such time as shall be determined by the commission, based on the circumstances of the withdrawal. In addition to these requirements, any certified candidate who wishes to withdraw and become a noncertified candidate, although the opponent of that candidate is a certified candidate who is continuing, shall not be permitted to do so until the request is reviewed and decided by a special committee identical to the one established by subsection e. of section 6 of this act. The members of the committee shall be appointed within three days after the candidate informs the commission that the candidate seeks to withdraw and the commission so informs the respective appointing authorities. Within three days after the appointment of its members, the committee shall notify the candidate and the commission of their decision whether or not to permit the candidate to withdraw from being a certified candidate.

(3) In the event that a candidate who has become certified no later than August 17, 2007 wishes to withdraw from being certified and become a noncertified candidate for any reason, or wishes to withdraw from the pilot project and no longer seek election to any office, the commission shall make a public announcement noting the withdrawal, and as part of the announcement, inform available electronic news media and at least three newspapers that circulate within at least three counties in this State, including the district the candidate seeks to represent, that the candidate who has withdrawn is no longer a certified candidate and the designation "Clean Elections Candidate," provided for by section 9 of this act, is no longer valid.

b. If a candidate intending to become certified chooses not to become certified and becomes instead a noncertified candidate at any time prior to the last day of the qualifying period, the candidate shall rescind his or her declaration of intent by notifying the commission as soon as possible. The

commission shall acknowledge this decision as soon as possible, but in any event no later than three business days after receipt of the request. Once the candidate receives the acknowledgement, the candidate shall be permitted to raise and spend campaign contributions pursuant to the provisions of P.L.1973, c.83 (C.19:44A-1 et al.). The qualifying contributions in the account of such a candidate shall be remitted to the fund as soon as possible, but in no event no later than three days following receipt of the acknowledgement. If a candidate intending to become certified fails to qualify because he or she did not receive sufficient qualifying contributions by the last date of the qualifying period for the general election, the candidate shall be permitted to retain and expend those qualifying contributions as well as any remaining seed money that has been collected.

c. Each certified candidate who is defeated in a general election in 2007 shall, upon the filing of a final report relative to the election, return to the commission for deposit into the fund all unspent fund moneys.

11. a. (1) Upon collecting and depositing at least 400 qualifying contributions prior to the end of the qualifying period, and certification by the commission that such amount has been received by the candidate, a certified candidate who has been nominated by voters who are members of a political party shall be provided with \$50,000 from the fund to seek election to either the office of member of the Senate or the office of member of the General Assembly; except that, if such a candidate is not opposed by any other candidate seeking election to the office of member of the Senate or the office of member of the General Assembly from the same district, the candidate shall be provided with \$25,000 from the fund. Thereafter, a certified candidate who has been nominated by voters who are members of a political party shall be provided with money from the fund in equal proportion to the number of remaining qualifying contributions the candidate receives, up to a maximum of 800 contributions, calculated to the nearest dollar, up to an amount equal to the initial amount provided by the fund, to (a) a maximum of \$100,000 for candidates from districts selected pursuant to subsections a. and b. of section 6 of this act; or (b) for candidates in a district selected pursuant to subsection c. of section 6 of this act, to a maximum of the average amount of money expended by all candidates for the office of member of the General Assembly and the office of member of the Senate in that legislative district in the two immediately preceding general elections for those offices. These amounts shall be in addition to the money provided to candidates pursuant to section 12 of this act.

(2) Upon collecting and depositing at least 400 qualifying contributions prior to the end of the qualifying period, and certification by the commission that such amount has been received by the candidate, a certified candidate who has been nominated by direct nomination by petition filed with the Attorney General pursuant to chapter 13 of Title 19 of the Revised Statutes shall be provided with \$25,000 from the fund to seek election to either the office of member of the Senate or the office of member of the General Assembly; except that, if such a candidate is not opposed by any other candidate seeking election to the office of member of the Senate or the office of member of the General Assembly from the same district, the candidate shall be provided with \$12,500 from the fund. Thereafter, a certified candidate who has been nominated by direct nomination by petition filed with the Attorney General pursuant to chapter 13 of Title 19 of the Revised Statutes shall be provided with money from the fund in equal number to the percentage of remaining qualifying contributions they receive, up to a maximum of 800 contributions, calculated to the nearest dollar, up to an amount equal to the initial amount provided by the fund, up to a maximum of \$50,000.

b. No later than the third day following the candidate's certification, the commission shall determine the amount of qualifying contribution money in the candidate's account and shall authorize the department to transmit to the candidate from the fund as soon as possible the amount of money provided for by this section, less the amount of qualifying contributions received by the candidate.

12. a. (1) If a campaign report of a noncertified candidate shows that the aggregate amount of the contributions, alone or in conjunction with money raised on behalf of such a candidate in a general election by a person or a political committee, continuing political committee, political party committee, candidate committee, joint candidates committee or legislative leadership committee not acting in concert with that noncertified candidate, exceeds the amount of money provided to an opposing candidate certified pursuant to section 11 of this act, the commission shall within 24 hours of the receipt of the report authorize the issuance from the fund to each opposing certified candidate in the same district as the noncertified candidate, an additional amount of money equivalent to the excess amount, up to a maximum of \$100,000. The additional amount of money shall be known as rescue money and shall be issued as each increment of \$1,000 is reported by the noncertified candidate.

(2) If a campaign report of a noncertified candidate shows that the aggregate amount of the contributions, alone or in conjunction with money

raised on behalf of such a candidate in a general election by a person or a political committee, continuing political committee, political party committee, candidate committee, joint candidates committee or legislative leadership committee not acting in concert with that noncertified candidate, exceeds the amount of money provided pursuant to section 11 of this act to an opposing certified candidate who has been nominated by direct nomination by petition filed with the Attorney General, the commission shall within 24 hours of the receipt of the report authorize the issuance from the fund to each opposing certified candidate in the same district as the noncertified candidate, an additional amount of money equivalent to the excess amount, up to a maximum of \$50,000. The additional amount of money shall be known as rescue money and shall be issued as each increment of \$500 is reported by the noncertified candidate.

b. (1) If, based on a written and certified complaint that is filed by a certified candidate, the commission determines that a noncertified candidate is benefiting from money spent independently on behalf of such a candidate or that a certified candidate is the subject of unfavorable campaign publicity or advertisements by a person or a political committee, continuing political committee, political party committee, candidate committee, joint candidates committee or legislative leadership committee not acting in concert with that opposing noncertified candidate, the commission shall within 24 hours of either determination authorize the issuance from the fund to the opposing certified candidate in the same legislative district who is not benefiting from such an expenditure, an additional amount of money up to a maximum of \$100,000. The additional amount of money shall also be known as rescue money and shall be issued as each increment of \$1,000 is reported by the noncertified candidate.

(2) If, based on a written and certified complaint that is filed by a certified candidate who has been nominated by direct nomination by petition filed with the Attorney General, the commission determines that a noncertified candidate is benefiting from money spent independently on behalf of such a candidate or that a certified candidate is the subject of unfavorable campaign publicity or advertisements by a person or a political committee, continuing political committee, political party committee, candidate committee, joint candidates committee or legislative leadership committee not acting in concert with that opposing noncertified candidate, the commission shall within 24 hours of either determination authorize the issuance from the fund to the opposing certified candidate nominated by direct nomination by petition in the same legislative district who is not benefiting from such an expenditure, an additional amount of money up to a maximum of

\$50,000. The additional amount of money shall also be known as rescue money and shall be issued as each increment of \$500 is reported by the noncertified candidate.

c. Notwithstanding any law, rule or regulation to the contrary, for the purposes of subsections a. and b. of this section, communications on any subject by a corporation to its stockholders and their families, or by a labor organization, partnership, membership organization or other association to its members and their families, shall not be considered to be an independent expenditure in aid of, or in opposition to, the candidacy of a noncertified candidate or a certified candidate.

d. The amounts of money provided to a certified candidate pursuant to this section shall be in addition to the money from the fund provided to a certified candidate pursuant to section 11 of this act.

13. For a candidate who is seeking election to the office of member of the Senate or the office of member of the General Assembly by direct nomination by petition, pursuant to chapter 13 of Title 19 of the Revised Statutes, to become a certified candidate, the candidate shall meet the requirements to become certified provided in section 9 of this act. If the candidate meets those requirements and becomes certified, the candidate shall be eligible for the money from the fund provided by sections 11 and 12 of this act.

14. The commission shall undertake a comprehensive program to inform the voters in each participating district and the general public about the provisions of this act. The program shall include, but need not be limited to, the following elements:

a. The commission shall be the primary government source of information for the general public and candidates intending to become certified about the provisions of "The 2007 New Jersey Fair and Clean Elections Pilot Project Act." This information shall be both of a general and technical nature, and include such aspects of campaign finance law and regulations in this State as deemed appropriate by the commission. To facilitate the dissemination of such information, the commission shall, at a minimum: (1) feature it in a prominent location on its website and allocate sufficient space thereon to explain the pilot project fully; (2) respond to questions received by telephone, via the Internet or any other means that are asked by the candidates and the general public about the pilot project; and (3) have information available to each registered voter in each participating district explaining the pilot project and notify the voter where additional information is available and how it may be accessed.

b. The commission shall be authorized to contract for the services it deems necessary to inform the voters in the districts selected to participate in “The 2007 New Jersey Fair and Clean Elections Pilot Project Act” about its provisions. After an expedited review and determination by the Division of Purchase and Property in the Department of the Treasury that such services cannot be provided by, or are not available already in, the Executive Branch of State government, such a contract may be awarded pursuant to the public exigency provisions of subsection b. of section 5 of P.L.1954, c.48 (C.52:34-10), but the contract shall be awarded in accordance with such requirements as the director of the commission deems appropriate. The transmission shall occur by such means as the vendor and the commission deem appropriate, including but not limited to, Statewide or local electronic media, public service announcements broadcast by such media, special mailings to each voter registered in each participating district, and paid advertisements in newspapers or publications circulating in the counties and municipalities in which the districts are located. Nothing in this section shall preclude a vendor from providing information about the pilot project to registered voters who reside in districts other than participating districts.

c. The commission shall prepare a voter's guide for the general public for each district in which certified candidates are seeking election to public office. The guide shall list the name of each candidate seeking election to public office. The guide shall identify the candidates that are candidates intending to become certified, the candidates that are certified candidates, and the candidates that are noncertified candidates. Copies of the guide shall be posted on the web site of the commission no later than the date provided for the mailing of absentee ballots by section 11 of P.L.1953, c.211 (C.19:57-11). The commission shall also encourage the clerk and election officials in each county that contains a district in which a certified candidate is seeking election to reproduce and distribute copies of the guide to as many publicly accessible, county-owned or operated facilities as possible.

d. Notwithstanding any law, rule or regulation to the contrary, the commission shall notify the clerk of each county in which a certified candidate is seeking election that for each candidate certified no later than August 17, 2007: (1) the name of the candidate on the general election ballot shall be accompanied by the slogan “Clean Elections Candidate” in a such size and type face as to be easily readable to the voter; and (2) a statement by the candidate of no more than 250 words shall be included with the sample ballot mailed to registered voters in the district in which the candidate is seeking office prior to the election pursuant to R.S.19:14-21 et al. The statements shall be administered and distributed by the commission in

the same manner as the commission administers and distributes the statements printed and mailed with the sample ballot for candidates seeking election to the office of Governor, pursuant to section 12 of P.L.1974, c.26 (C.19:44A-37).

e. The commission shall undertake any other actions it deems necessary to inform the voters in the participating districts about the provisions of this act.

15. In addition to the assistance it shall give to candidates pursuant to section 14 of this act, the commission shall assign one member of its staff to serve as the primary liaison to each of the districts selected to participate in this act. The liaisons need not be located physically in the district, but shall be responsible for receiving and bringing to the attention of the commission any issue raised by a candidate that concerns the commission with respect to this act. In addition, the liaisons shall:

a. be available to provide information to certified candidates, noncertified candidates and candidates intending to become certified about the provisions of this act and any regulations adopted by the commission that pertain to it;

b. receive and review any complaints from the candidates regarding the actions or activities of another candidate, especially where such actions are alleged to be in violation of this act, rendering a decision as to the legitimacy of such complaints within 48 hours after the receipt thereof; and

c. receive and review requests for rescue money, as provided by section 12 of this act, and if deemed appropriate, authorize the distribution of such moneys from the fund to the certified candidate as the certified candidate is entitled to pursuant to section 12 of this act.

16. Whenever any certified candidate makes, incurs, or authorizes an expenditure to finance a communication aiding or promoting the election of the candidate alone or in conjunction with another certified candidate who is a member of the same political party and seeking the office of member of the Senate or the office of member of the General Assembly from the same legislative district, or the defeat of such candidates' opponent or opponents, the communication shall include:

(a) in the case of radio, an audio statement in the candidate's own voice, or if in conjunction with another certified candidate in each candidate's own voice, that identifies the candidate, the office the candidate is seeking, and that the candidate has approved the communication; or

(b) in the case of television, the Internet or any other similar form of communication containing audio and visual images, a statement in the can-

candidate's own voice, or if in conjunction with another certified candidate in each candidate's own voice, that identifies the candidate, the office the candidate is seeking, and that the candidate has approved the communication, that is either spoken by the candidate during an unobscured full-screen view of the candidate or through a voice-over by the candidate accompanied by a clearly identifiable photograph or similar image of the candidate that occupies at least eighty percent of the vertical screen height, and includes the candidate's statement at the end of the communication in clearly readable writing in letters equal to at least four percent of the vertical picture height and visible for at least four seconds, except that an Internet communication consisting of printed material only, with or without photographs, shall include the written statement described above; or

(c) in the case of any other form of communication, the communication shall include the written statement described in paragraph (b) above.

A certified candidate, alone or in conjunction with any other certified candidate who is seeking election to the office of member of the Senate or the office of member of the General Assembly from the same legislative district, may include in any communication made pursuant to this section a statement that he or she is a certified candidate.

17. a. A candidate who has been denied certification by the commission, or a person who opposes a candidate who has been certified, may challenge a certification decision by the commission as follows:

A candidate or an opponent may appeal to the commission within three days of the decision to grant or deny a certification. The appeal shall be in writing and shall set forth the reasons for the appeal.

Within five days after an appeal is filed, the commission shall hold a hearing thereon after notice is given of the hearing to the challenger. The challenger has the burden of providing evidence to demonstrate that the decision of the commission to certify, or to deny certification of, the candidate was improper. The commission shall rule on the appeal within three days after the completion of the hearing.

A challenger may appeal to the Appellate Division of the Superior Court a decision on an appeal rendered by the commission pursuant to this section and the court shall hear the appeal and render a decision thereon in an expedited manner.

b. Any candidate whose certification by the commission is revoked as a result of an appeal to the Appellate Division of the Superior Court shall return to the commission for deposit into the fund any unspent moneys received to date from the fund.

c. If the commission or the court finds that an appeal was made frivolously or to cause delay or hardship, the commission or court may require the challenger to pay the expenses of the commission, the court and the challenged candidate, if any such expenses have been incurred.

18. The candidates shall select the sponsors, and arrange among themselves, for at least two interactive debates prior to the general election. All certified candidates shall be required to participate in the debates, the first of which shall occur on or after October 1, 2007 and on or before October 15, 2007 and the second of which shall occur on or after October 16, 2007 and on or before October 30, 2007. The sponsorship and arrangement of such debates shall be subject to review and certification by the commission, and these arrangements shall be revised thereby if the commission deems it appropriate to insure maximum fairness to the candidates and access to the public. The candidates shall submit their plans for debates in writing to the commission no later than October 3, 2007 and the commission shall respond in writing to the candidates no later than October 7, 2007. At each debate, each certified candidates shall be identified as such and the meaning of that certification shall be explained in a manner to be determined by the commission. The candidates shall invite and permit noncertified candidates to participate in the debates. Any certified candidate who refuses to participate in the debates shall be liable for the return of moneys received previously from the fund in the same manner as the commission is authorized to seek the return of funds from gubernatorial candidates who received public financing and fail or refuse to participate in interactive debates required pursuant to section 11 of P.L.1989, c.4 (C.19:44A-47). The commission shall determine whether reasonable circumstances existed to prevent a debate from being scheduled and whether a certified candidate has a reasonable justification to refuse to participate in the debates.

19. a. (1) Any person, including any candidate, treasurer or other official associated with the campaign of a candidate intending to become certified or a certified candidate, with the responsibility for the preparation, certification, filing or retention of any reports, records, notices or other documents in paper or electronic form, who, knowingly and willfully, fails, neglects or omits to prepare, certify, file or retain any such report, record, notice or document at the time or during the time period, as the case may be, and in the manner prescribed by law, or who, knowingly and willfully, omits or incorrectly states or certifies any of the information required by law to be included in such report, record, notice or document, and any other

person who in any way knowingly and willfully violates any of the provisions of this act, shall, in addition to any other penalty provided by law, be liable to a penalty of not more than \$6,000 for the first offense and not more than \$12,000 for the second and each subsequent offense. Upon receiving evidence of a violation, the commission shall use the procedure provided in section 22 of P.L.1973, c.83 (C.19:44A-22) for investigating the violation and assessing a penalty, if deemed appropriate.

(2) The fine imposed for a violation of paragraph (1) of this subsection shall, upon payment to the commission, be deposited in the fund.

b. Any individual found to have knowingly and willfully given any amount of money to another person for the purpose of having that other person give such money, or a part thereof, to a candidate intending to become certified as a seed money contribution or qualifying contribution is guilty of a crime of the fourth degree.

c. (1) Any person, including any candidate, treasurer or other official associated with the campaign of a certified candidate or candidate intending to become certified, who knowingly and willfully makes a false statement or knowingly or willfully files a false report, record, notice or document in paper or electronic form is guilty of a crime of the third degree.

(2) If an individual is found to be in violation of paragraph (1) of this subsection, the candidate shall remit in an expedited manner to the commission for deposit into the fund all moneys distributed to the candidate since he or she became certified for the election cycle in which the offense occurred.

d. In addition to the penalties imposed by this section, any certified candidate or candidate intending to become certified who is investigated and found by the commission to have purposefully, knowingly and willfully violated this act shall be disqualified as a candidate for the public office sought or shall forfeit such office if elected.

e. All investigations undertaken by the commission pursuant to this section shall be carried out in full compliance with the existing requirements of due process of law, and shall be conducted and completed on an expedited basis.

f. Two hundred and fifty dollars shall be added to each fine and penalty imposed and collected through a court under authority of any law for any violation of the provisions of chapter 27 or 30 of Title 2C of the New Jersey Statutes, chapter 34 or 44A of Title 19 of the Revised Statutes, or chapter 13D of Title 52 of the Revised Statutes and shall be forwarded by the person to whom the same are paid to the State Treasurer. The State Treasurer shall upon receipt deposit those moneys so forwarded into the account of the commission for use to effectuate the public information re-

quirements established in subsection a. of section 14 of this act, up to a maximum of \$600,000. The State Treasurer shall deposit any moneys over that amount received pursuant to this section into the fund.

20. a. The commission shall promulgate such rules and regulations as it deems necessary to implement the provisions of this act, except that, notwithstanding any provision of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the commission may adopt, immediately upon so filing with the Office of Administrative Law, such rules and regulations as the commission deems necessary to implement the provisions of this act. Those rules and regulations shall be effective for a period not to exceed 18 months following the effective date of this act and may thereafter be amended, adopted or readopted by the commission pursuant to the requirements of P.L.1968, c.410. These rules and regulations shall include, but not be limited to, procedures for obtaining seed money and qualifying contributions, obtaining certification as a certified candidate, the distribution of fund moneys to certified candidates, the return of unspent distributed fund moneys from certified candidates, the electronic filing of campaign reports, and such other matters delegated to it or required of it by this act.

b. Within one year after the effective date of this act, the commission shall issue a report to the President of the Senate, the Minority Leader of the Senate, the Speaker of the General Assembly and the Minority Leader of the General Assembly on the pilot project created by this act. The report shall be strictly fact-based and shall contain no recommendations with respect to any future pilot project similar to the one created by this act.

c. The county clerks and municipal clerks of this State shall provide to the commission, at no cost to the commission, the current voter registration information and any additional election or voter information the commission may require to comply with the provisions of this act.

21. The New Jersey Fair and Clean Elections Pilot Project established by this act shall be reauthorized by the Legislature and the Governor in sufficient time for elections in 2009 to include:

a. candidates seeking election to the office of member of the Senate and candidates seeking election to the office of member of the General Assembly;

b. candidates seeking nomination for election to the office of member of the Senate and candidates seeking nomination for election to the office of member of the General Assembly, if this act is deemed a success; and

c. for any candidate nominated by direct petition pursuant to chapter 13 of Title 19 of the Revised Statutes, the same amount of funding as any

candidate who is a member of a political party whose candidate for Governor received the greatest or next great number of votes in the most recent gubernatorial election, provided that: (1) a candidate nominated by direct petition who is a member of a political organization received 10 percent or more of the total number of votes cast in the legislative district from which the candidate sought to be elected in the general election held in 2007; or (2) a candidate independent of any such political organization or political party received 10 percent or more of the total number of votes cast in the legislative district from which the candidate sought to be elected in the general election held in 2007 and is also a candidate in 2009.

As used in this section, "success" means that at least 50 percent of the candidates who were members of political parties and were seeking election for either the office of member of the Senate or the office of member of the General Assembly became certified candidates and did not withdraw from that designation.

22. There is appropriated from the General Fund to the Election Law Enforcement Commission \$600,000 to effectuate the public information requirements in subsection a. of section 14 of this act, \$75,000 to effectuate the voter's guide requirements in subsection c. of section 14 of this act and \$250,000 to fund the expenses incurred by the commission as a result of administering this act. There is appropriated from the General Fund to the Department of the Treasury for deposit into the New Jersey Fair and Clean Elections Fund, established pursuant to section 5 of this act, \$6,750,000 for the other purposes of this act.

23. This act shall take effect immediately and shall expire on the 180th day following the date of the general election held in 2007.

Approved March 28, 2007.

CHAPTER 61

AN ACT changing the date of presidential primary elections and amending various parts of the statutory law.

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

1. R.S.19:2-1 is amended to read as follows:

Presidential primary for delegates, alternates, scheduling of primary elections.

19:2-1. Presidential primary elections for delegates and alternates to national conventions of political parties shall be held in each presidential year on the Tuesday next after the first Monday in February.

Primary elections for the general election shall be held in each year on the Tuesday next after the first Monday in June.

All primary elections shall occur between the hours of 6:00 A.M. and 8:00 P.M., Standard Time. Primary elections for special elections shall be held not earlier than 30 nor later than 20 days prior to the special elections.

2. R.S.19:3-3 is amended to read as follows:

Election of delegates, alternates at presidential primary election.

19:3-3. Delegates and alternates to the national conventions of the political parties held in each presidential year shall be elected at the presidential primary election to be held on the Tuesday next, after the first Monday in February in that year.

The members of State, county and municipal committees of the political parties shall be chosen at the primary for the general election as hereinafter provided.

3. R.S.19:6-3 is amended to read as follows:

Appointment of district board members by county board, Assignment Judge of Superior Court.

19:6-3. a. (1) The county board shall, on or before January 4 of each presidential year and on or before April 1 of every other year, appoint the members of the district boards in the manner prescribed by paragraph (2) of this subsection. The members of any district board shall be equally apportioned between the two political parties which at the last preceding general election held for the election of all of the members of the General Assembly cast the largest and next largest number of votes respectively in this State for members of the General Assembly, except that if the county board is unable to fill all of the positions of the members of a particular district board from among qualified members of those two political parties, the county board shall appoint to any such unfilled position an otherwise qualified person who is unaffiliated with any political party, but no such appointment of an unaffiliated person shall be made prior to January 9 of each

presidential year and prior to March 25 of every other year, and in no event shall more than two such unaffiliated persons serve at the same time on any district board.

(2) In making appointments of members of the several district boards of the county, the county board shall consult with the chairperson of the county committee of each of the two political parties referred to in paragraph (1) of this subsection. On or before December 20 of the year preceding each presidential year and on or before March 15 of every other year, the county board shall transmit to each of those chairpersons a list of those positions on the membership of the several district boards that are subject to apportionment under paragraph (1) to the political party of which that chairperson is a member, and to which the county board has been unable to make an appointment from among qualified members of that political party. The county board shall include with each such list a request that the chairperson to whom that list is transmitted return to the board a list of the names of candidates for those unfilled positions. On or before December 30 of the year preceding each presidential year and on or before March 25 of every other year, the county board shall, on the basis of the lists so returned to it, fill as many of the remaining unfilled positions in the membership of the several district boards as possible, and shall assign or reassign appointees as necessary to ensure that the membership of each district board within the county shall include at least one member of each of the two political parties. The county board shall then appoint to any unfilled position on a district board an otherwise qualified person who is unaffiliated with any political party.

b. In case the county board shall neglect, refuse or be unable to appoint and certify the members of the district boards as herein provided, the Assignment Judge of the Superior Court shall, before January 15 of each presidential year or before April 10 of every other year, make such appointments and certifications.

4. R.S.19:6-18 is amended to read as follows:

Nomination for member of county board; certification, appointment, term.

19:6-18. During the 30-day period immediately preceding November 25 of the year preceding each presidential year and February 15 of every other year, the chairman and vice-chairlady of each county committee and the State committeeman and State committeewoman of each of such two political parties, respectively shall meet and jointly, in writing, nominate one person residing in the county of such county committee chairman, duly

qualified, for member of the county board in and for such county for the succeeding year, in the case of the presidential year.

If more than two members are elected to the State committee of any party from a county, the State committeeman and State committeewoman who shall participate in the process of nomination shall be those holding full votes who received the greatest number of votes in their respective elections for members of the State committee.

If nomination be so made, the said county committee chairman shall certify the nomination so made to the State chairman and to the Governor, and the Governor shall commission such appointees, who shall be members of opposite parties, on or before December 20 of the year preceding each presidential year or on or before March 1 in every other year, as the case may be. If nomination be not so made on account of a tie vote in the said meeting of the county committee chairman, county committee vice-chairlady, State committeeman and State committeewoman, in respect to such nomination, the said county committee chairman shall certify the fact of such a tie vote to the State chairman, who shall have the deciding vote and who shall certify, in writing, to the Governor, the nomination made by his deciding vote. Appointees to county boards of election pursuant to this section shall continue in office for 2 years from either December 20 of the year preceding each presidential year or March 1, as the case may be, next after their appointment.

The first appointment having been made pursuant to law for terms of 1 and 2 years, respectively, the members subsequently appointed each year shall fill the offices of the appointees whose terms expire in that year.

5. R.S.19:6-22 is amended to read as follows:

Organization of county board of elections.

19:6-22. a. (1) The county boards shall, at 10 a.m., on the first Tuesday in January of each presidential year and on the second Tuesday in March of every other year, or on such other day as they may agree on within the first 5 days in January or 15 days in March, as the case may be, in each year, meet at the courthouse, or other place as provided for, in their respective counties, and, subject to the provisions of paragraph (2) of this subsection, organize by electing one of their number to be chairman and one to be secretary; but the chairman and secretary shall not be members of the same political party.

(2) In case of failure to elect a chairman after three ballots or viva voce votes, the member having the greatest seniority on the board shall be the

chairman thereof, except that if the member having the greatest seniority on the board so chooses, that member shall instead be secretary of the board; in the event that that senior member so chooses to become secretary, no election shall be held to choose a secretary of the board, the board shall elect one of its members who is not of the same political party as the secretary to be the chairman of the board, and in the case of a failure again to elect a chairman after three ballots or viva voce votes, the person among those members having the greatest seniority on the board shall be the chairman thereof.

In any case of failure to elect a chairman, if two or more members of the board who are eligible to become chairman have greatest and equal seniority on the board, then the board shall, not later than the fifth day following the organization meeting, notify the Governor of an inability to fill the position of chairman either by election or on the basis of seniority, including in that notice a certification of the names of those senior members of the board. In addition, if the position of secretary has not otherwise been filled under the foregoing provisions of this paragraph, the board shall defer for the time being the election of a secretary. Not later than the fifth day following receipt of the notice, the Governor shall designate one of those senior members to be chairman of the board and certify that designation to the board. If the position of secretary was not filled at the initial meeting of the county board to organize, then not later than the fifth day following receipt of that certification, the board shall reconvene at the call of the chairman so designated and shall elect a secretary of the board.

In case of failure to elect a secretary after three ballots or viva voce votes, the member of the board having the greatest seniority shall be secretary of the board, except that if that member has become chairman because of election to that position or because of designation as a result of the failure to elect a chairman, the member with the next greatest seniority shall be secretary. In no case, however, shall the chairman and secretary be members of the same political party.

Seniority for the purposes of this section shall be determined by the total amount of time that a person has served as a member of the board, beginning from the date that that person took the oath of office as a member.

b. The boards shall have power in their discretion to hold their meetings for any purpose, except organization, in any part of their respective counties. Meetings may be called by either the chairman or the secretary of the board, or at the request of any two members.

6. R.S.19:8-2 is amended to read as follows:

Suggested list of available places, selection.

19:8-2. The clerk of every municipality, on or before January 4 of each presidential year and on or before April 1 of every other year shall certify to the county board of every county wherein such municipality is located a suggested list of places in the municipality suitable for polling places. The county board shall select the polling places for the election districts in the municipalities of the county for all elections in the municipalities thereof, including all commission government elections in the county. The county boards shall not be obliged to select the polling places so suggested by the municipal clerks, but may choose others where they may deem it expedient. Preference in locations shall be given to schools and public buildings where space shall be made available by the authorities in charge, upon request, if same can be done without detrimental interruption of school or the usual public services thereof, and for which the authority in charge shall be reimbursed, by agreement, for expenses of light, janitorial and other attending services arising from such use. Each polling place selected shall be accessible to individuals with disabilities and the elderly. A polling place shall be considered accessible if it is in compliance with the federal "Americans with Disabilities Act of 1990" (42 U.S.C. s. 12101 et seq.). In no case shall the authorities in charge of a public school or other public building deny the request of the county board for the use, as a polling place, of any building they own or lease.

Where the county board shall fail to agree as to the selection of the polling place or places for any election district, within five days of an election, the county clerk shall select and designate the polling place or places in any such election district.

The county board may select a polling place other than a schoolhouse or public building outside of the district but such polling place shall not be located more than 1,000 feet distant from the boundary line of the district. The Attorney General may, however, permit a polling place to be more than 1,000 feet distant from the boundary line of the district if there is no suitable polling place accessible to individuals with disabilities and the elderly within the district or 1,000 feet distant from the boundary line of the district.

Whenever possible, the county board shall contact the managers or owners of commercial or private buildings that the board deems suitable to use as polling places, and are in or near an election district lacking an accessible polling place, to determine whether a portion of such a building may be used as a polling place on the day of an election. Reimbursement for the use of a portion of such a building shall be the same as provided by this section for schools and public buildings.

Neither the owner nor operator of a facility designated as a polling place by the county board is permitted or authorized to relocate the polling place room in the building without the express prior approval of the board.

7. Section 4 of P.L.1991, c.429 (C.19:8-3.4) is amended to read as follows:

C.19:8-3.4 Report of inaccessible polling places, ADA guidelines.

4. No later than January 15 of each presidential year and no later than May 15 of every other year, beginning with May 15 next following the enactment of P.L.2005, c.146, each Voting Accessibility Advisory Committee, established pursuant to section 11 of P.L.1991, c.429 (C.19:8-3.7) shall report to the Attorney General and the county board of elections, on the form provided by the Attorney General, a list of all polling places in the county, specifying any found inaccessible. The committee shall indicate the reasons for inaccessibility, according to guidelines established in the federal "Americans with Disabilities Act of 1990" (42 U.S.C. s. 12101 et seq.), and shall consult with the county board of elections to determine the efforts made pursuant to P.L.1991, c.429 (C.19:8-3.1 et al.) to locate alternative polling places or the actions needed to make the existing facilities accessible. Each county board of elections shall notify the Attorney General and the committee of any changes in polling place locations before the next general election, including any changes required due to the alteration of district boundaries.

8. R.S.19:8-4 is amended to read as follows:

Certification of list of polling places.

19:8-4. The county board before January 15 of each presidential year and May 15 of every other year shall certify a list of polling places so selected to the sheriff and to the clerk of the county and to the superintendent of elections of the county if any there be and to each municipal clerk in the county.

9. R.S.19:9-2 is amended to read as follows:

Preparation of information and election supplies.

19:9-2. The Director of the Division of Elections shall prepare and distribute on or before January 4 of each presidential year and on or before April 1 of every other year prior to the primary election for the general election and the general election such information as may be needed relative to election procedures for the ensuing year.

The county board of elections shall prepare and distribute on or before January 4 of each presidential year and on or before April 1 of every other year, registration and voting instructions printed in at least 14-point type for conspicuous display at each polling place at any election.

All other books, ballots, envelopes and other blank forms which the county clerk is required to furnish under any other section of this Title, stationery and supplies for the primary election for the general election, the presidential primary election for delegates and alternates to national conventions and the general election, shall be furnished, prepared and distributed by the clerks of the various counties; except that all books, blank forms, stationery and supplies, articles and equipment which may be deemed necessary to be furnished, used or issued by the county board or superintendent shall be furnished, used or issued, prepared and distributed by such county board or superintendent, as the case may be.

The county board shall furnish and deliver to the county clerk, the municipal clerks and the district boards in municipalities having more than one election district: a map or description of the district lines of their respective election districts, together with the street and house numbers where possible in such election districts and a list or map of all of the polling places within the county to assist any voter in identifying the correct location of the polling place at which the voter should vote if that voter erroneously reports to the municipal clerk or the wrong polling place.

Nothing in subtitle 2 of the Title, Municipalities and Counties (R.S.40:16-1 et seq.), shall in any way be construed to affect, restrict, or abridge the powers conferred on the county clerks, county boards or superintendents by this Title.

10. R.S.19:23-1 is amended to read as follows:

Notice, State committee to county committee; county committee to municipal clerks.

19:23-1. The chairman of the State committee of a political party shall, on or before March 1 in the year when a Governor is to be elected, notify in writing the chairman of each county committee of such party of the number of male or female members or members with less than one full vote to be elected from the county at the ensuing primary election for the general election, and each such chairman shall, on or before April 1 of such year, send a copy of such notice to the county clerk.

The chairman of each county committee shall also, on or before January 4 of each presidential year and on or before April 1 of every other year, file with the clerks of the several municipalities the number of committeemen to be elected at the ensuing primary for the general election to the county committee.

11. R.S.19:23-40 is amended to read as follows:

Primary elections, dates; time.

19:23-40. The presidential primary election shall be held for all political parties in each presidential year on the first Tuesday next after the first Monday in February.

The primary election for the general election shall be held for all political parties upon the Tuesday next after the first Monday in June.

All primary elections shall occur between the hours of 6:00 A.M. and 8:00 P.M., Standard Time and shall be held for all political parties in the same places as hereinbefore provided for the ensuing general election.

12. R.S.19:24-1 is amended to read as follows:

Notification relative to number of delegates, alternates to be elected.

19:24-1. In every year in which presidential primary elections are to be held as herein provided for the election of delegates and alternates to the national conventions of political parties, including any national mid-term convention or conference of a political party, the chairman of the State committee of each political party shall notify the Attorney General, on or before December 20 of that preceding year, of the number of delegates-at-large and the number of alternates-at-large to be elected to the next national convention of such party by the voters of the party throughout the State, and also of the number of delegates and alternates to be chosen to such convention in the respective congressional districts or other territorial subdivisions of the State as mentioned in such notification.

If the State chairmen, or either of them, shall fail to file notice, the Attorney General shall ascertain such facts from the call for its national convention issued by the National or State committee.

13. R.S.19:24-2 is amended to read as follows:

Certification as to number of delegates, alternates to be elected.

19:24-2. The Attorney General shall, on or before December 20 of the year preceding each presidential election or January 1 of every other year, as the case may be, certify to the county clerk and county board of each county the number of delegates and alternates-at-large to be chosen by each such party and the number of delegates and alternates to be chosen in each congressional district or other territorial subdivision of the State, composed in whole or in part of the county of such county clerk.

Any provisions of this Title which pertain particularly to any election or to the general election or to the primary election for the general election shall apply to the presidential primary election for delegates and alternates to national conventions insofar as they are not inconsistent with the special provisions of this Title pertaining to the presidential primary election for delegates and alternates to national conventions.

Notwithstanding any provision of this Title, national and State party rules shall govern the selection of delegates and alternates to national party conventions, provided the State chairman of the political party notifies the Attorney General prior to December 20 of the year preceding each presidential election or January 1 of every other year, as the case may be, in which delegates and alternates are elected of the applicable party rules governing the delegate selection process. The Attorney General shall notify the county clerks prior to December 20 of the year preceding each presidential election or January 10 of every other year, as the case may be, in which delegates and alternates are elected of the applicable party rules, if any, which apply to matters within their jurisdiction. Pursuant to this section, the Attorney General shall issue to the county clerks uniform regulations governing the delegate selection process.

14. R.S.19:31-16 is amended to read as follows:

Data on eligible voters' deaths filed by health officer.

19:31-16. a. The health officer or other officer in charge of records of death in each municipality shall file with the commissioner of registration for the county in which the municipality is located once each month, during the first five days thereof, the age, date of death, and the names and addresses of all persons 18 years of age or older who have died within such municipality during the previous month. Within 30 days after the receipt of such list, the commissioner shall make and complete such investigation as is necessary to establish to his satisfaction that such deceased person is registered as a voter in the county. If such fact is so established, the commissioner shall cause the registration and record of voting forms of the deceased registrant to be transferred to the death file as soon as possible. If the deceased person was not so registered in the county, but the person maintained a residence in another county of this State, the officer in charge of records of death in the municipality in which the decedent died shall forward a copy of the notice of death to the officer in charge of records of death in the municipality in which the decedent resided. That officer having received the notice shall notify the commissioner of the county in

which that municipality is located of the death of the person. Any commissioner who receives such notification shall undertake the procedures prescribed herein with respect to the registration in that county of the decedent.

b. The State registrar of vital statistics shall file with the commissioner of registration of each county no later than January 2 of each presidential year and no later than May 1 of every other year an alphabetized list of the name, address, and date of birth, if available, of each resident of the county 18 years of age or older who died during the previous year. Within 30 days after the receipt of the list the commissioner shall undertake and complete such investigation as is necessary to establish that each person on the list is not registered as a voter in the county. The commissioner shall cause the registration and record of voting forms of any deceased registrant found on the list to be transferred to the death file as soon as possible.

15. 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 other than in a year when a presidential primary election occurs, in which case no such election on that date may be called, 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.

16. This act shall take effect immediately.

Approved April 1, 2007.

CHAPTER 62

AN ACT providing local property tax relief through homestead rebates and credits and limits on local tax levies, amending and supplementing various 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. The Legislature finds and declares:
 - a. On June 6, 2006, the New Jersey Senate President and the Assembly Speaker announced “an unprecedented special legislative session”;
 - b. On July 28, 2006, the Governor addressed a joint session of the Legislature and commended the Senate President and the Assembly Speaker for calling the special session;
 - c. At that time the Governor stated that property tax relief and reform should be addressed in a suitable manner;
 - d. The Governor proposed the creation of a new property tax credit program that would provide immediate relief to New Jersey homeowners and also urged the establishment of a four percent cap on property taxes;
 - e. Subsequent to the Governor's address, the Legislature adopted Assembly Concurrent Resolution No. 3, which created four bicameral, bipartisan Joint Committees to review and formulate proposals to reform property taxes;
 - f. The four Joint Committees followed an open and inclusive process, which consisted of 32 public meetings, broadcast live and archived on the Internet, and nine public hearings;
 - g. The four Joint Committees solicited testimony in person and through teleconferencing from State and national experts, academics, practitioners, and officials; reviewed thousands of pages of background materials; and received over 3,700 public emails;
 - h. The four Joint Committees issued comprehensive final reports that contained nearly 100 recommendations for short term property tax relief and long term reform;
 - i. One of the four Joint Committee final reports, "The Final Report of the Joint Legislative Committee on Constitutional Reform and Citizens' Property Tax Constitutional Convention," set forth findings and recommendations concerning property tax reform through amendments to the State Constitution and other proposals;
 - j. In its Final Report, the Joint Legislative Committee on Constitutional Reform and Citizens' Property Tax Constitutional Convention found that although the State's rebate programs have provided property tax relief to many residents, and particularly seniors, certain reforms and enhancements are necessary to improve the efficacy of the programs;
 - k. The Joint Committee also found that the property tax is regressive in nature and that many low and middle income New Jerseyans suffer from a disproportionately high property tax burden;

l. Accordingly, the Joint Committee recommended that the State should implement a credit program to replace the system of rebates and that additional funds should be allocated to the program to provide meaningful relief to those who need it most;

m. Thus, the Joint Committee concluded that the benefit under the new program should be increased to 20 percent for as many taxpayers as resources allow;

n. The Joint Committee found that the Legislature must work with the Governor to ensure that the new program will provide sustainable relief to New Jersey's taxpayers;

o. The Joint Committee studied the Governor's proposal to adopt a four percent property tax levy cap that provided limited exceptions and a sunset provision so that any unintended consequences such as those realized by other states that have adopted caps could be addressed before the cap would be made permanent;

p. The Joint Committee found that property tax levy caps have been shown to hold down rising property taxes, and therefore, the Legislature should develop a property tax levy cap that accomplishes this goal but does not lead to unintended, adverse consequences;

q. The Joint Committee recommended that the levy cap should protect taxpayers from large annual increases of recent years that have resulted in widespread dissatisfaction with prevailing tax burdens and made the State unaffordable for some;

r. The Joint Committee also recommended that the levy cap should contain a narrowly crafted set of exceptions to provide flexibility during periods of rapid growth or local emergencies and that it should include a sunset provision, which would act as a "safety valve" so that any unexpected consequences of imposing a levy cap could be addressed before the cap would be made permanent;

s. The Legislature commends the work of the Joint Committee and has fully considered its Final Report;

t. A new credit program with sufficient funding to provide a 20 percent benefit to most homeowners and residential tenants is the most practical and efficient means to reduce the State's property tax burden;

u. A property tax levy cap is necessary to sustain the benefits of the new program;

v. A property tax levy cap is crucial to controlling various areas of government spending, especially those areas which have outpaced the growth in spending in the private sector;

w. A property tax levy cap will force government to live within its means, encourage public officials to elevate the public interest over special interests, and most importantly, reduce the rate of growth in property taxes;

x. The Governor in his 2007 State of the State Address agreed that a property tax levy cap, with limited exceptions and provisions for voter override, is the key to the sustainability of the relief in the 20 percent credit program;

y. The Governor also has expressed that a property tax levy cap will compel all governmental units to prioritize spending decisions and to aggressively search for structural changes that will bring down long term costs;

z. Changing the law to give local governmental units, including boards of education, the same flexibility that State government has to modify the payment obligations of the employer for active employee coverage under the State Health Benefits Program will assist local governmental units, including boards of education, in prioritizing spending decisions and aggressively searching for structural changes that will bring down long term costs;

aa. Property tax reform requires fiscal restraint at all levels and the State must continue to abide by the State Appropriations Limitation Cap, which curbs growth in spending on the State bureaucracy and held spending growth below 2.96% in the current fiscal year; and

bb. The State recognizes that sustaining property tax reform at the local levels requires the State to be a full partner in the funding of local needs and that State aid must continue to grow so that the full burden of providing necessary services does not fall on property taxpayers.

C.18A:7F-37 Definitions relative to property tax levy cap concerning school districts.

2. For the purposes of sections 2 through 7 of P.L.2007, c.62 (C.18A:7F-37 through C.18A:7F-42):

"Adjusted tax levy" means the amount raised by property taxation for the purposes of the school district, excluding any debt service payment.

"Commissioner" means the Commissioner of Education.

"New Jersey Quality Single Accountability Continuum" or "NJQSAC" means the monitoring and evaluation process of school districts pursuant to section 10 of P.L.1975, c.212 (C.18A:7A-10).

"Prebudget year adjusted tax levy" means the amount raised by property taxation in the prebudget year for the purposes of the school district, excluding any debt service payment, less any amounts raised after approval of a waiver by the commissioner or separate question by the voters or board of school estimate in the prebudget year unless such approval explicitly allows the approved increases to be permanent.

“School district” means any local or regional school district established pursuant to chapter 8 or chapter 13 of Title 18A of the New Jersey Statutes.

“Unrestricted State aid” means formula State aid that is included in a school district’s State aid notice and allocated pursuant to P.L.1996, c.138 (C.18A:7F-1 et al.) or any other law for appropriation in a school district’s general fund plus early childhood program aid allocated pursuant to section 16 of P.L.1996, c.138 (C.18A:7F-16) or any other law and demonstrably effective program aid and instructional supplement aid allocated pursuant to section 18 of P.L.1996, c.138 (C.18A:7F-18) or any other law.

“Weighted resident enrollment” means weighted resident enrollment as calculated pursuant to subsection a. of section 13 of P.L.1996, c.138 (C.18A:7F-13) and as projected by the commissioner.

C.18A:7F-38 School district budget increase subject to tax levy growth limitation.

3. a. Notwithstanding the provisions of any other law to the contrary, a school district shall not adopt a budget pursuant to sections 5 and 6 of P.L.1996, c.138 (C.18A:7F-5 and 18A:7F-6) with an increase in its adjusted tax levy that exceeds the tax levy growth limitation calculated as follows: the sum of the prebudget year adjusted tax levy and the adjustment for increases in enrollment multiplied by four percent, and adjustments for a reduction in total unrestricted State aid from the prebudget year, an increase in health care costs, and beginning in the 2008-2009 school year, amounts approved by a waiver granted by the commissioner pursuant to section 4 of P.L.2007, c.62 (C.18A:7F-39).

b. (1) The allowable adjustment for increases in enrollment authorized pursuant to subsection a. of this section shall equal the per pupil prebudget year adjusted tax levy multiplied by EP, where EP equals the sum of:

(a) 0.50 for each unit of weighted resident enrollment that constitutes an increase from the prebudget year over 1%, but not more than 2.5%;

(b) 0.75 for each unit of weighted resident enrollment that constitutes an increase from the prebudget year over 2.5%, but not more than 4%; and

(c) 1.00 for each unit of weighted resident enrollment that constitutes an increase from the prebudget year over 4%.

(2) A school district may request approval from the commissioner to calculate EP equal to 1.00 for any increase in weighted resident enrollment if it can demonstrate that the calculation pursuant to paragraph (1) of this subsection would result in an average class size that exceeds 10% above the facilities efficiency standards established pursuant to P.L.2000, c.72 (C.18A:7G-1 et al.).

c. The allowable adjustment for a reduction in total unrestricted State aid authorized pursuant to subsection a. of this section shall equal any reduction in total unrestricted State aid from the prebudget to the budget year.

d. The allowable adjustment for increases in health care costs authorized pursuant to subsection a. of this section shall equal that portion of the actual increase in total health care costs for the budget year, less any withdrawals from the current expense emergency reserve account for increases in total health care costs, that exceeds four percent of the total health care costs in the prebudget year, but that is not in excess of the product of the total health care costs in the prebudget year multiplied by the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury.

e. In addition to the adjustments authorized pursuant to subsection a. of this section, for the purpose of determining a school district's allowable tax levy growth limitation for the 2007-2008 school year, a school district may apply to the commissioner for an adjustment for increases in special education costs over \$40,000 per pupil, increases in tuition, capital outlay increases, and incremental increases in costs for opening a new school facility in the budget year.

(1) The allowable adjustment for increases in special education costs over \$40,000 per pupil 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 four percent.

(2) The allowable adjustment for increases in tuition shall equal any increase in the 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 or charged by a county vocational school district pursuant to the provisions of section 71 of P.L.1990, c.52 (C.18A:54-20.1) less 104 percent of the tuition for the prebudget year charged to a sending district by the receiving district pursuant to the provisions of N.J.S.18A:38-19 or charged by a county vocational school district pursuant to the provisions of section 71 of P.L.1990, c.52 (C.18A:54-20.1).

(3) The allowable adjustment for increases in capital outlay shall equal any increase in capital outlay, less any withdrawals from the capital reserve account, over the prebudget year in excess of four percent.

f. The adjusted tax levy shall be increased or decreased accordingly whenever the responsibility and associated cost of a school district activity is transferred to another school district or governmental entity.

C.18A:7F-39 Waiver for school district to increase adjusted tax levy by more than allowable amount.

4. a. (1) Beginning in the 2008-2009 school year, a school district may request approval from the commissioner for a waiver to increase its adjusted tax levy by more than the allowable amount authorized in section 3 of P.L.2007, c.62 (C.18A:7F-38) to address extraordinary costs which may include, but not be limited to:

(a) a district's failure to meet the core curriculum content standards as determined through the New Jersey Quality Single Accountability Continuum. Prior to full implementation of NJQSAC, such determination shall be based on a school district's status under the "No Child Left Behind Act of 2001," Pub.L. 107-110. The commissioner shall approve the increase only if the district satisfactorily demonstrates that the increase will be used to implement or expand programs or services to address the causes of the district's failure to meet the core curriculum content standards or other performance indicators as determined through NJQSAC;

(b) energy cost increases over the prebudget year in excess of four percent;

(c) capital outlay increases, less any withdrawals from the capital reserve account, over the prebudget year in excess of four percent;

(d) the appropriation of non-recurring general fund revenues in the prebudget year original budget, including the appropriation of surplus;

(e) increases in insurance costs over the prebudget year in excess of four percent;

(f) increases in transportation costs required to service hazardous routes over the prebudget year in excess of four percent;

(g) increases in special education costs that exceed \$40,000 per each special education pupil over the prebudget year in excess of four percent;

(h) increases in tuition costs charged to a sending district by the receiving district pursuant to the provisions of N.J.S.18A:38-19 over the prebudget year in excess of four percent or charged by a county vocational school district pursuant to the provisions of section 71 of P.L.1990, c.52 (C.18A:54-20.1) over the prebudget year in excess of four percent; and

(i) incremental increases in costs associated with opening a new school facility in the budget year.

(2) A waiver request shall be submitted at least five working days prior to the required budget submission dates established pursuant to sections 5 and 6 of P.L.1996, c.138 (C.18A:7F-5 and 18A:7F-6) in a form required by the commissioner, as appropriate, and shall include such information and documentation as the commissioner deems necessary.

(3) In considering a waiver request, in addition to the authority granted to the commissioner pursuant to section 6 of P.L.1996, c.138 (C.18A:7F-6), the commissioner shall have the power to make budgetary reallocations up to the total amount of the waiver request. The commissioner shall not reduce or reallocate any line item accounts that will impact the district's ability to meet the core curriculum content standards and provide a thorough and efficient education.

(4) A waiver approval shall specify whether the adjusted tax levy increase shall be limited to the budget year or added to the adjusted tax levy as a permanent increase.

(5) Any decision of the commissioner as to the entitlement of any school district to an increase of its adjusted tax levy pursuant to this section shall be final and conclusive, and no appeal or review shall be taken therefrom; except that the matter may be put before the voters pursuant to subsection c. of this section.

b. (1) The commissioner may direct a school district to increase specific line item expenditure accounts, for specific purposes, to address low achievement or the causes of the district's failure to meet the core curriculum content standards as determined through NJQSAC, or prior to full implementation of NJQSAC, as determined based on a school district's status under the "No Child Left Behind Act of 2001," Pub.L.107-110.

(2) The commissioner is authorized to approve a school district budget with an increase in its adjusted tax levy by more than the allowable amount authorized pursuant to section 3 of P.L.2007, c.62 (C.18A:7F-38), up to the amount required to support the increase in expenditure accounts as directed in paragraph (1) of this subsection.

c. For the 2007-2008 school year, or for the 2008-2009 through 2011-2012 school years if a waiver requested pursuant to subsection a. of this section fails to be approved by the commissioner or if the school district elects not to request a waiver, the school district may submit to the voters at the April school election, or on such other date as is set by regulation of the commissioner, a proposal or proposals to increase the tax levy by more than the allowable amount authorized pursuant to section 3 of P.L.2007, c.62 (C.18A:7F-38). The proposal or proposals to increase the tax levy shall be approved if a majority of people voting at the April 2007 school election vote in the affirmative, or if 60 percent of the people voting at the April 2008 through April 2011 school elections vote in the affirmative. In the case of a school district with a board of school estimate, the additional tax levy shall be authorized only if a quorum is present for the vote and a ma-

jority of those board members who are present vote in the affirmative to authorize the additional tax levy.

(1) A proposal or proposals submitted to the voters or the board of school estimate to increase the tax levy pursuant to this subsection shall not include any programs or services necessary for students to achieve the core curriculum content standards.

(2) All proposals to increase the tax levy submitted pursuant to this subsection shall include interpretive statements specifically identifying the program purposes for which the proposed funds shall be used and a clear statement on whether approval will affect only the current year or result in a permanent increase in the levy. The proposals shall be submitted and approved pursuant to sections 5 and 6 of P.L.1996, c.138 (C.18A:7F-5 and 18A:7F-6).

(3) For only the 2007-2008 school budget year, 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.

d. The commissioner shall have the authority to grant additional waivers, applicable to all or some school districts, as determined by the commissioner, and only effective for the school budget year in which the waiver is granted, upon a finding of extraordinary circumstances that result in an unanticipated increase in expenditures for a service essential to the health, safety and welfare of the school children of the State.

C.18A:7F-40 Calculation of increase in school district's general fund tax levy for certain school years.

5. a. Notwithstanding any provision of subsection d. of section 5 of P.L.1996, c.138 (C.18A:7F-5) or section 36 of P.L.2000, c.126 (C.18A:7F-5a) to the contrary, for the 2007-2008 through 2011-2012 school years the increase in a school district's general fund tax levy shall be calculated in accordance with the provisions of sections 2 through 4 of P.L.2007, c.62 (C.18A:7F-37 through C.18A:7F-39).

b. Notwithstanding any provision of paragraph (9) of subsection d. of section 5 of P.L.1996, c.138 (C.18A:7F-5) to the contrary, for the 2007-2008 through 2011-2012 school years the submission of a separate proposal or proposals for additional funds to the voters or the board of school estimate shall be submitted in accordance with the provisions of subsection c. of section 4 of P.L.2007, c.62 (C.18A:7F-39).

C.18A:7F-41 Supplementation of accounts, establishment of reserve accounts by board of education or board of school estimate.

6. Notwithstanding the provisions of any law or regulation to the contrary:

a. A board of education or board of school estimate, as appropriate, may supplement a capital reserve account through a transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both, for withdrawal in subsequent school years.

b. A board of education or board of school estimate, as appropriate, may supplement a maintenance reserve account through a transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both, for withdrawal in subsequent school years.

c. A board of education or a board of school estimate, as appropriate, may through the adoption of a board resolution establish the following reserve accounts:

(1) Current expense emergency reserve account. The funds in the reserve shall be used to finance unanticipated general fund current expense costs required for a thorough and efficient education. The account shall not exceed \$250,000 or one percent of the district's general fund budget up to a maximum of \$1,000,000, whichever is greater. A board of education may appropriate funds to establish or supplement the reserve in the district's annual budget or through a transfer by board resolution at year end of any unanticipated revenue and unexpended line-item appropriation amounts. Withdrawals from the reserve shall require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

(2) Debt service reserve account in the debt service fund for proceeds from the sale of district property. The funds in the reserve shall be used to retire outstanding debt service obligations of the district. The reserve shall be liquidated within the lesser of five years from its inception or the remaining term on the obligations. Any remaining balance shall be used for tax relief.

d. All reserve accounts shall be established and held in accordance with GAAP and shall be subject to annual audit. Any capital gains or interest earned shall become part of the reserve account. A separate bank account is not required, however, a separate identity for each reserve account shall be maintained.

C.18A:7F-42 Rules, regulations.

7. a. Within 60 days of the effective date of P.L.2007, c.62 (C.18A:7F-37 et al.), the Commissioner of Education shall promulgate emergency

rules and regulations necessary to effectuate the purposes of sections 2 through 6 of P.L.2007, c.62 (C.18A:7F-37 through C.18A:7F-41) for the 2007-08 school year.

b. For the 2008-09 school year and thereafter, the Commissioner of Education shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations to effectuate the purposes of sections 2 through 6 of P.L.2007, c.62 (C.18A:7F-37 through C.18A:7F-41).

8. Section 7 of P.L.1996, c.138 (C.18A:7F-7) is amended to read as follows:

C.18A:7F-7 Undesignated general fund balances, use, limits.

7. a. For the 2004-2005 school year, an undesignated general fund balance in excess of 3% of the budgeted general fund for the prebudget year or \$100,000, whichever is greater, shall be appropriated by a school district based on surplus as anticipated pursuant to paragraph (2) of subsection a. of N.J.S.18A:22-8 and included in the budget prepared pursuant to section 5 of this act. In the event that the district's 2004-2005 budget is not approved by the voters of the district or the board of school estimate, the district may use the undesignated general fund balance which exceeds 3% to meet the reduction in tax levy certified by the municipal governing body or bodies or board of school estimate following review of the defeated budget. Any appropriation of the undesignated general fund balance made by board resolution following the April 2004 school budget election and prior to the effective date of P.L.2004, c.73 to the capital reserve account or maintenance reserve account or to increase spending for the 2003-2004 school year shall be null and void unless, upon written application to the commissioner, the district demonstrates that the appropriation was necessary for use in the 2003-2004 school year to meet the thoroughness standards established pursuant to subsection a. of section 4 of P.L.1996, c.138 (C.18A:7F-4) and no other line item account balances were available.

In the 2005-2006 school year and thereafter, an undesignated general fund balance in excess of 2% of the budgeted general fund for the prebudget year or \$250,000, whichever is greater, shall be appropriated by a school district for the purpose of the budget prepared pursuant to section 5 of this act.

The amount of any funds made available for appropriation as a result of the reduction in the percentage of authorized undesignated general fund balance pursuant to P.L.2004, c.73 shall be used to reduce the general fund tax levy required for the budget year.

In the case of a county vocational school district, if the amount of the budgeted general fund for the prebudget year is \$100 million or less, an undesignated general fund balance in excess of 6% of that amount or \$250,000, whichever is greater, shall be appropriated by the county vocational school district for the purpose of the budget prepared pursuant to section 5 of P.L.1996, c.138 (C.18A:7F-5). If the amount of the budgeted general fund for the prebudget year exceeds \$100 million, an undesignated general fund balance in excess of 6% of the first \$100 million and in excess of 3% of the amount which exceeds \$100 million shall be appropriated by a county vocational school district for the purpose of the budget prepared pursuant to section 5 of P.L.1996, c.138 (C.18A:7F-5).

b. Notwithstanding the provisions of subsection a. of this section, the district may, with the approval of the commissioner, appropriate any anticipated excess undesignated general fund balance to the capital reserve account established pursuant to N.J.S.18A:21-3 or section 57 of P.L.2000, c.72 (C.18A:7G-31) for that purpose.

c. If it is determined that the undesignated general fund balances at June 30 of any school year exceed those permitted under subsection a. of this section, the excess undesignated general fund balances shall be reserved and designated in the subsequent year's budget submitted to the commissioner pursuant to subsection c. of section 5 of this act.

d. The commissioner may withhold State aid in an amount not to exceed the excess undesignated general fund balances for failure to comply with subsection c. of this section.

e. Proceeds from the sale and lease-back of textbooks and non-consumable instructional materials shall not be included in the calculation of excess undesignated general fund balance during the budget year in which they are realized.

C.40A:4-45.44 Definitions relative to property tax levy cap concerning local units.

9. For the purposes of sections 9 through 13 of P.L.2007, c.62 (C.40A:4-45.44 through C.40A:4-45.47 and C.40A:4-45.3e):

"Adjusted tax levy" means an amount not greater than the amount to be raised by taxation of the previous fiscal year, less any waivers from a prior fiscal year required to be deducted by the Local Finance Board pursuant to section 11 of P.L.2007, c.62 (C.40A:4-45.46), that result multiplied by 1.04, to which the sum of exclusions defined in subsection b. of section 10 of P.L.2007, c.62 (C.40A:4-45.45) shall be added.

"Amount to be raised by taxation" means the property tax levy set in the annual budget of a local unit.

"Local unit" means a municipality, county, fire district, or solid waste collection district, but shall not include a municipality that had a municipal purposes tax rate of \$0.10 or less per \$100 for the previous tax year.

"New ratables" means the product of the taxable value of any new construction or improvements times the tax rate of a local unit for its previous tax year.

C.40A:4-45.45 Cap on calculation of adjusted tax levy by local unit; exclusions.

10. a. In the preparation of its budget the amount to be raised by taxation by a local unit shall not exceed the sum of new ratables, the adjusted tax levy, and the total of waivers approved pursuant to section 11 of P.L.2007, c.62 (C.40A:4-45.46); provided, however, that in the case of a county, the amount to be raised by taxation shall not exceed the amount permitted by section 4 of P.L.1976, c. 68 (C.40A:4-45.4).

b. The following exclusions shall be added to the calculation of the adjusted tax levy:

(1) increases in amounts required to be raised for (a) all debt service and (b) lease payments with county improvement authorities pursuant to leases in effect on the effective date of P.L.2007, c.62 (C.18A:7F-37 et al.);

(2) increases in amounts required to be raised to replace State formula aid due to a reduction in State formula aid from the previous local budget year;

(3) increases in amounts for certain pension contributions set forth in section 5 of P.L.2003, c.108 (C.40A:4-45.43) for the years set forth in that section;

(4) with respect to municipalities, any increase, greater than four percent, in the reserve for uncollected taxes that is required by law;

(5) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of four percent of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury.

(6) Notwithstanding the other provisions of this subsection, when the appropriation for all debt service is less than the amount appropriated for all debt service in the prior fiscal year, the amount of the difference shall be deducted from the sum of the exclusions listed in paragraphs (1) through (5) of this subsection. If there are no exclusions, then the amount of the difference shall reduce the adjusted tax levy by that amount. Any cancelled or unexpended appropriation for any exclusion pursuant to this subsection or

waiver pursuant to section 11 of P.L.2007, c.62 (C.40A:4-45.46), also shall be deducted from the sum of the exclusions listed in paragraphs (1) through (5) or directly reduce the adjusted tax levy if there are no exclusions.

C.40A:4-45.46 Waiver for local unit to increase amount raised by taxes to address extraordinary costs; referendum.

11. a. The governing body of a local unit may request approval from the Local Finance Board in the Department of Community Affairs for a waiver to increase its amount to be raised by taxes to address extraordinary costs, which may include but not be limited to:

- (1) increases in appropriations for capital lease payments;
- (2) energy cost increases in excess of four percent;
- (3) increases in insurance costs over the prebudget year in excess of four percent;
- (4) offsetting the loss of a non-recurring general fund revenue or surplus;
- (5) total net expenditures for new mandated services or net expenditure increases above four percent for the cost of those services that are 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; and
- (6) any purpose related to the provision of government services that the board deems essential to protect or promote the public health, safety, or welfare.

Amounts raised pursuant to a waiver granted pursuant to this subsection shall be included in the calculation of the adjusted tax levy in a subsequent year, unless otherwise required by the waiver.

Any decision of the Local Finance Board as to the entitlement of any local unit to a tax levy cap increase under this section shall be final and conclusive, and no appeal or review shall be taken therefrom; provided, however, that the matter may be put before the voters pursuant to subsection b. of this section.

b. (1) Notwithstanding subsection a. of this section, the governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory to increase the amount to be raised by taxation by more than the allowable adjusted tax levy. Approval shall be by an affirmative vote of 60 percent or more of the people voting on the question at the election. The local unit budget proposing the increase shall be introduced and approved in the manner otherwise provided for budgets of that local unit at least 20 days prior to the date on which the referendum

is to be held, and shall be published in the manner otherwise provided for budgets of the local unit at least 12 days prior to the referendum date, unless otherwise directed by the Director of the Division of Local Government Services in the Department of Community Affairs.

(2) The public question to be submitted to the voters at the referendum shall state only the amount by which the adjusted tax levy shall be increased by more than the otherwise allowable adjusted tax levy, and the percentage rate of increase which that amount represents over the allowable adjusted tax levy. The public question shall include an accompanying explanatory statement that identifies the changes in appropriations or revenues that warranted the governing body's decision to ask the public question; or, in the alternative and subject to the approval of the Director of the Division of Local Government Services in the Department of Community Affairs, a clear and concise narrative explanation of the circumstances for the increased adjusted tax levy being proposed.

(3) Unless otherwise provided pursuant to section 1 of P.L.1989, c.31 (C.40A:4-5.1), a referendum conducted pursuant to this subsection shall be held:

(a) for calendar year budgets only on the fourth Tuesday in January and the second Tuesday in March other than in a year when a presidential primary election occurs, in which case no such election on that date may be called; and

(b) for fiscal year budgets, only the last Tuesday in September, or the second Tuesday in December; provided, however, that no referendum shall be held on the same day as a referendum to exceed the school district levy cap.

(4) Any decision of the voters rejecting an increase to the tax levy cap under this subsection shall be final and conclusive, and no appeal or review shall be taken therefrom and no waiver application shall be made to the Local Finance Board.

(5) The director is authorized to act as necessary in order to consolidate ballot questions and procedures when a governing body elects to hold a referendum under both this section and section 9 of P.L.1983, c.49 (C.40A:4-45.16).

c. The Local Finance Board shall have the authority to grant additional waivers, applicable to all or some local units, as determined by the board, and only effective for the local budget year in which the waiver is granted, upon a finding of extraordinary circumstances that result in an unanticipated increase in expenditures for a service essential to the health, safety, and welfare of the residents of the State.

d. The adjusted tax levy shall be increased or decreased accordingly whenever the responsibility and associated cost of an activity performed by a local unit is transferred to or from a local unit, other government entity, or other service provider.

C.40A:4-45.47 Actions taken by director to implement provisions concerning cap on the property tax levy; rules, regulations.

12. a. The Director of the Division of Local Government Services in the Department of Community Affairs shall take such action as is deemed necessary and consistent with the intent of sections 9 through 11 of P.L.2007, c.62 (C.40A:4-45.44 through C.40A:4-45.46) to implement its provisions.

b. The director, in consultation with the Commissioner of Education regarding referendum dates, shall promulgate rules and regulations to effectuate the purposes of subsection b. of section 11 of P.L.2007, c.62 (C.40A:4-45.46).

C.40A:4-45.3e Additional exceptions to limits on increases to certain appropriations of local units.

13. In addition to the exceptions to the limits on increases to municipal appropriations set forth in section 3 of P.L.1976, c.68 (C.40A:4-45.3) and to the county tax levy set forth in section 4 of P.L.1976, c.68 (C.40A:4-45.4), an increase in appropriations that represents expenditures made by a municipality or county for the purpose of funding the provision of health insurance shall be exempt from the limits on increases to municipal appropriations and to the limits on increases to the county tax levy in county budgets, respectively, for any budget year, to the extent that the increases in health care costs equal that portion of the actual increase in total health care costs for the budget year that is in excess of four percent of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, as annually determined by the Division of Pensions and Benefits in the Department of the Treasury.

14. Section 3 of P.L.1977, c.85 (C.34:13A-16) is amended to read as follows:

C.34:13A-16 Negotiations between public fire, police department and exclusive representative; binding arbitration.

3. a. (1) Negotiations between a public fire or police department and an exclusive representative concerning the terms and conditions of employment shall begin at least 120 days prior to the day on which their collective negotiation agreement is to expire. The parties shall meet at least three

times during that 120-day period. The first of those three meetings shall take place no later than the 90th day prior to the day on which their collective negotiation agreement is to expire. By mutual consent, the parties may agree to extend the period during which the second and third meetings are required to take place beyond the day on which their collective negotiation agreement is to expire. A violation of this paragraph shall constitute an unfair practice and the violator shall be subject to the penalties prescribed by the commission pursuant to rule and regulation.

(2) Whenever those negotiations concerning the terms and conditions of employment shall reach an impasse, the commission, through the Division of Public Employment Relations shall, upon the request of either party, or upon its own motion take such steps, including the assignment of a mediator, as it may deem expedient to effect a voluntary resolution of the impasse.

b. (1) In the event of a failure to resolve the impasse by mediation, the Division of Public Employment Relations, at the request of either party, shall invoke factfinding with recommendation for settlement of all issues in dispute unless the parties reach a voluntary settlement prior to the issuance of the factfinder's report and recommended terms of settlement. Factfindings shall be limited to those issues that are within the required scope of negotiations unless the parties to the factfinding agree to factfinding on permissive subjects of negotiation. In the event of a continuing failure to resolve an impasse by means of the procedure set forth in this paragraph, and notwithstanding the fact that such procedures have not been exhausted, the parties shall notify the commission, at a time and in a manner prescribed by the commission, as to whether or not they have agreed upon a terminal procedure for resolving the issues in dispute. Any terminal procedure mutually agreed upon by the parties shall be reduced to writing, provide for finality in resolving the issues in dispute, and shall be submitted to the commission for approval.

(2) Notwithstanding the provisions of paragraph (2) of subsection a. of this section or paragraph (1) of this subsection, either party may petition the commission for arbitration on or after the date on which their collective negotiation agreement expires. The petition shall be filed in a manner and form prescribed by the commission. The party filing the petition shall notify the other party of its action. The notice shall be given in a manner and form prescribed by the commission.

Within 10 days of the receipt of the notice by the non-petitioning party, the parties shall notify the commission as to whether or not they have agreed upon a terminal procedure for resolving the issues in dispute. Any terminal procedure mutually agreed upon by the parties shall be reduced to

writing, provide for finality in resolving the issues in dispute, and shall be submitted to the commission for approval. If the parties fail to agree on a terminal procedure, they shall be subject to the provisions of subsection d. of this section.

c. Terminal procedures that are approvable include, but shall not be limited to the following:

(1) Conventional arbitration of all unsettled items.

(2) Arbitration under which the award by an arbitrator or panel of arbitrators is confined to a choice between (a) the last offer of the employer and (b) the last offer of the employees' representative, as a single package.

(3) Arbitration under which the award is confined to a choice between (a) the last offer of the employer and (b) the last offer of the employees' representative, on each issue in dispute, with the decision on an issue-by-issue basis.

(4) If there is a factfinder's report with recommendations on the issues in dispute, the parties may agree to arbitration under which the award would be confined to a choice among three positions: (a) the last offer of the employer as a single package, (b) the last offer of the employees' representative as a single package, or (c) the factfinder's recommendations as a single package.

(5) If there is a factfinder's report with a recommendation on each of the issues in dispute, the parties may agree to arbitration under which the award would be confined to a choice on each issue from among three positions: (a) the last offer of the employer on the issue, (b) the employee representative's last offer on the issue, or (c) the factfinder's recommendation on the issue.

(6) Arbitration under which the award on the economic issues in dispute is confined to a choice between (a) the last offer of the employer on the economic issues as a single package and (b) the employee representative's last offer on the economic issues as a single package; and, on any noneconomic issues in dispute, the award is confined to a choice between (a) the last offer of the employer on each issue in dispute and (b) the employee representative's last offer on that issue.

d. The following procedure shall be utilized if parties fail to agree on a terminal procedure for the settlement of an impasse dispute:

(1) In the event of a failure of the parties to agree upon an acceptable terminal procedure the parties shall separately so notify the commission in writing, indicating all issues in dispute and the reasons for their inability to agree on the procedure. The substance of a written notification shall not provide the basis for any delay in effectuating the provisions of this subsection.

(2) Upon receipt of such notification from either party or on the commission's own motion, the procedure to provide finality for the resolution of issues in dispute shall be binding arbitration under which the award on the

unsettled issues is determined by conventional arbitration. The arbitrator shall separately determine whether the total net annual economic changes for each year of the agreement are reasonable under the nine statutory criteria set forth in subsection g. of this section.

e. (1) The commission shall take measures to assure the impartial selection of an arbitrator or arbitrators from its special panel of arbitrators. Unless the parties, in a time and manner prescribed by the commission, mutually agree upon the selection of an arbitrator from the commission's special panel of arbitrators and so notify the commission in writing of that selection, the assignment of any arbitrator for the purposes of this act shall be the responsibility of the commission, independent of and without any participation by either of the parties. The commission shall select the arbitrator for assignment by lot.

In any proceeding where an arbitrator selected by mutual agreement is unable to serve, the two parties shall be afforded an opportunity to select a replacement. If the two parties are unable to mutually agree upon the selection of a replacement within a time period prescribed by the commission, the commission shall select the replacement in the manner hereinafter provided.

In any proceeding where an assigned arbitrator is unable to serve or, pursuant to the preceding paragraph, the two parties are unable to mutually agree upon a replacement, the commission shall assign a replacement arbitrator. The assignment shall be the responsibility of the commission, independent of and without any participation by either of the parties. The commission shall select the replacement arbitrator for assignment by lot.

(2) Appointment to the commission's special panel of arbitrators shall be for a three-year term, with reappointment contingent upon a screening process similar to that used for determining initial appointments.

The commission may suspend, remove, or otherwise discipline an arbitrator for a violation of P.L.1977, c.85 (C.34:13A-14 et seq.), section 4 of P.L.1995, c.425 (C.34:13A-16.1) or for good cause.

f. (1) At a time prescribed by the commission, the parties shall submit to the arbitrator or tripartite panel of arbitrators their final offers on each economic and non-economic issue in dispute. The offers submitted pursuant to this section shall be used by the arbitrator for the purposes of determining an award pursuant to paragraph (2) of subsection d. of this section. The commission shall promulgate rules and procedures governing the submission of the offers required under this paragraph, including when those offers shall be deemed final, binding and irreversible.

(2) In the event of a dispute, the commission shall have the power to decide which issues are economic issues. Economic issues include those

items which have a direct relation to employee income including wages, salaries, hours in relation to earnings, and other forms of compensation such as paid vacation, paid holidays, health and medical insurance, and other economic benefits to employees.

(3) Throughout formal arbitration proceedings the chosen arbitrator or panel of arbitrators may mediate or assist the parties in reaching a mutually agreeable settlement.

(4) Arbitration shall be limited to those subjects that are within the required scope of collective negotiations, except that the parties may agree to submit to arbitration one or more permissive subjects of negotiation.

(5) The decision of an arbitrator or panel of arbitrators shall include an opinion and an award, and shall be rendered within 120 days of the selection of the arbitrator by the mutual agreement of both parties or the commission's assignment of that arbitrator or panel of arbitrators, as the case may be, pursuant to paragraph (1) of subsection e. of this section; provided, however, the arbitrator or panel of arbitrators, for good cause, may petition the commission for an extension of not more than 60 days. The two parties, by mutual consent, may agree to an extension. The parties shall notify the arbitrator and the commission of any such agreement in writing. The notice shall set forth the specific date on which the extension shall expire. Any arbitrator or panel of arbitrators violating the provisions of this paragraph may be subject to the commission's powers under paragraph (2) of subsection e. of this section. The decision shall be final and binding upon the parties and shall be irreversible, except:

(a) Within 14 days of receiving an award, an aggrieved party may file notice of an appeal of an award to the commission on the grounds that the arbitrator failed to apply the criteria specified in subsection g. of this section or violated the standards set forth in N.J.S.2A:24-8 or N.J.S.2A:24-9. The appeal shall be filed in a form and manner prescribed by the commission. In deciding an appeal, the commission, pursuant to rule and regulation and upon petition, may afford the parties the opportunity to present oral arguments. The commission may affirm, modify, correct or vacate the award or may, at its discretion, remand the award to the same arbitrator or to another arbitrator, selected by lot, for reconsideration. An aggrieved party may appeal a decision of the commission to the Appellate Division of the Superior Court.

(b) An award that is not appealed to the commission shall be implemented immediately. An award that is appealed and not set aside by the commission shall be implemented within 14 days of the receipt of the commission's decision absent a stay.

(6) The parties shall bear the costs of arbitration subject to a fee schedule approved by the commission.

g. The arbitrator or panel of arbitrators shall decide the dispute based on a reasonable determination of the issues, giving due weight to those factors listed below that are judged relevant for the resolution of the specific dispute. In the award, the arbitrator or panel of arbitrators shall indicate which of the factors are deemed relevant, satisfactorily explain why the others are not relevant, and provide an analysis of the evidence on each relevant factor:

(1) The interests and welfare of the public. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by P.L.1976, c.68 (C.40A:4-45.1 et seq.).

(2) Comparison of the wages, salaries, hours, and conditions of employment of the employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of other employees performing the same or similar services and with other employees generally:

(a) In private employment in general; provided, however, each party shall have the right to submit additional evidence for the arbitrator's consideration.

(b) In public employment in general; provided, however, each party shall have the right to submit additional evidence for the arbitrator's consideration.

(c) In public employment in the same or similar comparable jurisdictions, as determined in accordance with section 5 of P.L.1995, c.425 (C.34:13A-16.2); provided, however, that each party shall have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.

(3) The overall compensation presently received by the employees, inclusive of direct wages, salary, vacations, holidays, excused leaves, insurance and pensions, medical and hospitalization benefits, and all other economic benefits received.

(4) Stipulations of the parties.

(5) The lawful authority of the employer. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by P.L.1976, c.68 (C.40A:4-45.1 et seq.).

(6) The financial impact on the governing unit, its residents and taxpayers. When considering this factor in a dispute in which the public employer is a county or a municipality, the arbitrator or panel of arbitrators shall take into account, to the extent that evidence is introduced, how the award will affect the municipal or county purposes element, as the case may be, of the local property tax; a comparison of the percentage of the municipal purposes element or, in the case of a county, the county purposes

element, required to fund the employees' contract in the preceding local budget year with that required under the award for the current local budget year; the impact of the award for each income sector of the property taxpayers of the local unit; the impact of the award on the ability of the governing body to (a) maintain existing local programs and services, (b) expand existing local programs and services for which public moneys have been designated by the governing body in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the governing body in a proposed local budget.

(7) The cost of living.

(8) The continuity and stability of employment including seniority rights and such other factors not confined to the foregoing which are ordinarily or traditionally considered in the determination of wages, hours, and conditions of employment through collective negotiations and collective bargaining between the parties in the public service and in private employment.

(9) Statutory restrictions imposed on the employer. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by section 10 of P.L.2007, c.62 (C.40A:4-45.45).

h. A mediator, factfinder, or arbitrator while functioning in a mediatory capacity shall not be required to disclose any files, records, reports, documents, or other papers classified as confidential received or prepared by him or to testify with regard to mediation, conducted by him under this act on behalf of any party to any cause pending in any type of proceeding under this act. Nothing contained herein shall exempt such an individual from disclosing information relating to the commission of a crime.

C.52:9H-42 Report on tax levy caps to Governor, Legislature.

15. On or before January 15, 2012, the New Jersey Tax and Fiscal Policy Study Commission created by P.L.2007, c.43 (C.52:9H-39 et seq.) shall report to the Governor and Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), evaluating the efficacy of the tax levy caps and making recommendations.

16. N.J.S.40A:2-3 is amended to read as follows:

Power to incur indebtedness, borrow money, issue bonds.

40A:2-3. Any local unit, by bond ordinance, may incur indebtedness, borrow money, authorize and issue negotiable obligations for financing:

a. any capital improvement or property which it may lawfully make or acquire;

b. any purpose for which it is authorized or required by law to make an appropriation, except current expenses, as may be defined by rule and regulation of the Local Finance Board, and payment of obligations (other than those for temporary financing); or

c. the amount of any contribution by a local unit that is a sending municipality under a regional contribution agreement pursuant to section 12 of P.L.1985, c.222 (C.52:27D-312).

No local unit shall borrow money or issue its obligations for purposes authorized under this chapter except as provided in this chapter.

17. N.J.S.40A:2-22 is amended to read as follows:

Maximum bond terms.

40A:2-22. The governing body of the local unit shall determine the period of usefulness of any purpose according to its reasonable life computed from the date of the bonds, which period shall not be greater than the following:

a. Buildings and structures.

1. Bridges, including retaining walls and approaches, or permanent structures of brick, stone, concrete or metal, or similar durable construction, 30 years.

2. Buildings, including the original furnishings and equipment therefor:

Class A: A building, of which all walls, floors, partitions, stairs and roof are wholly of incombustible material, except the window frames, doors, top flooring and wooden handrails on the stairs, 40 years;

Class B: A building, the outer walls of which are wholly of incombustible material, except the window frames and doors, 30 years;

Class C: A building which does not meet the requirements of Class A or Class B, 20 years.

3. Buildings or structures acquired substantially reconstructed or additions thereto, one-half the period fixed in this subsection for such buildings or structures.

4. Additional furnishings, five years.

b. Marine improvements.

1. Harbor improvements, docks or marine terminals, 40 years.

2. Dikes, bulkheads, jetties or similar devices of stone, concrete or metal, 15 years; of wood or partly of wood, 10 years.

c. Additional equipment and machinery.

1. Additional or replacement equipment and machinery, 15 years.

2. Voting machines, 15 years.

3. Information technology and telecommunications equipment, 7 years, except that for items with a unit cost of less than \$5,000, 5 years.

d. Real property.

1. Acquisition for any public purpose of lands or riparian rights, or both, and the original dredging, grading, draining or planting thereof, 40 years.

2. Improvement of airport, cemetery, golf course, park, playground, 15 years.

3. Stadia of concrete or other incombustible materials, 20 years.

e. Streets or thoroughfares.

1. Elimination of grade crossings, 35 years.

2. Streets or roads:

Class A: Rigid pavement. A pavement of not less than eight inches of cement concrete or a six-inch cement concrete base with not less than three-inch bituminous concrete surface course, or equivalent wearing surface, 20 years.

Flexible pavement. A pavement not less than 10 inches in depth consisting of five-inch macadam base, three-inch modified penetration macadam and three-inch bituminous concrete surface course or other pavements of equivalent strength, in accordance with the findings of the American Association of State Highway Officials (AASHO) Road Test, 20 years.

Class B: Mixed surface-treated road. An eight-inch surface of gravel, stone or other selected material under partial control mixed with cement or lime and fly ash, six inches in compacted thickness with bituminous surface treatment and cover, 10 years.

Bituminous penetration road. A five-inch gravel or stone base course and a three-inch course bound with a bituminous or equivalent binder, 10 years.

Class C: Mixed bituminous road. An eight-inch surface of gravel, stone, or other selected material under partial control mixed with bituminous material one inch or more in compacted thickness, five years.

Penetration macadam road. A road of sand, gravel or water-bound macadam, or surfacing with penetration macadam, five years.

3. Sidewalks, curbs and gutters of stone, concrete or brick, 10 years.

The period of usefulness in this subsection shall apply to construction and reconstruction of streets and thoroughfares.

f. Utilities and municipal systems.

1. Sewerage system, whether sanitary or storm water, water supply or distribution system, 40 years.

2. Electric light, power or gas systems, garbage, refuse or ashes incinerator or disposal plant, 25 years.

3. Communication and signal systems, 10 years.
4. House connections to publicly-owned gas, water or sewerage systems from the service main in the street to the curb or property lines where not part of original installation, five years.
 - g. Vehicles and apparatus.
 1. Fire engines, apparatus and equipment, when purchased new, but not fire equipment purchased separately, 10 years.
 2. Automotive vehicles, including original apparatus and equipment (other than passenger cars and station wagons), when purchased new, five years.
 3. Major repairs, reconditioning or overhaul of fire engines and apparatus, ambulances, rescue vehicles, and similar public safety vehicles (other than passenger cars and station wagons) which may reasonably be expected to extend for at least five years the period of usefulness thereof, five years.
 - h. The closure of a sanitary landfill facility utilized, owned or operated by a county or municipality, 15 years; provided that the closure has been approved by the Board of Public Utilities and the Department of Environmental Protection. For the purposes of this subsection "closure" means all activities associated with the design, purchase or construction of all measures required by the Department of Environmental Protection, pursuant to law, in order to prevent, minimize or monitor pollution or health hazards resulting from sanitary landfill facilities subsequent to the termination of operations at any portion thereof, including, but not necessarily limited to, the costs of the placement of earthen or vegetative cover, and the installation of methane gas vents or monitors and leachate monitoring wells or collection systems at the site of any sanitary landfill facility.
 - i. (Deleted by amendment, P.L.2007, c.62.)
 - j. The prefunding of a claims account for environmental liability claims by an environmental impairment liability insurance pool pursuant to P.L.1993, c.269 (C.40A:10-38.1 et al.), 20 years.

C.40A:2-22.1 Request for determination of period of usefulness.

18. A local unit may request, in a form and manner determined by rule and regulation of the Local Finance Board, that the Director of the Division of Local Government Services in the Department of Community Affairs determine a period of usefulness for any capital improvement or property not included in N.J.S.40A:2-22, provided that the maximum period of usefulness so determined shall not exceed 15 years.

19. The title of P.L.1999, c.63 is amended to read as follows:

Title amended.

AN ACT providing for direct property tax relief for individual homestead owners and renters in this State, establishing the New Jersey Homestead Property Tax Credit Act (the NJ Homestead Credit Act), amending and supplementing P.L.1990, c.61 (C.54:4-8.57 et al.), amending P.L.1981, c.239 and P.L.1997, c.348, and making an appropriation.

20. Section 1 of P.L.1990, c.61 (C.54:4-8.57) is amended to read as follows:

C.54:4-8.57 Short title.

1. Sections 1 through 10 of P.L.1990, c.61 (C.54:4-8.57 through 54:4-8.66) and sections 3, 14 through 16, 18 and 19 of P.L.1999, c.63 (C.54:4-8.58a and C.54:4-8.66a through C.54:4-8.66e) shall be known and may be cited as the "Homestead Property Tax Credit Act".

21. Section 2 of P.L.1990, c.61 (C.54:4-8.58) is amended to read as follows:

C.54:4-8.58 Definitions relative to homestead credit act.

2. As used in sections 2 through 10 of P.L.1990, c.61 (C.54:4-8.58 through 54:4-8.66) and sections 3 and 14 through 16 of P.L.1999, c.63 (C.54:4-8.58a and 54:4-8.66a through C.54:4-8.66c):

"Annualized rent" means, for tax years 2004 and thereafter, the rent paid by the claimant during the tax year for which the homestead rebate is being claimed, and if paid for a lease term covering less than the full tax year, the actual rent paid for the days during the term of the lease of the homestead proportionalized as if the term of the lease had been for 365 days of the tax year;

"Arm's-length transaction" means a transaction in which the parties are dealing from equal bargaining positions, neither party is subject to the other's control or dominant influence, and the transaction is entirely legal in all respects and is treated with fairness and integrity;

"Condominium" means the form of real property ownership provided for under the "Condominium Act," P.L.1969, c.257 (C.46:8B-1 et seq.);

"Continuing care retirement community" means a residential facility primarily for retired persons where lodging and nursing, medical or other health related services at the same or another location are provided as continuing care to an individual pursuant to an agreement effective for the life of the individual or for a period greater than one year, including mutually terminable contracts, and in consideration of the payment of an entrance fee with or without other periodic charges;

"Cooperative" means a housing corporation or association 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;

"Director" means the Director of the Division of Taxation in the Department of the Treasury;

"Dwelling house" means any residential property assessed as real property which consists of not more than four units, of which not more than one may be used for commercial purposes, but shall not include a unit in a condominium, cooperative, horizontal property regime or mutual housing corporation;

"Homestead" means:

a. (1) a dwelling house and the land on which that dwelling house is located which constitutes the place of the claimant's domicile and is owned and used by the claimant as the claimant's principal residence;

(2) a dwelling house situated on land owned by a person other than the claimant which constitutes the place of the claimant's domicile and is owned and used by the claimant as the claimant's principal residence;

(3) a condominium unit or a unit in a horizontal property regime which constitutes the place of the claimant's domicile and is owned and used by the claimant as the claimant's principal residence;

(4) for purposes of this definition as provided in this subsection, in addition to the generally accepted meaning of owned or ownership, a homestead shall be deemed to be owned by a person if that person is a tenant for life or a tenant under a lease for 99 years or more and is entitled to and actually takes possession of the homestead under an executory contract for the sale thereof or under an agreement with a lending institution which holds title as security for a loan, or is a resident of a continuing care retirement community pursuant to a contract for continuing care for the life of that person which requires the resident to bear a share of the property taxes that are assessed upon the continuing care retirement community, if a share is attributable to the unit that the resident occupies;

b. a unit in a cooperative or mutual housing corporation which constitutes the place of domicile of a residential shareholder or lessee therein, or of a lessee, or shareholder who is not a residential shareholder therein, and which is used by the claimant as the claimant's principal residence; and

c. a unit of residential rental property which unit constitutes the place of the claimant's domicile and is used by the claimant as the claimant's principal residence;

"Horizontal property regime" means the form of real property ownership provided for under the "Horizontal Property Act," P.L.1963, c.168 (C.46:8A-1 et seq.);

"Gross income" means all New Jersey gross income required to be reported pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., other than income excludable from the gross income tax return, but before reduction thereof by any applicable exemptions, deductions and credits, received during the taxable year by the owner or residential shareholder in, or lessee of, a homestead;

"Manufactured home" or "mobile home" means a unit of housing which:

(1) Consists of one or more transportable sections which are substantially constructed off site and, if more than one section, are joined together on site;

(2) Is built on a permanent chassis;

(3) Is designed to be used, when connected to utilities, as a dwelling on a permanent or nonpermanent foundation; and

(4) Is manufactured in accordance with the standards promulgated for a manufactured home by the Secretary of the United States Department of Housing and Urban Development pursuant to the "National Manufactured Housing Construction and Safety Standards Act of 1974," Pub.L.93-383 (42 U.S.C. s.5401 et seq.) and the standards promulgated for a manufactured or mobile home by the commissioner pursuant to the "State Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.);

"Mobile home park" means a parcel of land, or two or more parcels of land, containing no fewer than 10 sites equipped for the installation of manufactured or mobile homes, where these sites are under common ownership and control for the purpose of leasing each site to the owner of a manufactured or mobile home for the installation thereof, and where the owner or owners provide 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:

(1) The construction and maintenance of streets;

(2) Lighting of streets and other common areas;

(3) Garbage removal;

(4) Snow removal; and

(5) Provisions for the drainage of surface water from home sites and common areas;

"Mutual housing corporation" means a corporation not-for-profit, incorporated under the laws of this State on a mutual or cooperative basis within the scope of section 607 of the Lanham Act (National Defense Hous-

ing), Pub.L.849, 76th Congress (42 U.S.C. s.1521 et seq.), as amended, which acquired a National Defense Housing Project pursuant to that act;

"Principal residence" means a homestead actually and continually occupied by a claimant as the claimant's permanent residence, as distinguished from a vacation home, property owned and rented or offered for rent by the claimant, and other secondary real property holdings;

"Property tax" means payments to a municipality based upon an assessment made by the municipality upon real property on an ad valorem basis on land and improvements, but shall not include payments made in lieu of taxes;

"Rent" means the amount due in an arm's-length transaction solely for the right of occupancy of a homestead that is a unit of residential rental property. Rent shall not include any amount paid under the federal Housing Choice Voucher (Section 8) Program or paid as a rental assistance grant under section 1 of P.L.2004, c.140 (C.52:27D-287.1). If the director finds that the parties in a rental transaction have not dealt with each other in an arm's-length transaction and that the rent due was excessive, the director may, for purposes of the homestead rebate claim, adjust the rent claimed in the homestead rebate application to a reasonable amount of rent;

"Rent constituting property taxes" means 18% of the rent paid by the homestead rebate claimant during the tax year on a unit of residential rental property which constitutes the claimant's homestead, and in the case of a manufactured home or mobile home in a mobile home park which constitutes the claimant's homestead means 18% of the site fee paid by the claimant during the tax year to the owner of the mobile home park. Provided however, that for tax year 2004 and for each tax year thereafter, rent constituting property taxes shall equal 18% of annualized rent, and in the case of a manufactured home or mobile home in a mobile home park rent constituting property taxes shall equal 18% of a similarly annualized site fee;

"Resident" means an individual:

a. who is domiciled in this State, unless he maintains no permanent place of abode in this State, maintains a permanent place of abode elsewhere, and spends in the aggregate no more than 30 days of the tax year in this State; or

b. who is not domiciled in this State but maintains a permanent place of abode in this State and spends in the aggregate more than 183 days of the tax year in this State, unless the individual is in the Armed Forces of the United States;

"Residential rental property" means:

a. any building or structure or complex of buildings or structures in

which dwelling units are rented or leased or offered for rental or lease for residential purposes;

b. a rooming house, hotel or motel, if the rooms constituting the homestead are equipped with kitchen and bathroom facilities;

c. any building or structure or complex of buildings or structures constructed under the following sections of the National Housing Act (Pub.L.73-479) as amended and supplemented: section 202, Housing Act of 1959 (Pub.L.86-372) and as subsequently amended, section 231, Housing Act of 1959; and

d. a site in a mobile home park equipped for the installation of manufactured or mobile homes, where these sites are under common ownership and control for the purpose of leasing each site to the owner of a manufactured or mobile home for the installation thereof;

"Residential shareholder in a cooperative or mutual housing corporation" means a tenant or holder of a membership interest in that cooperative or corporation, whose residential unit therein constitutes the tenant or holder's domicile and principal residence, and who may deduct real property taxes for purposes of federal income tax pursuant to section 216 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.216; and

"Tax year" means the calendar year in which property taxes are due and payable.

22. Section 3 of P.L.1999, c.63 (C.54:4-8.58a) is amended to read as follows:

C.54:4-8.58a Homestead rebate determination in tax years 2003 to 2005; rebates or credits for tax year 2006 and after.

3. a. For tax year 2003, the director shall determine the amount of the homestead rebate that shall be paid to each claimant pursuant to P.L.1990, c.61 (C.54:4-8.57 et al.), and P.L.1999, c.63 (C.54:4-8.58a et al.), as amended by P.L.2004, c.40, based upon the information provided by the individual applicant in the application for either a NJ SAVER rebate or for a homestead rebate, or from any other information as may be available to the director in order that each individual applicant shall be paid the homestead rebate that may be allowed to the claimant pursuant to sections 3 through 5 of P.L.1990, c.61 (C.54:4-8.59 through 54:4-8.61), as the director determines is appropriate.

b. (1) For tax year 2003, 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.), or pursuant to that act as amended and supplemented by P.L.2004, c.40, and who meets the prerequisites for an NJ SAVER rebate at 12:01 A.M. on October 1, 2003 for that tax year, shall be considered to have applied for a homestead rebate and shall be allowed a homestead rebate instead of an NJ SAVER rebate for that tax year pursuant to P.L.1990, c.61 (C.54:4-8.57 et al.), and P.L.1999, c.63 (C.54:4-8.58a et al.), as amended by P.L.2004, c.40. An application for an NJ SAVER rebate shall be allowed as a homestead rebate 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. An application for an NJ SAVER rebate shall not be allowed for a homestead, the title to which is held partially or entirely by a corporate entity of any type, except as otherwise specifically allowed for applications from residents of properties owned by continuing care retirement community, cooperative or mutual housing corporations.

(2) For tax year 2004 and tax year 2005, any rebates applied for and paid pursuant to P.L.1990, c.61 (C.54:4-8.57 et al.), and P.L.1999, c.63 (C.54:4-8.58a et al.), as amended and supplemented by P.L.2004, c.40, shall be homestead rebates.

(3) For tax year 2006 and for tax years thereafter, any homestead benefit applied for and provided pursuant to this act shall be a rebate or credit, as annually determined by the Director of the Division of Taxation.

23. 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 or credit, amount; eligibility; determination.

3. a. A resident of this State shall be allowed a homestead rebate or credit for the tax year equal to the amount determined as a percentage of property taxes not in excess of \$10,000 paid by the claimant in that tax year on the claimant's homestead, rounded to the nearest whole dollar, as follows:

For Resident Taxpayer With Tax Year Gross Income:	Percentage:
not over \$100,000.....	20%
over \$100,000 but not over \$150,000.....	15%
over \$150,000 but not over \$250,000.....	10%

b. (1) A resident 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 or credit for the tax year equal to the greater of (a) the amount determined pursuant to subsection a. of this section or (b) the amount equal to an 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, but within the appropriate range, but not more than the amount of property taxes actually paid, as follows:

With Tax Year Gross Income:	Range:
not over \$70,000.....	\$1,200 to \$1,000
over \$70,000 but not over \$125,000.....	\$800 to \$600
over \$125,000 but not over \$200,000.....	\$500

(2) Notwithstanding any provision of this act to the contrary, a homestead rebate or credit shall be allowed pursuant to this section in relation to the amount of the property taxes actually paid during the tax year for the homestead owned and occupied as such at 12:01 a.m. on October 1 of the tax year, whether paid for the entire tax year by the claimant or by any pre-October 1 owner or owners of that homestead during that tax year.

c. (1) 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 or credit pursuant to this section only in relation to the individual's proportionate 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.

(2) Eligible claimants shall include individuals within any of the filing categories set forth in N.J.S.54A:2-1 and any individual or individuals not required to file a gross income tax return because their gross income was below the minimum taxable income threshold established in N.J.S.54A:2-4 and N.J.S.54A:8-3.1. 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 homestead rebate or credit claimed under this subsection shall be equal to one-half of the amount of the homestead rebate

or credit allowable had the spouses filed a joint return and homestead rebate or credit application.

(3) An application for a homestead rebate or credit 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 a rebate or credit. An application for a homestead rebate or credit shall not be allowed for a homestead, the title to which is held partially or entirely by a corporate entity of any type, except as otherwise specifically allowed for an application from a resident of a property owned by a continuing care retirement community, or a cooperative or mutual housing corporation.

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 or credit 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, who is other than a husband or wife claiming a homestead rebate or credit on the same homestead, from receiving a homestead rebate or credit determined pursuant to this section if another co-owner claims a homestead rebate or credit pursuant to this section, provided however, that each claim for a homestead rebate or credit determined pursuant to this section shall be separately subject to the provisions of subsections c. and d. of this section.

f. (Deleted by amendment, P.L.2004, c.40.)

g. (Deleted by amendment, P.L.2004, c.40.)

h. (Deleted by amendment, P.L.2007, c.62.)

24. Section 6 of P.L.1990, c.61 (C.54:4-8.62) is amended to read as follows:

C.54:4-8.62 Rebate, credit applications.

6. a. No homestead rebate or credit shall be allowed pursuant to this act except upon annual application therefor, in any manner, upon any form, and in any format, whether in writing or otherwise, as shall be prescribed by the director. The director may require a claimant for a homestead rebate or credit to attach to the homestead rebate or credit application a copy of the appropriate property tax bill or proof of rent paid for the prior tax year. The director may require such other verification of eligibility for a homestead rebate or credit as the director may deem necessary. The director may re-

quire that the application for a homestead rebate for a unit of residential rental property authorized pursuant to section 4 of P.L.1990, c.61 (C.54:4-8.60) shall be submitted (1) as part of the claimant's gross income tax return filed pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., or, (2) on any other form, in any manner or format and at any time and prior to any date as the director shall prescribe if (a) the claimant is not required to file a gross income tax return or (b) the claimant has filed an application for extension of time to file the claimant's gross income tax return. The director may require that the application for a homestead rebate or credit authorized pursuant to section 3 of P.L.1990, c.61 (C.54:4-8.59) shall be submitted (1) as part of the applicant's gross income tax return filed pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., or (2) on any other form, in any other format and at any time and prior to any date as the director shall prescribe. The director shall, for good cause shown, extend the time of any applicant to file a claim for a homestead rebate or credit for a reasonable period, and in such case, the application shall be processed and payment of a homestead rebate or credit made in accordance with the procedures established in the case of applications timely filed, except the date for payment of the rebate or credit may be delayed for a reasonable period. If an applicant or an applicant's spouse has filed an application for an extension of time to file a gross income tax return, the date by which the applicant shall file the homestead rebate or credit application may, in the discretion of the director, be extended for a reasonable period, and the date for the payment of the rebate or credit may be delayed for a reasonable period. The director may require sworn applications. In the event that the director waives the requirement of sworn applications, all declarations by claimants shall be considered as if made under oath and claimants, as to false declarations, shall be subject to the penalties as provided by law for perjury.

For the purposes of this subsection, in order to establish good cause to extend the time of any applicant to file a claim for a homestead rebate or credit the applicant shall provide to the director either medical evidence, such as a doctor's certification, that the claimant was unable to file the claim by the date prescribed by the director because of illness or hospitalization, or evidence that the applicant attempted to file a timely application. Except as may be established by medical evidence of inability to file a claim, good cause shall not be established due to a claimant not having received an application from the director.

b. Upon approval of homestead rebate or credit applications by the director, the director shall prepare lists of individuals entitled to a rebate or

credit, together with the respective amounts due each claimant and shall forward such lists to the State Treasurer, the Director of the Division of Budget and Accounting and any other officials as the director deems appropriate on or before the earliest of such date or dates as may be convenient for the director to compile such lists. The director may inspect all records in the offices of the tax collector and tax assessor of a municipality with respect to applications, claims and allowances for homestead rebates or credits.

c. If a homestead rebate application contains a claim for a rebate or credit that is incorrectly determined by the claimant or is based upon incorrect or insufficient information from which the director is to approve the claim, the director may determine the eligibility of the claimant for a homestead rebate or credit and the correct amount of a homestead rebate or credit to be paid to that claimant from such other information as may be available to the director. In addition, the director may adjust the amount of any homestead rebate or credit to which a claimant may be entitled by any part of the amount of any previous homestead rebate or credit erroneously claimed by and paid to that claimant.

d. In the case of a claimant for a homestead rebate whose homestead is a unit in a cooperative, mutual housing corporation or continuing care retirement community, the director may provide that the application shall include the name and address of the location of the property and the amount of real property taxes attributed to the cooperative, mutual housing residential unit or continuing care retirement community residential unit, as shall be indicated in an official notice which shall be furnished by the cooperative, mutual housing corporation or continuing care retirement community for the same year.

e. A homestead rebate or credit shall be allowed pursuant to this act for a claimant whose ownership of an interest in a homestead is satisfied by the holding of the beneficial interest if legal title thereto or share therein is held by another for the benefit of the claimant.

f. All provisions of this section shall apply to NJ SAVER rebate applications filed for and paid as homestead rebates for tax year 2003.

g. The director may, in writing, require the owner of residential rental property upon which property tax is not assessed, and the owner's agents and representatives, to provide the names of residents and tenants on the residential rental property and such other information, in such form, as the director deems reasonable to ensure that no claimant claiming a unit of that residential rental property as a homestead under this act receives a homestead rebate for which the claimant is not eligible. Any individual or entity failing to provide the required information within 60 days of the written

request of the director shall be liable, in the discretion of the director, to a penalty of up to \$500 for each month that the required information is not provided, unless it is shown that such failure is due to reasonable cause and not to willful neglect.

25. Section 7 of P.L.1990, c.61 (C.54:4-8.63) is amended to read as follows:

C.54:4-8.63 Rebates, credits, distribution, payment.

7. a. The State Treasurer annually on or before October 31, upon certification of the director and upon warrant of the Director of the Division of Budget and Accounting, shall pay and distribute the amount of a homestead rebate payable under this act that is claimed for the prior tax year to each claimant whose rebate is approved by the director.

b. A homestead credit allowed by the Director of the Division of Taxation to a claimant who claimed a homestead credit pursuant to section 3 of P.L.1990, c.61 (C.54:4-8.59), and whose homestead is not a unit in a cooperative, mutual housing corporation or continuing care retirement community, shall be paid by the State Treasurer, through electronic funds transfer made by the director to the local property tax account maintained by the local tax collector for the homestead of the claimant as the claimant shall identify, in equal installments after the application for the credit has been approved, at the dates and in the manner as the director shall determine to best coincide with the next local property tax quarterly due dates of August 1 and November 1. Notice of payments of credit installments shall be provided to the claimant and the appropriate local tax collector.

c. Notwithstanding subsection b. of this section, the director shall provide a homestead benefit under this act as a credit only if the director can ensure that the benefit will be applied to the appropriate taxpayer. Otherwise, the director may remit a homestead benefit to an eligible taxpayer as a rebate.

d. Notwithstanding subsection b. of this section, a resident homeowner 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 receive the credit in the form of a rebate payment in calendar year 2007, but will receive credits in future years starting in calendar year 2008, unless the claimant elects in the claimant's homestead credit application to receive a rebate.

e. Notwithstanding subsection b. of this section, if the director determines that homestead benefits for a particular tax year cannot be admin-

istered and delivered as credits efficiently, the director may remit homestead benefits for that year as rebates.

26. Section 8 of P.L.1990, c.61 (C.54:4-8.64) is amended to read as follows:

C.54:4-8.64 Property tax delinquency; withholding of rebates, credits.

8. a. The tax collector of each municipality shall, on or before April 1 of each year, furnish the director with a list of property taxpayers in the district delinquent for taxes due and payable for the year immediately preceding and the amounts of such delinquencies. The collector shall report on such list the name, lot and block number on the property tax duplicate as may be applicable, and the address of each owner to whom a delinquency is attributable together with the amount of such delinquency so identified. No homestead rebate payment under this act shall be made to a property owner, and no homestead credit shall be applied as provided in subsection b. of section 7 of P.L.1990, c.61 (C.54:4-8.63), while that property owner's delinquency remains; provided however that for the purposes of this act, for an assessment on a property which is on appeal and for which the statutory percentage of the tax as provided in R.S.54:3-27 has been paid, the taxes assessed on that property shall not be regarded as delinquent.

b. If the director receives the list as provided for in subsection a. of this section, and the director determines that a property tax delinquency remains for the preceding tax year on April 1, the director shall ascertain the amount of the homestead rebate or credit required to be withheld because of such delinquency in each municipality in the State, and shall certify such amounts to the State Treasurer as soon thereafter as may be practicable.

c. On or before November 15, the director shall notify each homestead rebate or credit claimant whose rebate or credit has been withheld because of delinquency that the amount of the rebate or credit to which the claimant otherwise would have been entitled has been sent to the tax collector in the municipality to be credited against the claimant's delinquency.

d. Upon certification by the director as to the amount of homestead rebates or credits required to be withheld because of delinquency in the several municipalities, the State Treasurer upon the warrant of the Director of the Division of Budget and Accounting, shall pay such amount on or before October 30 to the tax collector in each municipality.

e. The tax collector in each municipality shall credit the tax delinquency of each property taxpayer who appears on the delinquency list set forth in subsection a. of this section in the amount that otherwise would

have been returned to the property taxpayer as a homestead rebate or credit. In the event that the amount so credited by the tax collector exceeds the amount of delinquency, the tax collector may return the difference to the taxpayer or credit such amount to the subsequent property tax bill.

f. In the case of delinquency in the payment of property taxes by a cooperative, mutual housing corporation or continuing care retirement community, a homestead rebate that may be due an individual resident shall be paid by the State Treasurer to the tax collector of the municipality. The tax collector shall credit the cooperative, mutual housing corporation or continuing care retirement community with such payment and the cooperative, mutual housing corporation or continuing care retirement community shall, in turn, credit the individual unit owner to the extent of the rebate and notify the applicant of the amount to be credited.

g. If a tax collector fails to comply with the provisions of subsection a. of this section requiring the tax collector to furnish the director with a list, on or before April 1 of each year, of property taxpayers in the district delinquent for taxes due and payable for the year immediately preceding and the amounts of such delinquencies, the director shall either pay the homestead rebate directly to the delinquent applicant rather than to the tax collector of the municipality as set forth in subsection d. of this section or provide a credit for the applicant under this act.

h. All provisions of this section shall apply to NJ SAVER rebate applications filed for and paid as homestead rebates for tax year 2003.

27. Section 9 of P.L.1990, c.61 (C.54:4-8.65) is amended to read as follows:

C.54:4-8.65 Rebates, credits not subject to legal process; exceptions.

9. The homestead rebates and credits authorized under this act shall not be subject to garnishment, attachment, execution or other legal process, except as provided in section 1 of P.L.1981, c.239 (C.54A:9-8.1), or except for an income withholding order issued pursuant to P.L.1981, c.417 (C.2A:17-56.8 et al.), nor shall the payment thereof be anticipated.

28. Section 10 of P.L.1990, c.61 (C.54:4-8.66) is amended to read as follows:

C.54:4-8.66 Appeal to tax court from director's determination of amount.

10. a. (1) The director shall determine the amount of the rebate or credit, if any, that shall be provided for each claimant pursuant to P.L.1990, c.61 (C.54:4-8.57 et al.) based upon the information provided by the indi-

vidual applicant in the application or from any other information as may be available to the director and shall notify the applicant of the determined amount in the form of the homestead rebate check or credit or in any other manner as the director may deem appropriate. Subject to the provisions of the State Uniform Tax Procedure Law, R.S.54:48-1 et seq., such notification shall finally and irrevocably fix the amount of the rebate or credit unless the applicant, within 90 days after having been given notice of such determination, shall apply to the director for a hearing, or unless the director shall redetermine the same. After such hearing the director shall give notice of the final determination to the applicant.

(2) An applicant for a homestead rebate or credit authorized under this act who is aggrieved by any decision, order, finding, or denial by the director of all or part of that applicant's homestead rebate or credit may appeal therefrom to the New Jersey Tax Court in accordance with the provisions of the State Uniform Tax Procedure Law, R.S. 54:48-1 et seq.

b. The appeal provided by this section shall be the exclusive remedy available to an applicant for review of a decision of the director in respect to the determination of all or part of a homestead rebate or credit authorized under this act.

29. Section 14 of P.L.1999, c.63 (C.54:4-8.66a) is amended to read as follows:

C.54:4-8.66a Misrepresentation, penalty.

14. Any individual who receives a homestead rebate or credit otherwise authorized under this act but as a result of an intentional misrepresentation of a material fact shall be required to repay to the director the amount of the homestead rebate or credit and shall be liable to a penalty equal to 150% of the amount of the homestead rebate or credit paid as a result of that misrepresentation.

30. Section 15 of P.L.1999, c.63 (C.54:4-8.66b) is amended to read as follows:

C.54:4-8.66b Erroneous rebates or credits.

15. Any person who receives a homestead rebate or credit otherwise authorized under this act but which has been paid in error and which is recoverable by the director, and fails to return the payment within 45 days of receiving notice from the director that such payment was erroneous, shall pay, in addition to the amount of the erroneous rebate or credit, interest at the rate prescribed in R.S.54:49-3, assessed for each month or fraction thereof, com-

pounded annually at the end of each year, from the date next following the 45th day after receiving the notice from the director that such payment was erroneous until the date of the return of the erroneous payment.

31. Section 16 of P.L.1999, c.63 (C.54:4-8.66c) is amended to read as follows:

C.54:4-8.66c Recovery of erroneous or misrepresented rebates or credits, procedures.

16. A homestead rebate or credit paid as a result of misrepresentation or paid in error and any penalties and interest as imposed thereon by this act, shall be payable to and recoverable by the director in the same manner as a deficiency with respect to the payment of a State tax in accordance with the State Uniform Tax Procedure Law, R.S.54:48-1 et seq.

32. Section 6 of P.L.1997, c.348 (C.54:4-8.73) is amended to read as follows:

C.54:4-8.73 Rules, regulations.

6. Pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the director shall promulgate such rules and regulations and prescribe such forms as the director shall deem necessary to implement this act. The director shall also promulgate rules and regulations to implement an appeals process for aggrieved persons to use if eligibility for a homestead property tax reimbursement rebate or credit is denied.

33. R.S.54:4-64 is amended to read as follows:

Delivery of tax bills.

54:4-64. a. (1) As soon as the tax duplicate is delivered to the collector of the taxing district, as provided in R.S.54:4-55, he shall at once begin the work of preparing, completing, mailing or otherwise delivering tax bills to the individuals assessed. He shall also prepare and mail, or otherwise deliver to the individuals assessed, a tax bill for such following first and second installments, computed as provided in R.S.54:4-66 or section 2 of P.L.1994, c.72 (C.54:4-66.1), as appropriate.

(2) When any individual assessed has authorized the collector to mail or otherwise deliver his tax bill to a mortgagee or any other agent, the collector shall, at the same time, mail or otherwise deliver a duplicate tax bill to the individual assessed and shall print across the face of such duplicate tax bill the following inscription: "This is not a bill -- for advice only."

(3) The validity of any tax or assessment, or the time at which it shall be payable, shall not be affected by the failure of a taxpayer to receive a tax bill, but every taxpayer is put on notice to ascertain from the proper official of the taxing district the amount which may be due for taxes or assessments against him or his property.

(4) Notwithstanding the provisions of any law to the contrary, the third installment of current year taxes shall not be subject to interest until the later of August 1, the additional interest-free period authorized pursuant to R.S.54:4-67, or the twenty-fifth calendar day after the date that the tax bill for the third installment was mailed or otherwise delivered. Any payment received after the later of August 1, the additional interest-free period authorized pursuant to R.S.54:4-67, or the twenty-fifth calendar day after the date that the tax bill for the third installment was mailed or otherwise delivered may be charged interest back to August 1. The tax bill shall contain a notice specifying the date on which interest may begin to accrue.

b. As provided in subsection a. of this section, a mortgagor as the individual assessed for property taxes or other municipal charges with respect to the property securing a mortgage loan, may authorize the tax collector to mail or otherwise deliver his tax bill to a mortgagee or servicing organization. This tax authorization form shall be assignable in the event the mortgagee or servicing organization sells, assigns or transfers the servicing of the mortgage loan to another mortgagee or servicing organization.

c. The tax collector of the taxing district shall, upon receipt of a written request from a mortgagee or servicing organization on a form approved by the commissioner, mail or otherwise deliver a mortgagor's tax bill to a property tax processing organization. The commissioner shall provide by regulation for a procedure by which the tax collector of a taxing district may request the Director of the Division of Local Government Services in the Department of Community Affairs to review the appropriateness of the request to mail or otherwise deliver a mortgagor's tax bill to a property tax processing organization.

d. If a mortgagee, servicing organization, or property tax processing organization requests a duplicate copy of a tax bill, the tax collector of a taxing district shall issue a duplicate copy and may charge a maximum of \$5 for the first duplicate copy and a maximum of \$25 for each subsequent duplicate copy of the same tax bill in the same fiscal year, the actual charge being set by municipal ordinance. The commissioner shall promulgate regulations to effectuate the provisions of this subsection d. which regulations shall include a procedure by which a mortgagee, servicing organization, or property tax processing organization may appeal and be reimbursed for the amount it has paid for a duplicate copy of a tax bill, or any part thereof.

e. As used in subsections a., b., c., and d. of this section, "mortgagee," "mortgagor," "mortgage loan," "servicing organization" and "property tax processing organization" shall have the same meaning as the terms have pursuant to section 1 of P.L.1990, c.69 (C.17:16F-15).

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

Form and content of property tax bills.

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

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

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

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

c. The tax bill shall also include a calculation stating the amounts of State aid and assistance received by the municipality, school districts, special districts and county governments that offset property taxes that are otherwise due on each parcel. The director shall certify to each tax collector the amounts of said State aid and assistance that shall serve as the basis for the calculation for each parcel. The director shall set standards for the calculation and display of the statement on the tax bill.

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

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

35. Section 3 of P.L.1994, c.72 (C.54:4-66.2) is amended to read as follows:

C.54:4-66.2 Estimated, reconciled tax bills for municipalities, procedures.

3. a. Notwithstanding any provision of law, rule or regulation to the contrary, whenever a municipal governing body determines that the municipal tax collector will be unable to complete the mailing or delivery of tax bills in a municipality operating under a calendar fiscal year by June 14 or in a municipality operating under the State fiscal year by June 14 or December 1, as appropriate, because the county board of taxation has not certified a tax levy, or for any other reason, subject to regulations promulgated by the Local Finance Board, the governing body may direct, by resolution, the collector to prepare, complete, mail or otherwise deliver as soon as practicable to each individual assessed, or as provided in R.S.54:4-64 to the individual's mortgagee or servicing organization, estimated and reconciled tax bills in accordance with the procedures set forth in section 4 or 5, as appropriate, of P.L.1994, c.72 (C.54:4-66.3 or C.54:4-66.4).

b. Except as otherwise provided for by this section, an estimated tax bill and a reconciled tax bill issued pursuant to subsection a. of this section shall be considered the same as a regular tax bill with regard to other laws governing tax bills.

c. An estimated tax bill issued pursuant to this section may be used by a mortgagee or servicing organization in calculating the anticipated disbursements from mortgage escrow accounts as provided in section 6 of P.L.1990, c.69 (C.17:16F-20).

d. Notwithstanding anything in Title 54 of the Revised Statutes to the contrary, a municipality shall not issue more than four quarterly installment tax bills, whether estimated or final, during any calendar year. This subsection shall not apply to bills for added or omitted assessments.

e. The provisions of this section and sections 4 and 5 of P.L.1994, c.72 (C.54:4-66.3 and C.54:4-66.4) related to third installment tax bills shall not be operative in years when homestead property tax credits are provided through the property tax billing process. In such years, the director shall notify municipal officials of the suspension of this provision and that no estimated tax bills shall be printed or otherwise issued.

36. R.S.54:4-74 is amended to read as follows:

Payment of State and county taxes by municipality.

54:4-74. The governing body of each municipality shall cause to be paid to the treasurer of the county, in four installments, the amount of county taxes required to be assessed and raised in such municipality, on the fifteenth day of the month in which each installment of taxes shall become payable, except, that in those years when the third installment has been determined by the tax collector to be due after August 10, the installment shall be due no later than five days after the twenty-fifth day from when the tax bill was mailed or otherwise delivered pursuant to subsection a. of R.S.54:4-64, but no later than September 15. The amount to be payable as each of the first two installments shall be one-quarter of the total tax finally levied against the municipality for the preceding year, and the amount to be payable for the third and fourth installments shall be the full tax as levied for the current year, less the amount charged as the first and second installments. The amount thus found to be payable as the last two installments shall be divided equally for and as each installment. The governing body of each municipality shall cause to be paid to the county treasurer on December fifteenth of each year all of the taxes required to be assessed and raised by taxation in such taxing district for State school and other State purposes.

37. R.S.54:4-75 is amended to read as follows:

Payment by municipality of school moneys to custodian.

54:4-75. The governing body of each municipality shall pay over to the custodian of school moneys, in the case of school districts in which appropriations for school purposes are made by the inhabitants of the school district, within forty days after the beginning of the school year, twenty per centum (20%) of the appropriation for local school purposes, and thereafter, but prior to the last day of the school year, the balance of the moneys raised in the municipality for school purposes in such amounts as may from time to time be requested by the Board of Education, within thirty days after each request. The Board of Education shall not request any more money at any one time than shall be required for its expenditures for a period of eight weeks in advance; provided, however, that the Board of Education may at any time, but not earlier than fifteen days prior to the beginning of the school year, request sufficient moneys to meet all interest and debt redemption charges maturing during the first forty days of the school year. The governing body may make payments of such moneys in advance of the time and in excess of the amounts required by this section. Notwithstanding pro-

visions of this section to the contrary, in those years when the third installment of property taxes has been determined by the tax collector to be due after August 10, the installment shall be due no later than five days after the twenty-fifth day from when the tax bill was mailed or otherwise delivered pursuant to subsection a. of R.S.54:4-64, but no later than September 1.

38. Section 1 of P.L.1981, c.239 (C.54A:9-8.1) is amended to read as follows:

C.54A:9-8.1 Setoff of indebtedness to State agencies; precedence of child support indebtedness.

1. a. Whenever any taxpayer or resident shall be entitled to any refund of taxes pursuant to the "New Jersey Gross Income Tax Act" (N.J.S.54A:1-1 et seq.), including an earned income tax credit provided as a refund pursuant to P.L.2000, c.80 (C.54A:4-6 et al.), or whenever any individual is eligible to receive a homestead rebate or credit pursuant to P.L.1990, c.61 (C.54:4-8.57 et al.), P.L.1999, c.63 (C.54:4-8.58a et al.), P.L.2004, c.40 or P.L.2007, c.62 (C.18A:7F-37 et al.), and if the rebate or credit is not required to be paid over to the municipal tax collector under the provisions of section 8 of P.L.1990, c.61 (C.54:4-8.64), and at the same time the taxpayer or resident shall be indebted to any agency or institution of State Government, to the Victims of Crime Compensation Board for the portion of an assessment ordered pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1) for deposit in the Victims of Crime Compensation Board Account or restitution ordered to be paid to the board pursuant to N.J.S.2C:44-2 for deposit in the Victims of Crime Compensation Board Account, or for child support under Title IV-A, Title IV-D, or Title IV-E of the federal Social Security Act (42 U.S.C. s.601 et seq.), or other indebtedness in accordance with section 1 of P.L.1995, c.290 (C.2A:17-56.11b) the Department of the Treasury shall apply or cause to be applied the refund, homestead rebate or credit, or all, or so much of any or all as shall be necessary, to satisfy the indebtedness. Child support indebtedness shall take precedence over all other indebtedness. The Department of the Treasury shall retain a percentage of the proceeds of any collection setoff as shall be necessary to provide for any expenses of the collection effort.

b. A State department or agency which is owed a debt shall notify the Department of the Treasury of the existence of the debt and shall request that the Department of the Treasury execute a setoff as provided for in this section.

39. Section 2 of P.L.1981, c.239 (C.54A:9-8.2) is amended to read as follows:

C.54A:9-8.2 Regulations for procedures and methods.

2. The Department of the Treasury shall promulgate regulations concerning the procedures and methods to be employed by all agencies and institutions in the executive branch in the collection or the setting off of delinquent accounts. The regulations shall be consistent with all federal requirements or limitations regarding any information utilized in any collection or setoff, and shall in addition provide for due notice to the debtor and opportunity for a hearing upon request prior to any setoff; safeguards against the disclosure or inappropriate use of any personally identifiable information regarding the debtor obtained or maintained pursuant to this act; and the appropriate apportionment of any setoff in the case of a debtor's joint filing of a joint income tax return or homestead rebate or credit application.

40. For the fiscal year beginning July 1, 2007, the sum that shall be appropriated for homestead property tax rebates for residential tenants shall be not less than twice the amount appropriated for the same purpose in the prior fiscal year and shall be allocated in a manner prescribed by law.

41. N.J.S.2B:20-2 is amended to read as follows:

Preparation of juror source list.

2B:20-2. a. The names of persons eligible for jury service shall be selected from a single juror source list of county residents whose names and addresses shall be obtained from a merger of the following lists: registered voters, licensed drivers, filers of State gross income tax returns and filers of homestead rebate or credit application forms. The county election board, the Division of Motor Vehicles and the State Division of Taxation shall provide these lists annually to the Assignment Judge of the county. The Assignment Judge may provide for the merger of additional lists of persons eligible for jury service that may contribute to the breadth of the juror source list. Merger of the lists of eligible jurors into a single juror source list shall include a reasonable attempt to eliminate duplication of names.

b. The juror source list shall be compiled once a year or more often as directed by the Assignment Judge.

c. The juror source list may be expanded by the Supreme Court as it deems appropriate.

42. Section 7 of P.L.1964, c.125 (C.52:14-17.38) is amended to read as follows:

C.52:14-17.38 Certification of premium rates, charges; Medicare premiums; employer obligations.

7. a. The Division of Pensions and Benefits shall certify to the certifying agent of each employer electing participation under the program the premium rates and periodic charges applicable to the coverage provided for employees and dependents. The participating employer shall remit to the division all contributions to premiums and periodic charges in advance of their due dates, subject to the rules and regulations of the commission.

Notwithstanding the provisions of any other law to the contrary, the obligations of a participating employer other than the State to pay the premium or periodic charges for health benefits coverage provided under P.L.1961, c.49 (C.52:14-17.25 et seq.) may be determined by means of a binding collective negotiations agreement. With respect to employees for whom there is no majority representative for collective negotiations purposes, the employer may, in its sole discretion, modify the respective payment obligations set forth in law for the employer and such employees in a manner consistent with the terms of any collective negotiations agreement binding on the employer.

b. (1) From funds allocated therefor, the employer other than the State, upon the adoption and submission to the division of an appropriate resolution prescribed by the commission, may pay the premium or periodic charges for the benefits provided to a retired employee and the employee's dependents covered under the program, if the employee retired from a State or locally-administered retirement system, excepting the employee who elected deferred retirement, and may also reimburse the retired employee for the employee's premium charges under Part B of Medicare covering the retired employee and the employee's spouse if the employee:

- (a) retired on a disability pension; or
- (b) retired after 25 or more years of nonconcurrent service credit in one or more State or locally-administered retirement systems and a period of service of up to 25 years with the employer at the time of retirement, such period of service to be determined by the employer and set forth in an ordinance or resolution as appropriate; or
- (c) retired and reached the age of 65 years or older with 25 years or more of nonconcurrent service credit in one or more State or locally-administered retirement systems and a period of service of up to 25 years with the employer at the time of retirement, such period of service to be

determined by the employer and set forth in an ordinance or resolution as appropriate; or

(d) retired and reached the age of 62 years or older with at least 15 years of service with the employer.

“Retired employee and the employee’s dependents” may, upon adoption of an appropriate resolution therefor by the participating employer, also include otherwise eligible employees, and their dependents, who retired from one or more State or locally-administered retirement systems prior to the date that the employer became a participating employer in the New Jersey State Health Benefits Program or who did not elect to continue coverage in the program during such time after the employer became a participating employer that the employer did not pay premium or periodic charges for benefits to retired employees and their dependents pursuant to this section. Eligibility and enrollment of such employees and dependents shall be in accordance with such rules and regulations as may be adopted by the State Health Benefits Commission.

The employer other than the State may, by resolution, pay the premium or periodic charges for the benefits provided to the surviving spouse of a retired employee and the employee’s dependents covered under the program as provided in this section.

(2) Notwithstanding the provisions of any other law to the contrary, the obligations of an employer other than the State, except an independent State authority, board, commission, corporation, agency, or organization deemed to be covered by section 6 of P.L.1996, c.8 (C.52:14-17.28b) and except school boards whose employees are covered by section 3 of P.L.1987, c.384 (C.52:14-17.32f), section 2 of P.L.1992, c.126 (C.52:14-17.32f1) and section 1 of P.L.1995, c.357 (C.52:14-17.32f2), to pay the premium or periodic charges for health benefits coverage under the provisions of paragraph (1) may be determined by means of a binding collective negotiations agreement, including any agreement in force at the time of the adoption of this act, P.L.1999, c.48. With respect to employees for whom there is no majority representative for collective negotiations purposes, the employer may, in its sole discretion, determine the payment obligations for the employer and the employees, except that if there are collective negotiations agreements binding upon the employer for employees who are within the same community of interest as employees in a collective negotiations unit but are excluded from participation in the unit by the “New Jersey Employer-Employee Relations Act,” P.L.1941, c.100 (C.34:13A-1 et seq.), the payment obligations shall be determined in a manner consistent with the terms

of any collective negotiations agreement applicable to the collective negotiations unit.

c. Notwithstanding the provisions of any other law to the contrary, the payment obligations of an employee of an employer other than the State, except an independent State authority, board, commission, corporation, agency, or organization, for health benefits coverage under subsection b. shall be the payment obligations applicable to the employee on the date the employee retires on a disability pension or the date the employee meets the service credit and service requirements for the employer payment for the coverage, as the case may be.

43. Section 9 of P.L.1964, c.125 (C.52:14-17.40) is amended to read as follows:

C.52:14-17.40 Coverage, withholding of employee contribution, payment of remainder.

9. An employee enrolling for coverage shall, at the time of enrollment, authorize the participating employer to withhold, on an advance basis, from his wages or salary the contribution required by such employer for such coverage, which shall not exceed the premium or periodic charge therefor. The remainder of the premiums and periodic charges for employee and dependents coverage shall be paid by the participating employer out of its own funds.

C.18A:16-19.1 Establishment of cafeteria plan for health benefits by board of education.

44. Notwithstanding the provisions of any other law to the contrary, a board of education, or an agency or instrumentality thereof, may establish as an employer a cafeteria plan for its employees pursuant to section 125 of the federal Internal Revenue Code, 26 U.S.C. s.125. The plan may provide for a reduction in an employee's salary, through payroll deductions or otherwise, in exchange for payment by the employer of medical or dental expenses not covered by a health benefits plan, and dependent care expenses as provided in section 129 of the code, 26 U.S.C. s.129, and such other benefits as are consistent with section 125 which are included under the plan. The amount of any reduction in an employee's salary for the purpose of contributing to the plan 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.

C.40A:10-23.5 Establishment of cafeteria plan for health benefits by local unit.

45. Notwithstanding the provisions of any other law to the contrary, a local unit of government, or an agency, board, commission, authority or instrumentality thereof, may establish as an employer a cafeteria plan for its employees pursuant to section 125 of the federal Internal Revenue Code, 26 U.S.C. s.125. The plan may provide for a reduction in an employee's salary, through payroll deductions or otherwise, in exchange for payment by the employer of medical or dental expenses not covered by a health benefits plan, and dependent care expenses as provided in section 129 of the code, 26 U.S.C. s.129, and such other benefits as are consistent with section 125 which are included under the plan. The amount of any reduction in an employee's salary for the purpose of contributing to the plan 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.

46. a. There is appropriated to the Department of Education from the General Fund an amount as the Commissioner of Education shall determine is necessary for the administrative costs of implementing the levy cap provisions of this act applicable to school districts, subject to the approval of the Director of the Division of Budget and Accounting.

b. There is appropriated to the Department of Community Affairs from the General Fund an amount as the Commissioner of Community Affairs shall determine is necessary for the administrative costs of implementing the levy cap provisions of this act applicable to local units, subject to the approval of the Director of the Division of Budget and Accounting.

c. There is appropriated to the Department of the Treasury from the General Fund an amount as the Director of the Division of Taxation in the Department of the Treasury shall determine is necessary for the administrative costs of implementing the credit provisions of this act (sections 19 through 40), subject to the approval of the Director of the Division of Budget and Accounting.

47. This act shall take effect immediately; provided, however, sections 2 through 12 shall be applicable only to budget years beginning on or after July 1, 2007, and shall not be applicable to budget years beginning after June 30, 2012; section 13 shall be retroactive to July 1, 2006, and shall not be applicable to budget years beginning after June 30, 2012; and sections

19 through 40 shall first apply to claims for rebates and credits for property taxes paid for the tax year 2006.

Approved April 3, 2007.

CHAPTER 63

AN ACT to encourage the financial accountability of local units of government through empowering citizens, reducing waste and duplicative services, clearing legal hurdles to shared services and consolidation, and supplementing, amending, and repealing sections of statutory law.

WHEREAS, The problem of high property taxes paid by New Jersey's residents is not easily solved, but can be ameliorated through changes to the laws designed to encourage government efficiency through shared services, regionalization, and consolidation; and

WHEREAS, The problem of political resistance remains a potent barrier to consolidation, especially since initial additional short-term costs may mask the long-term benefits of consolidation; and

WHEREAS, The Legislature should attempt to facilitate, by an improved and streamlined process that is tailored to local needs, that avoids the current thicket of overlapping and antiquated laws inhibiting interlocal cooperation, and that deals with Civil Service issues rationally; and

WHEREAS, The State largely has employed a "carrot" approach to incentivizing consolidation and service sharing for over 30 years, and for real progress to occur in reducing the rate of property tax increase, the "stick" approach is appropriate; and

WHEREAS, Providing citizens with the tools to gauge the efficiency of their local governments will help promote accountability and cost savings; now, therefore,

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

ARTICLE 1. SHARED SERVICES AND CONSOLIDATION SUBARTICLE A. GENERAL PROVISIONS

C.40A:65-1 Short title.

1. Sections 1 through 35 of P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35) shall be known and may be referred to as the "Uniform Shared Services and Consolidation Act."

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

2. The Legislature finds and declares:
 - a. Historically, many specialized statutes have been enacted to permit shared services between local units for particular purposes.
 - b. Other laws, permitting a variety of shared services, including inter-local services agreements, joint meetings, and consolidated and regional services, exist but have not been very effective in promoting the broad use of shared services as a technique to reduce local expenses funded by property taxpayers.
 - c. It is appropriate for the Legislature to enact a new shared services statute that can be used to effectuate agreements between local units for any service or circumstance intended to reduce property taxes through the reduction of local expenses.

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

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

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

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

“Contracting local units” means local units participating in a joint meeting.

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

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

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

“Joint contract” means an agreement between two or more local units to form a joint meeting.

“Joint meeting” means the joint operation of any public services, public improvements, works, facilities, or other undertaking by contracting local units pursuant to a joint contract under section 14 of P.L.2007, c.63 (C.40A:65-14).

"Local unit" means a "contracting unit" pursuant to section 2 of P.L.1971, c.198 (C.40A:11-2), a "district" pursuant to N.J.S.18A:18A-2, a "county college" pursuant to N.J.S.18A:64A-1, a joint meeting, or any authority or special district that is subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.).

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

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

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

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

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

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

SUBARTICLE B. SHARED SERVICES

C.40A:65-4 Agreements for shared services.

4. a. (1) Any local unit may enter into an agreement with any other local unit or units to provide or receive any service that each local unit participating in the agreement is empowered to provide or receive within its own jurisdiction, including services incidental to the primary purposes of any of the participating local units.

(2) Notwithstanding any law, rule or regulation to the contrary, any agreement between local units for the provision of shared services shall be entered into pursuant to sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.); provided, however, that agreements regarding shared services that are otherwise regulated by statute, rule, or regulation are specifically excluded from sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.).

(3) The board is authorized to render a decision in the determination of the statutory basis under which a specific shared service is governed.

b. Any agreement entered into pursuant to this section shall be filed, for informational purposes, with the Division of Local Government Ser-

vices in the Department of Community Affairs, pursuant to rules and regulations promulgated by the director.

C.40A:65-5 Adoption of resolution to enter into agreement.

5. a. A local unit authorized to enter into an agreement under section 4 of P.L.2007, c.63 (C.40A:65-4) may do so by the adoption of a resolution. A resolution adopted pursuant to this section or subsection b. of that section shall clearly identify the agreement by reference and need not set forth the terms of the agreement in full.

b. A copy of the agreement shall be open to public inspection at the offices of the local unit immediately after passage of a resolution to become a party to the agreement.

c. The agreement shall take effect upon the adoption of appropriate resolutions by all the parties thereto, and execution of agreements authorized thereunder as set forth in the agreement.

C.40A:65-6 Local units sharing services, designation of primary employer; rules, regulations.

6. a. In the case of an agreement for the provision of services by an officer or employee of a local unit who is required to comply with a State license or certification requirement as a condition of employment, the agreement shall provide for the payment of a salary to the officer or employee and shall designate one of the local units as the primary employer of the officer or employee for the purpose of that person's tenure rights. If the agreement fails to designate one of the local units as the primary employer, then the local unit having the largest population, shall be deemed the primary employer for the purposes of that person's tenure rights.

b. A State department or agency with oversight over specific activities that are the subject of a shared service agreement may promulgate whatever rules and regulations it deems necessary to ensure that the service continues to be provided in accordance with the requirements of that department or agency.

C.40A:65-7 Specific services delineated in agreement; conditions.

7. a. An agreement made pursuant to section 4 of P.L.2007, c.63 (C.40A:65-4) shall specify:

(1) the specific services to be performed by one or more of the parties as agent for any other party or parties;

(2) standards of the level, quality, and scope of performance, with assignment and allocation of responsibility for meeting those standards between or among the parties;

(3) the estimated cost of the services throughout the duration of the agreement, with allocation of those costs to the parties, in dollar amounts or by formula, including a time schedule for periodic payment of installments for those allocations. The specification may provide for the periodic modification of estimates or formulas contained therein in the light of actual experience and in accordance with procedures to be specified in the agreement;

(4) the duration of the agreement, which shall be 10 years, unless otherwise agreed upon by the parties; and

(5) the procedure for payments to be made under the contract.

b. In the case when all of the participating local units are municipalities, the agreement may provide that it shall not take effect until submitted to the voters of each municipality, and approved by a majority of the voters of each municipality voting at the referendum.

c. The agreement may provide for binding arbitration or for binding fact-finding procedures to settle any disputes or questions which may arise between the parties as to the interpretation of the terms of the agreement or the satisfactory performance by any of the parties of the services and other responsibilities required by the agreement.

d. For the purposes of sections 4 through 13 of P.L.2007, c.63 (C.40A:65-4 through C.40A:65-13), any party performing a service under a shared service agreement is the general agent of any other party on whose behalf that service is performed pursuant to the agreement, and that agent-party has full powers of performance and maintenance of the service contracted for, and full powers to undertake any ancillary operation reasonably necessary or convenient to carry out its duties, obligations and responsibilities under the agreement. These powers include all powers of enforcement and administrative regulation which are, or may be, exercised by the party on whose behalf the agent-party acts pursuant to the agreement, except as the powers are limited by the terms of the agreement itself, and except that no contracting party shall be liable for any part or share of the cost of acquiring, constructing, or maintaining any capital facility acquired or constructed by an agent-party unless that part or share is provided for in the agreement, or in an amendment thereto ratified by the contracting parties in the manner provided in sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.) for entering into an agreement.

e. Except as the terms of any agreement may explicitly or by necessary implication provide, any party to an agreement entered into pursuant to section 4 of P.L.2007, c.63 (C.40A:65-4) may enter into another agreement or agreements with any other eligible parties for the performance of any service or services pursuant to sections 1 to 37 of P.L.2007, c.63

(C.40A:65-1 et al.). The participation in one agreement shall not bar participation with the same or other parties in any other agreement.

f. Payment for services performed pursuant to an agreement shall be made by and to the parties, and at such intervals, as shall be provided in the agreement.

g. In the event of any dispute as to the amount to be paid, the full amount to be paid as provided in subsection a. of this section shall be paid; but if through subsequent negotiation, arbitration or litigation the amount due shall be determined, agreed or adjudicated to be less than was actually so paid, then the party having received the payment shall forthwith repay the excess.

C.40A:65-8 Preservation of seniority, tenure, pension rights for law enforcement officers.

8. a. Whenever two or more local units enter into an agreement, pursuant to section 4 of P.L.2007, c.63 (C.40A:65-4), for the shared provision of law enforcement services within their respective jurisdictions, the agreement shall recognize and preserve the seniority, tenure, and pension rights of every full-time law enforcement officer who is employed by each of the participating local units and who is in good standing at the time the ordinance authorizing the agreement is adopted, and none of those law enforcement officers shall be terminated, except for cause; provided, however, this provision shall not be construed to prevent or prohibit a merged law enforcement entity from reducing force as provided by law for reasons of economy and efficiency.

b. To provide for the efficient administration and operation of the shared law enforcement services within the participating local units, the agreement may provide for the appointment of a chief of police or other chief law enforcement officer. In that case, the agreement shall identify the appropriate authority to whom the chief of police or other chief law enforcement officer reports and also shall provide that any person who is serving as the chief of police or other chief law enforcement officer in one of the participating local units at the time the contract is adopted may elect either:

- (1) to accept a demotion of no more than one rank without any loss of seniority rights, impairment of tenure, or pension rights; or
- (2) to retire from service.

A person who elects retirement shall not be demoted, but shall retain the rank of chief of police or other chief law enforcement officer and shall be given terminal leave for a period of one month for each five-year period of past service as a law enforcement officer with a participating local unit.

During the terminal leave, the person shall continue to receive full compensation and shall be entitled to all benefits, including any increases in compensation or benefits, that he may have been entitled to if he had remained on active duty.

c. Whenever the participating local units have adopted or are deemed to have adopted Title 11A, Civil Service, of the New Jersey Statutes with regard to the provision of law enforcement services, and the agreement provides for the appointment of a chief of police or other chief law enforcement officer, the position of chief of police or other chief law enforcement officer shall be in the career service.

C.40A:65-9 Awarding of public contracts.

9. If any local unit performs a service on behalf of one or more other local units that are parties to an agreement that utilizes a private contractor to perform all or most of that service, or all or most of a specific and separate segment of that service, then that local unit shall award the contract for the work to be performed by a private contractor under the agreement in accordance with the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.).

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

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

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

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

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

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

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

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

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

b. If all the local units that are parties to the agreement are subject to the provisions of Title 11A, Civil Service, of the New Jersey Statutes, the Department of Personnel shall create an implementation plan for the agreement that will: (1) transfer employees with current status in current title unless reclassified, or (2) reclassify employees into job titles that best reflect the work to be performed. The Department of Personnel shall re-

view whether any existing hiring or promotional lists should be merged, inactivated, or re-announced. Non-transferred employees shall be removed or suspended only for good cause and after the opportunity for a hearing before the Merit System Board; provided, however, that they may be laid-off in accordance with the provisions of N.J.S.11A:8-1 et seq., and the regulations promulgated thereunder. The final decision of which employees shall transfer to the new employer is vested solely with the local unit that will provide the service and subject to the provisions of any existing collective bargaining agreements within the local units.

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

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

C.40A:65-12 Provision of technical advice by Public Employment Relations Commission.

12. The Public Employment Relations Commission is specifically authorized to provide technical advice, pursuant to section 12 of P.L.1968,

c.303 (C.34:13A-8.3), and mediation services to integrate separate labor agreements into single agreements for the shared service agreement. The commission may order binding arbitration, pursuant to P.L.1995, c.425 (C.34:13A-14a et al.), to integrate any labor agreement.

C.40A:65-13 Construction of power to share services.

13. It is the intent of the Legislature to facilitate and promote shared service agreements, and therefore the grant of power under sections 1 through 35 of P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35) is intended to be as broad as is consistent with general law.

SUBARTICLE C. JOINT MEETINGS

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

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

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

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

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

C.40A:65-15 Joint meeting deemed public body corporate and politic; powers.

15. a. A joint meeting is a public body corporate and politic constituting a political subdivision of the State for the exercise of public and essential governmental functions to provide for the public health and welfare.

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

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

c. If the governing body of a municipality in which a joint meeting has applied for the location and erection of sewage treatment or solid waste disposal facilities refuses permission therefor, or fails to take final action upon the application within 60 days of its filing, the joint meeting may, at any time within 30 days following the date of such refusal or the date of expiration of the 60-day period, apply to the Department of Environmental Protection for relief. That department is authorized, after hearing the joint meeting and the interested municipality, to grant the application for the erection of

the sewage treatment or disposal or solid waste treatment or disposal facilities, notwithstanding the refusal or failure to act of the municipal governing body, upon being satisfied that the topographical and other physical conditions existing in the local units comprising the joint meeting are such as to make the erection of such facilities within its boundaries impracticable as an improvement for the benefit of the whole applying joint meeting.

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

16. a. The joint contract shall provide for the operation of the public services, public improvements, works, facilities, or undertakings of the joint meeting, for the apportionment of the costs and expenses of operation required therefor among the contracting local units, for the addition of other local units as members of the joint meeting, for the terms and conditions of continued participation and discontinuance of participation in the joint meeting by the contracting local units, and for such other terms and conditions as may be necessary or convenient for the purposes of the joint meeting. The apportionment of costs and expenses may be based upon assessed valuations, population, and such other factor or factors, or any combination thereof, as may be provided in the joint contract.

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

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

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

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

C.40A:65-17 Preservation of seniority, tenure, pension rights of law enforcement officers.

17. a. Whenever the governing bodies of two or more local units enter into a joint contract for the joint operation of law enforcement services within their respective jurisdictions, the contract shall recognize and preserve the seniority, tenure, and pension rights of every full-time law enforcement officer who is employed by each of the contracting local units and who is in good standing at the time the ordinance or resolution, as the case may be, authorizing the contract is adopted, and none of those law en-

forcement officers shall be terminated, except for cause; provided, however, this provision shall not be construed to prevent or prohibit a merged law enforcement entity from reducing force as provided by law for reasons of economy and efficiency.

b. (1) To provide for the efficient administration and operation of the joint law enforcement services within the participating local units, the joint contract may provide for the appointment of a chief of police or other chief law enforcement officer. In that case, the joint contract shall identify the appropriate authority to whom the chief of police or other chief law enforcement officer reports and also shall provide that any person who is serving as the chief of police or other chief law enforcement officer in one of the participating local units at the time the joint contract is adopted may elect either:

(a) to accept a demotion of no more than one rank without any loss of seniority rights, impairment of tenure, or pension rights; or

(b) to retire from service.

(2) Any person who elects retirement shall not be demoted but shall retain the rank of chief of police or other chief law enforcement officer and shall be given terminal leave for a period of one month for each five-year period of past service as a law enforcement officer with the participating local unit. During the terminal leave, the person shall continue to receive full compensation and shall be entitled to all benefits, including any increases in compensation or benefits, that he may have been entitled to if he had remained on active duty.

c. Whenever the participating local units have adopted or are deemed to have adopted Title 11A, Civil Service, of the New Jersey Statutes with regard to the provision of law enforcement services, and the contract provides for the appointment of a chief of police or other chief law enforcement officer, the position of chief law enforcement officer shall be in the career service.

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

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

b. The Public Employment Relations Commission is specifically authorized to provide technical advice, pursuant to section 12 of P.L.1968, c.303 (C.34:13A-8.3), and mediation services to integrate separate labor

agreements into single agreements for the joint contract. The commission may order binding arbitration, pursuant to P.L.1995, c.425 (C.34:13A-14a et al.), to integrate any labor agreement.

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

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

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

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

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

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

(5) when an action is required of the Department of Personnel by this section, parties to a proposed joint contract may consult with the department in advance of the action and the department shall provide such techni-

cal support as may be necessary to assist in the preparation of an employment reconciliation plan or any other action required of the department by this section.

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

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

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

solely with the joint meeting and subject to the provisions of any existing collective bargaining agreements within the local units.

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

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

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

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

ing on all local units who have executed the joint contract. The management committee shall exercise all of the powers of the joint meeting subject to the provisions of the joint contract.

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

C.40A:65-21 Apportionment of operating costs by management committee.

21. The cost of acquiring, constructing, and operating any public improvements, works, facilities, services, or undertakings, or any part thereof, as determined by the management committee, shall be apportioned among the participating local units as provided by the joint contract. Each local unit shall have power to raise and appropriate the funds necessary therefor in the same manner and to the same extent as the local unit would have if it were acquiring and constructing the same for itself, including the power to authorize and issue bonds or other obligations pursuant to the "Local Bond Law," N.J.S.40A:2-1 et seq. The management committee shall certify to the participating local units the cost of the acquisition or construction, as well as the apportioned shares thereof, within 15 days after its action thereon.

C.40A:65-22 Certification of costs and expenses by management committee.

22. The management committee, not later than November 1 of each year, shall certify to the participating local units the total costs and expenses of operation, other than acquisition and construction costs, of the services, public improvements, works, facilities, or undertakings for the ensuing year, in accordance with the terms and provisions of the joint contract, together with an apportionment of the costs and expenses of operation among the participating local units in accordance with the method of apportionment provided in the joint contract. It shall be the duty of each participating local unit to include its apportioned share of such costs and expenses of operation in its annual budget, and to pay over to the management committee its apportioned share as provided in the joint contract. Operations under the budget and related matters shall be subject to and in accordance with rules of the Local Finance Board or the Commissioner of Education, as appropriate. The Local Finance Board shall be responsible for the determination of the appropriate rule-making authority with regard to each joint con-

tract. For the first year of operation under the joint contract, a participating local unit may adopt a supplemental or emergency appropriation for the purpose of paying its apportioned share of the costs and expenses of operation, if provision therefor has not been made in the annual budget.

C.40A:65-23 Termination of joint contract.

23. The joint contract shall be terminated upon the adoption of a resolution to that effect by the governing bodies of two-thirds of the local units then participating; except that if only two local units are then participating, adoption of a resolution by both units shall be required to terminate the contract. The termination shall not be made effective earlier than the end of the fiscal year next succeeding the fiscal year in which the last of the required number of local units adopts its termination resolution

C.40A:65-24 Existing joint meeting, public school jointure unaffected.

24. Any joint meeting or public school jointure formed under a previous law is continued and shall be governed under the provisions of sections 1 through 35 of P.L.2007, c.63 (C. 40A:65-1 through C.40A:65-35).

SUBARTICLE D. LOCAL OPTION MUNICIPAL CONSOLIDATION

C.40A:65-25 Findings, declarations relative to municipal consolidation.

25. a. The Legislature finds and declares that in order to encourage municipalities to increase efficiency through municipal consolidation for the purpose of reducing expenses borne by their property taxpayers, more flexible options need to be available to the elected municipal officials and voters than are available through the "Municipal Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et al.).

b. (1) In lieu of the procedures set forth in the "Municipal Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et al.), the governing bodies from two or more contiguous municipalities may apply to the board for either:

- (a) approval of a plan to consolidate their municipalities; or
- (b) creation of a Municipal Consolidation Study Commission, as described in subsection c. of this section.

(2) A representative committee of registered voters from two or more contiguous municipalities may petition the board for the creation of a Municipal Consolidation Study Commission, as described in subsection c. of this section. The petition, to be sufficient, shall be signed by the registered and qualified voters of the municipalities in a number at least equal to 10% of the total votes cast in those municipalities at the last preceding general election at which members of the General Assembly were elected.

(3) The board shall provide application forms and technical assistance to any governing bodies or voters desiring to apply to the board for approval of a consolidation plan or the creation of a Municipal Consolidation Study Commission.

(4) A consolidation commission established pursuant to P.L.1977, c.435 (C.40:43-66.35 et seq.) in the year prior to enactment of sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.) may apply to the Local Finance Board for approval to use the provisions of section 25 through 29 of P.L.2007, c.63 (C.40A:65-25 through C.40A:65-29).

c. An application to create a Municipal Consolidation Study Commission shall propose a process to study the feasibility of consolidating the participating municipalities into a single new municipality or merging one into the other. The application shall include provisions for:

(1) the means of selection and qualifications of study commissioners;

(2) the timeframe for the study, which shall be no more than three years, along with key events and deadlines, including time for review of the report by State agencies, which review shall be no less than three months;

(3) whether a preliminary report shall be issued in addition to the final report;

(4) whether the development of a consolidation implementation plan will be a part of the study;

(5) the means for any proposed consolidation plan to be approved; either by voter referendum, by the governing bodies, or both; and

(6) if proposed by a representative group of voters, justification of that group's standing to serve as the community advocate for the consolidation proposal.

d. (1) An application to the board for consideration of a consolidation plan or to create a Municipal Consolidation Study Commission shall be subject to a public hearing within each municipality to be studied, and a joint public hearing in a place that is easily accessible to the residents of both or all of the municipalities.

(2) The public hearings shall be facilitated by the board and conducted in accordance with the provisions of the "Senator Byron M. Baer Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.).

(3) After approval of a plan by the board, it may be amended upon petition to the board by the applicant. Based on the nature of the amendment, the board may decide to hold a public hearing in any of the municipalities affected by the plan, or at a regular meeting, or both.

e. Every Municipal Consolidation Study Commission shall include a representative of the Department of Community Affairs as a non-voting

representative on the commission. The representative shall not be a resident of a municipality participating in the study. The department shall prepare an objective fiscal study of the fiscal aspects of a consolidation and shall provide it to the commission in a timely manner.

f. If the consolidation would include the consolidation of boards of education, a person appointed by the Commissioner of Education shall serve as a non-voting member of that Municipal Consolidation Study Commission. The representative of the Commissioner of Education shall not be a resident of a community participating in the study. The county superintendent of schools shall conduct a study on the impact of consolidation on the educational system and its finances. The report shall be provided to the commission in a timely manner.

g. There shall be no more than one of either a consolidation plan study, a Municipal Consolidation Study Commission, or a joint municipal consolidation created under the "Municipal Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et al.), active in a single municipality at the same time. In the event that more than one application is filed with the board or is being considered by the governing bodies while another action affecting the same municipality or municipalities is under consideration, the board shall consider the applications and shall join any proposed creation of a joint municipal consolidation together and approve only one action as the board deems to be in the public interest. Prior to approving a single action, the board shall hold a public hearing permitting all parties to present testimony on the merits of their action in relation to the other proposals. Once an action is approved by the board, another action from the same combination of municipalities shall not be approved for at least five years.

h. In considering its decisions under sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.), the Local Finance Board and any other State agency shall take into account local conditions, the reasonableness of proposed decisions, and the facilitation of the consolidation process in making decisions concerning consolidation.

C.40A:65-26 Required information included in Municipal Consolidation Study Commission reports.

26. a. A consolidation plan or report of a Municipal Consolidation Study Commission shall include the provisions of sections 16 and 24 of P.L.1977, c.435 (C.40:43-66.50 and 40:43-66.58), insofar as they are consistent with the provisions of sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.). In addition, a consolidation plan shall address the following implementation issues:

- (1) a timetable for implementing the consolidation plan;
- (2) duplicate positions, including those held by tenured, certified officers, listing those positions proposed to be abolished for reasons of economy, efficiency or other good cause and listing those positions proposed to be merged; and
- (3) applicability of the provisions of Title 11A, Civil Service, of the New Jersey Statutes, if Title 11A has been adopted by one or more consolidating municipalities.

b. The following policies may be considered and implemented under an application for approval of a consolidation plan, and may be included as part of a study under the "Municipal Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et al.), or as part of a study conducted by a Municipal Consolidation Study Commission pursuant to sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.):

(1) creation of a consolidation implementation plan to establish a timetable of significant events and goals to be achieved as part of a consolidation study;

(2) a phase-in of a consolidation over a fixed period of time. Such a plan shall be subject to review and approval of the Local Finance Board prior to it being approved by the governing bodies or subject to voter referendum;

(3) variations from existing State law or State department rules that may not have anticipated a phase-in or consolidation of services. When variations are proposed, they shall be submitted to the board which shall refer it to the agency with oversight responsibility. After due consideration, the referee agency is empowered to waive such law or rules if a waiver is found reasonable to further the process of consolidation. Where no such agency exists, the Commissioner of Community Affairs shall act on behalf of the State. These requests shall be acted on within 45 days of their receipt by an agency, and they shall be deemed approved, subject to approval of a consolidation proposal by the municipalities, by the end of that time unless the agency has responded with a denial, conditions that must be met in order for it to be approved, or an alternative approach to resolving the matter;

(4) the use of advisory planning districts, comprised of residents living in the former territories of each former municipality, to provide advice to the planning board and the zoning board of adjustment on applications and master plan changes affecting those areas. A consolidation study plan shall specify the types and nature of the development and zoning applications that the advisory planning districts shall review and the official boards shall be required to respond, at a public meeting, to each suggestion made by an advisory planning district;

(5) the establishment of service districts comprised of the boundaries of any or all of the former municipalities which may be used to allocate resources and used for official geographic references in the new municipality;

(6) the continued use of boundary lines of any or all of the former municipalities to continue local ordinances that existed prior to consolidation that the governing body deems necessary and appropriate. The need for any such differentiation shall be reviewed by the governing body at least every five years and shall only be continued upon the affirmative vote of the full membership of the governing body, and if such continuance fails, the governing body shall then adopt uniform policies for the entire area; and

(7) the apportionment of existing debt between the taxpayers of the consolidating municipalities, including whether existing debt should be apportioned in the same manner as debt within special taxing districts so that the taxpayers of each consolidating municipality will continue to be responsible for their own pre-consolidation debts.

c. When one of the municipalities is subject to the provisions of Title 11A, Civil Service, of the New Jersey Statutes, the question of whether the new municipality shall be subject to the provisions of that Title shall be the subject of a public referendum before all of the voters of the consolidating municipalities. Upon the approval by a majority of those voting, regardless of their municipality of residence, the new municipality shall be subject to the provisions of that Title.

C.40A:65-27 Creation of task force to facilitate consolidation.

27. a. Once a consolidation has been approved by the affected municipal governing bodies or voters, the division shall create a task force of State departments, offices and agencies, as it deems appropriate, and representatives of affected negotiations units, to facilitate the consolidation and provide technical assistance.

b. When a consolidation plan provides that the consolidated municipality will be subject to the provisions of Title 11A, Civil Service, of the New Jersey Statutes the Department of Personnel is specifically authorized to create a consolidation implementation plan to vest non-civil service employees, based on the education and experience of the individuals, in appropriate titles and tenure.

c. Whenever a referendum question to decide if a consolidated municipality shall be subject to the provisions of Title 11A, Civil Service, of the New Jersey Statutes fails, the employees of a municipality already subject to that Title shall be given non-civil service titles in the new entity and previously held tenure shall be vacated.

d. The Public Employment Relations Commission is authorized to provide technical advice, pursuant to section 12 of P.L.1968, c.303 (C.34:13A-8.3), to assist a new municipality and existing labor unions to integrate separate labor agreements into consolidated agreements and to adjust the structure of collective negotiations units, as the commission determines appropriate for the consolidated municipality.

C.40A:65-28 Equalization of property assessments for apportionment of taxes.

28. a. If a revaluation of property for the consolidated municipality is not implemented for the first local budget year of the consolidated municipality, then the assessments on the properties owned by the taxpayers of the former municipalities shall be equalized for the apportionment of taxes for the consolidated municipality, in the same manner as assessments are equalized for the apportionment of county taxes.

b. The owners of any residential property or residential tenants of any municipality consolidated under sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.), or the "Municipal Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et al.), who experience a municipal or school district purposes real property tax increase in the first tax year following the municipal consolidation shall be entitled to annual property tax relief until such time as they sell or transfer their home or no longer reside as tenants in the rental unit they occupied just prior to the municipal consolidation. In the case of the owner of residential property, the property tax relief shall be reflected as a credit on the property tax bill equal to the difference between the municipal and school district purposes real property tax payable by the taxpayer for the tax year, subject to any adjustment as determined necessary by the Director of the Division of Local Government Services in the Department of Community Affairs to reflect operating budgets for a normal pre-consolidated fiscal year, and the municipal and school district purposes real property tax billed to that taxpayer for the tax year during which the consolidation is effectuated, as may be adjusted by the Director of the Division of Local Government Services in the Department of Community Affairs to reflect normal post-consolidation operating budgets for the municipalities and school districts. In the case of a residential tenant, the tax credit applied to an apartment property shall be distributed to eligible tenants pursuant to the provisions of the "Tenants' Property Tax Rebate Act," P.L.1976, c.63 (C.54:4-6.2 et seq.) and this section. The total of all such relief in the municipality shall be paid by the State to the municipality on a schedule determined by the Local Finance Board. For the purpose of this subsection, a "normal" budget year shall be one that, in the determination of the direc-

tor, does not reflect expenses made in anticipation of, or in implementation of, a municipal consolidation.

C.40A:65-29 Construction of law on consolidation appeals.

29. The provisions of sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.) shall be liberally construed to effectuate the intention of sections 25 through 28 of P.L.2007, c.63 (C.40A:65-25 through C.40A:65-28). The board is empowered to act to provide guidance, interpretation, and to resolve disputes regarding these sections or the "Municipal Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et al.). Decisions of the board may be appealed directly to the Appellate Division of the Superior Court.

SUBARTICLE E. SHARING AVAILABLE RESOURCES EFFICIENTLY PROGRAM

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

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

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

c. Applications for shared service study funds:

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

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

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

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

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

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

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

C.40A:65-31 "Sharing Available Resources Efficiently" account.

31. There is created a "Sharing Available Resources Efficiently" account within the Property Tax Relief Fund as a non-lapsing revolving account which shall receive moneys as may be credited to it from the Property Tax Relief Fund, the repayments of loans made from the account, and any other funds as may be appropriated to the account from time to time. Moneys in the account shall be appropriated for the purposes of sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.).

SUBARTICLE F. VOTER PARTICIPATION TO IDENTIFY SHARED SERVICES AND OTHER COST-SAVING OPPORTUNITIES

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

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

voting at the election, the proposition shall be binding and shall constitute the authority for the governing body to appoint members to the citizen's commission and provide resources as it deems necessary.

SUBARTICLE G. MISCELLANEOUS

C.40A:65-33 Existing agreements, contracts continued.

33. Any shared service agreement, joint contract for a joint meeting, or agreement to regionalize or consolidate services in existence at the time of enactment of sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.) are continued pursuant to the law in effect at the time that the agreement or contract was executed; provided, however, that any renewals shall be in accordance with the provisions of sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.).

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

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

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

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

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

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

SUBARTICLE H. REPEALER

C.40A:65-35 Repealer.

35. The following sections of law are repealed:

N.J.S.11A:9-8;

N.J.S.18A:46-25 through 18A:46-28;

R.S.27:14-33 through 27:14-34;

Section 12 of P.L.1947, c.62 (C.27:15-1.11);

R.S.27:16-22;

R.S.27:16-24;

R.S.27:16-40;

R.S.27:16-69 and 27:16-70;

R.S.27:16-72 through 27:16-76;

R.S.27:19-8;

R.S.27:19-38;

R.S.27:20-2 through 27:20-4;

R.S.27:22-1 through 27:22-9;

R.S.27:22-11;

Section 1 of P.L.1952, c.120 (C.40:5-2.9);

Sections 1 through 9, 19, and 20 of P.L.1973, c.208 (C.40:8A-1 through 40:8A-11);

Section 2 of P.L.1992, c.145 (C.40:8A-6.1);

Sections 1 through 5 of P.L.1999, c.60 (C.40:8B-14 through 40:8B-18);

Sections 1 through 11 of P.L.1952, c.72 (C.40:48B-1 through 40:48B-11);

Sections 8 and 9 of P.L.1960, c.3 (C.40:48B-12 and 40:48B-13);

Sections 1 and 2 of P.L.1951, c.102 (C.40:54-29.1 and 40:54-29.2);

Sections 1 through 4 of P.L.1958, c.147 (C.40:60-25.47 through 40:60-25.50);

Sections 1 through 4 of P.L.1964, c.185 (C.40:61-35.1 through 40:61-35.4);

R.S.40:67-24 and 40:67-25; and

R.S.40:67-36 through 40:67-46.

36. N.J.S.18A:17-14.1 is amended to read as follows:

Appointment of school business administrator; duties; subcontracting; tenure acquisition.

18A:17-14.1. A board or the boards of two or more districts may, under rules and regulations prescribed by the State board, appoint a school business administrator by a majority vote of all the members of the board, define his duties, which may include serving as secretary of one of the boards, and fix

his salary, whenever the necessity for such appointment shall have been agreed to by the county superintendent of schools or the county superintendents of schools of the counties in which the districts are situate and approved by the commissioner and the State board.

Nothing in P.L.1996, c.111 (C.18A:17-24.1 et al.) shall prohibit a school district from subcontracting its school business administrator to another school district pursuant to the provisions of P.L.1973, c.208 (C.40:8A-1 et al.), in which case credit toward tenure acquisition shall accrue only in the primary district of employment.

37. Sections 1 through 36 of P.L.2007, c.63 (C.40A:65-1 et al.) shall take effect immediately, but section 35 shall remain inoperative until the first day of the seventh month next following enactment.

ARTICLE 2. USER-FRIENDLY BUDGETS

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

Adoption of budget; copies; public inspection.

40A:4-10. No budget or amendment thereof shall be adopted unless the director shall have previously certified his approval thereof. Final adoption shall be by resolution adopted by a majority of the full membership of the governing body, and may be by title where the procedures required by N.J.S.40A:4-8 and N.J.S.40A:4-9 or section 12 of P.L.1995, c.259 (C.40A:4-6.1), as applicable, have been followed.

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

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

Copies of the budget, as adopted, in such form and in such quantity as determined by the Local Finance Board, shall be transmitted to the director, and made available in print for public inspection at the local library, within three days after adoption.

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

The adopted budget shall be provided for public inspection on the local unit's website, if one exists, and made available online and in print as required by this section in a "user-friendly" summary format using plain language. The Local Finance Board shall promulgate a "user-friendly," plain language summary format for use by local units for this purpose pursuant to section 39 of P.L.2007, c.63 (C.40A:5-48).

C.40A:5-48 "User-friendly," plain language budget summary forms.

39. a. The Local Finance Board shall promulgate "user-friendly," plain language budget summary forms for the use of counties, municipalities, local authorities, and fire districts. The board shall also promulgate a procedure for the submission by each of these local government units of the required budget summary form to the Division of Local Government Services in the Department of Community Affairs following the adoption of the annual budget.

b. The plain language budget summary shall provide the public with information in summary form about the budget of the local unit and shall include, in addition to an abbreviated version of the formal budget adopted by the local unit, such statistical information as the board determines to be useful for the public's understanding of the local unit's fiscal matters and condition, and shall also include, but shall not be limited to the following information, for both the local unit's current budget year and the previous budget year, as the Local Finance Board determines appropriate to the local unit: all line items of appropriation aggregated by service type; the property tax rate; the property tax collection rate; the assessed value and taxable value of all real property located in the local unit; the amount of bonded indebtedness of the local unit; revenues by major category; description of unusual revenues or appropriations, with a description of the circumstances of the revenues or appropriations; a list of shared service agreements in which the local unit is participating; and the number and amount of outstanding long-term tax exemptions and abatements, and the amount of revenue derived therefrom.

c. The plain language budget summary shall be submitted to the division in such form as determined by the Local Finance Board, and, upon its receipt of the summary, the division shall make the summary available to the public through an Internet website maintained by the division. The information on the website shall be presented as data that can be downloaded by the public for comparative purposes using commonly-used software.

C.40A:5-49 Public meeting when resolution proposed to establish, modify employee compensation.

40. Whenever the governing body of a local unit proposes a resolution, or other action that will establish or modify the salaries, benefits, or other compensation of any individual employee or group of its employees, that measure shall only be taken after the local unit first holds a public meeting where the proposed action shall be introduced and discussed by the governing body. Notice of the date, time, place, and purpose of the public meeting, and of the time and place at which a copy of the proposed measure, together with the employee compensation disclosure form required to be prepared pursuant to this section, shall be available to each person requesting it, at no charge, during the week preceding such public meeting. The public meeting shall be advertised in a newspaper having substantial circulation in the local unit at least 10 days prior to the meeting date. Salaries for local officers and employees that are established, increased, or decreased by ordinance pursuant to the provisions of N.J.S.40A:9-165 shall continue to be fixed and determined in accordance with that section.

Prior to the publication of the newspaper notice required by this section, the chief financial officer or other appropriate officer of the local unit shall prepare an employee compensation disclosure form pursuant to the requirements of this section. The employee compensation disclosure form shall be made part of any formal action taken by the local unit, but shall not be considered part of any contract or agreement.

The chief financial officer of the local unit shall file the employee compensation disclosure form with the clerk or the secretary to the governing body of the local unit prior to a public meeting when such measure shall be introduced and discussed. Any such proposed measure shall be announced publicly at the meeting, along with a declaration that an employee compensation disclosure form has been provided to the governing body of the local unit pursuant to the requirements of sections 38 through 41 of P.L.2007, c.63 (C.40A:5-48 et al.). Any formal action by a governing body approving or disapproving a measure establishing or modifying the salaries, benefits, or other compensation of its employees shall occur no earlier than the tenth calendar day immediately following the meeting at which the measure was introduced and discussed.

The employee compensation disclosure form shall display the estimated cost of salary, benefits or other compensation, for each year of the contract for each individual employee or group of employees, itemized by the specific form of compensation, the estimated cost of the compensation at the time of the action, and the incremental difference between each year.

Governing body actions taken without compliance with this section shall be null and void.

C.40A:5-50 Rules, regulations.

41. Not later than the first day of the sixth month next following the enactment of sections 38 through 41 of P.L.2007, c.63 (C.40A:5-48 et al.), the Local Finance Board shall promulgate rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to implement the provisions of section 39 of P.L.2007, c.63 (C. 40A:5-48) concerning the plain language budget summary, and it also shall promulgate the forms and procedures necessary to effectuate the provisions of section 40 of P.L.2007, c.63 (C.40A:5-49) concerning the employee compensation disclosure form.

ARTICLE 3. EXECUTIVE COUNTY SUPERINTENDENTS

42. N.J.S.18A:7-1 is amended to read as follows:

Appointment; qualifications; term of executive county superintendent.

18A:7-1. a. The Governor, upon the recommendation of the commissioner and with the advice and consent of the Senate, shall appoint for each county, a suitable person, who holds an appropriate certificate issued pursuant to this title and who has been a resident of the State for at least three years immediately preceding the appointment, to be the executive county superintendent of schools, who shall serve, unless sooner removed pursuant to law, for a term of three years. The superintendent may be re-appointed by the Governor on the basis of a satisfactory performance assessment required pursuant to subsection b. of this section. A person who is serving as a county superintendent of schools on the effective date of sections 42 to 58 of P.L.2007, c.63 (C.18A:7-11 et al.), shall be eligible for appointment as the executive county superintendent of schools. The executive county superintendent of schools shall report to the Commissioner of Education or to a person designated by the commissioner.

b. An executive county superintendent shall be subject to at least one performance assessment during the three-year term. The performance of the superintendent shall be assessed by the Commissioner of Education based on the ability of the superintendent to monitor and promote administrative and operational efficiencies and cost savings within the school districts located in the county, while enhancing the effectiveness of the districts in providing a thorough and efficient system of education, and on

their monitoring of the school districts in the five key components of school district effectiveness under the New Jersey Quality Single Accountability Continuum: instruction and program; personnel; fiscal management; operations; and governance. In establishing the standards for assessing the performance of the superintendent in facilitating administrative efficiencies, the commissioner shall include such factors as administrator-to-teacher ratios, administrator-to-student ratios, per-pupil administrative expenditures, and improved student educational outcomes.

43. N.J.S.18A:7-2 is amended to read as follows:

Disability or vacancy; designation of temporary replacement by commissioner.

18A:7-2. The commissioner may designate any one of his assistant commissioners or another suitable person to exercise the powers and perform the duties of the executive county superintendent without additional compensation:

a. During any period when an executive county superintendent shall be unable to perform his duties by reason of illness, physical disability or for any other cause; and

b. During any period when the office of executive county superintendent shall be vacant in any county by reason of the death or resignation of the incumbent or for any other cause.

44.N.J.S.18A:7-3 is amended to read as follows:

Salary, cap; expenses.

18A:7-3. An executive county superintendent of schools shall receive such salary as shall be approved by the commissioner and shall receive a salary which is not greater than the salary of a cabinet-level official of the State.

Each executive county superintendent shall receive, in addition to his salary, the traveling and other expenses incurred by him in conducting his office and performing his official duties, which shall be paid by the county treasurer on the orders of the commissioner, upon his furnishing to the commissioner an itemized statement thereof certified under his oath, together with proper vouchers, and no such order shall be issued until such statement and vouchers are so furnished.

45.N.J.S. 18A:7-4 is amended to read as follows:

Withholding salaries and expenses.

18A:7-4. The commissioner shall, subject to appeal to the State board, cause to be withheld the orders for the payment of the salary and expenses of any executive county superintendent, who shall fail to perform faithfully all of the duties imposed upon him by this chapter or by the rules of the State board, until he shall have performed all of such duties.

46. N.J.S.18A:7-5 is amended to read as follows:

Full-time officer; general jurisdiction.

18A:7-5. Each executive county superintendent shall devote his entire time to the duties of his office, and he shall have general supervision of all of the public schools of the districts of the county except those city school districts in which there shall have been appointed superintendents of schools.

47. N.J.S.18A:7-6 is amended to read as follows:

Office; location; school records.

18A:7-6. The executive county superintendent shall maintain an office at a suitable location within the county which shall be open to the public as are other county offices and which shall be supplied to him, and shall be suitably furnished and equipped, by the board of chosen freeholders of the county, and the school records of the county for the use of the county and State Departments of Education, the United States Office of Education and the United States Commissioner of Education shall be kept at such office.

48. N.J.S.18A:7-7 is amended to read as follows:

Clerical assistants; selection; salaries.

18A:7-7. The executive county superintendent shall appoint such clerical assistants for his office as he shall deem necessary and fix their compensation within the limits of available appropriations made thereof. In counties governed by Title 11A, Civil Service, of the New Jersey Statutes, such appointments shall be made and compensation shall be fixed pursuant to the provisions thereof, and in all other counties the compensation of such clerical assistants shall be fixed on a basis commensurate with that of other county employees performing similar duties.

49. N.J.S.18A:7-8 is amended to read as follows:

General powers and duties.

18A:7-8. Each executive county superintendent shall:

a. Visit and examine from time to time all of the schools under his general supervision and exercise general supervision over them in accordance with the rules prescribed from time to time by the State board;

b. Keep himself informed as to the management, methods of instruction and discipline and the courses of study and textbooks in use, the condition of the school libraries, and the condition of the real and personal property, particularly in respect to the construction, heating, ventilation and lighting of school buildings, in the local districts under his general supervision, and make recommendations in connection therewith;

c. Advise with and counsel the boards of education of the local districts under his general supervision and of any other district of the county when so requested, in relation to the performance of their duties;

d. Promote administrative and operational efficiencies and cost savings within the school districts in the county while ensuring that the districts provide a thorough and efficient system of education;

e. Based on standards adopted by the commissioner, recommend to the commissioner, who is hereby granted the authority to effectuate those recommendations, that certain school districts be required to enter arrangements with one or more other school districts or educational services commissions for the consolidation of the district's administrative services;

f. Recommend to the commissioner the elimination of laws the executive county superintendent determines to be unnecessary State education mandates, other than the categories of laws set forth in section 3 of P.L.1996, c.24 (C.52:13H-3);

g. Have the authority to eliminate districts located in the county that are not operating schools on the effective date of sections 42 to 58 of P.L.2007, c.63 (C.18A:7-11 et al.), in accordance with a plan submitted to the commissioner no later than one year following the effective date of sections 42 to 58 of P.L.2007, c.63 (C.18A:7-11 et al.);

h. No later than three years following the effective date of sections 42 to 58 of P.L.2007, c.63 (C.18A:7-11 et al.), recommend to the commissioner a school district consolidation plan to eliminate all districts, other than county-based districts and other than preschool or kindergarten through grade 12 districts in the county, through the establishment or enlargement of regional school districts. After the approval of the plan by the commissioner, the executive county superintendent shall require each board of education covered by a proposal in the plan to conduct a special school election, at a time to be determined by the executive county superin-

tendent, and submit thereat the question whether or not the executive county superintendent's proposal for the regionalization of the school district shall be adopted. The question shall be deemed adopted if it receives a vote in accordance with the provisions of N.J.S.18A:13-5. If the question is adopted by the voters, then the regional district shall be established or enlarged in accordance with chapter 13 of Title 18A of the New Jersey Statutes;

i. Promote coordination and regionalization of pupil transportation services through means such as reviewing bus routes and schedules of school districts and nonpublic schools within the county;

j. Review and approve, according to standards adopted by the commissioner, all employment contracts for superintendents of schools, assistant superintendents of schools, and school business administrators in school districts within the county, prior to the execution of those contracts;

k. Request the commissioner to order a forensic audit and to select an auditor for any school district in the county upon the determination by the executive county superintendent, according to standards adopted by the commissioner, that the accounting practices in the district necessitate such an audit;

l. Review all school budgets of the school districts within the county, and may, pursuant to section 5 of P.L.1996, c.138 (C.18A:7F-5), disapprove a portion of a school district's proposed budget if he determines that the district has not implemented all potential efficiencies in the administrative operations of the district or if he determines that the budget includes excessive non-instructional expenses. If the executive county superintendent disapproves a portion of the school district's budget pursuant to this paragraph, the school district shall deduct the disapproved amounts from the budget prior to publication of the budget, and during the budget year the school district shall not transfer funds back into those accounts;

m. Permit a district to submit to the voters a separate proposal or proposals for additional funds pursuant to paragraph (9) of subsection d. of section 5 of P.L.1996, c.138 (C.18A:7F-5), only if: (1) the district provides the executive county superintendent with written documentation that the district has made efforts to enter into shared arrangements with other districts, municipalities, counties, and other units of local government for the provision of administrative, business, purchasing, public and nonpublic transportation, and other required school district services; (2) the district certifies and provides written documentation that the district participates in on-going shared arrangements; or (3) the district certifies and provides written documentation that entering such shared arrangements would not result in cost savings or would result in additional expenses for the district;

- n. Promote cooperative purchasing within the county of textbooks and other instructional materials;
- o. Coordinate with the Department of Education to maintain a real time Statewide and district-wide database that tracks the types and capacity of special education programs being implemented by each district and the number of students enrolled in each program to identify program availability and needs;
- p. Coordinate with the Department of Education to maintain a Statewide and district-wide list of all special education students served in out-of-district programs and a list of all public and private entities approved to receive special education students that includes pertinent information such as audit results and tuition charges;
- q. Serve as a referral source for districts that do not have appropriate in-district programs for special education students and provide those districts with information on placement options in other school districts;
- r. Conduct regional planning and identification of program needs for the development of in-district special education programs;
- s. Serve as a liaison to facilitate shared special education services within the county including, but not limited to direct services, personnel development, and technical assistance;
- t. Work with districts to develop in-district special education programs and services including providing training in inclusive education, positive behavior supports, transition to adult life, and parent-professional collaboration;
- u. Provide assistance to districts in budgetary planning for resource realignment and reallocation to direct special education resources into the classroom;
- v. Report on a regular basis to the commissioner on progress in achieving the goal of increasing the number of special education students educated in appropriate programs with non-disabled students;
- w. Render a report to the commissioner annually on or before September 1, in the manner and form prescribed by him, of such matters relating to the schools under his jurisdiction as the commissioner shall require; and
- x. Perform such other duties as shall be prescribed by law.

Any budgetary action of the executive county superintendent under this section may be appealed directly to the commissioner, who shall render a decision within 15 days of the receipt of the appeal. If the commissioner fails to issue a decision within 15 days of the filing of an appeal, the budgetary action of the executive county superintendent shall be deemed approved. The commissioner shall by regulation establish a procedure for such appeals.

Nothing in this section shall be construed or interpreted to contravene or modify the provisions of the "New Jersey Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1 et seq.), or to limit or restrict the scope of negotiations as provided pursuant to law, or to require an employer to enter into a subcontracting agreement which affects the employment of any employee in a collective bargaining unit represented by a majority representative during the time that an existing collective bargaining agreement with the majority representative is in effect.

Nothing in this section is intended to interfere with a school district's ability to provide a thorough and efficient education.

50. N.J.S.18A:7-9 is amended to read as follows:

Administration of oaths without charge.

18A:7-9. The executive county superintendent may, without charge, administer oaths.

51. N.J.S.18A:7-10 is amended to read as follows:

Budget requests; appropriations.

18A:7-10. Each executive county superintendent shall, on or before December 1 of each year, furnish to the board of chosen freeholders of the county a statement of the amounts estimated to be necessary to be appropriated for the ensuing year for:

- a. the compensation of his clerical assistants;
- b. the supplying of furniture, supplies and equipment for his office;
- c. printing; and
- d. traveling and other expenses incident to the conduct and the performance of his official duties of his office incurred by him.

The board of chosen freeholders shall fix and determine the amounts necessary to be appropriated for such purposes and shall appropriate the same accordingly.

52. Section 2 of P.L.1975, c.360 (C.18A:13-52) is amended to read as follows:

C.18A:13-52 Report; feasibility study.

2. The executive county superintendent shall, within 60 days after such request, file with the governing bodies of the municipalities constituting the regional district and the boards of education of all of the constituent school

districts and the board of education of the regional school district a report containing a statement of the current assets and operating expenses of the regional district for the then current year and such financial, educational and other information as he may deem necessary to enable said governing bodies and local boards of education and regional board of education to form an intelligent judgment as to the advisability of the proposed withdrawal or dissolution and the effect thereof upon the educational and financial condition of the withdrawing district and the regional district, or upon each of the constituent districts in the event of a dissolution and setting forth the amount of indebtedness, if any, to be assumed by the withdrawing and the regional districts, or by each constituent district in the event of a dissolution, calculated as hereinafter provided. The report, in discussing the educational and financial effect of the withdrawal or dissolution, shall include the effect thereof upon the administrative and operational efficiencies, and the resultant cost savings or cost increases, in the withdrawing and the regional districts, or by each constituent district in the event of a dissolution.

The executive county superintendent may require the constituent municipalities and school districts and the regional district to submit a feasibility study in order to determine the educational and financial impact of the withdrawal from, or dissolution of, the limited purpose regional district. In the event the executive county superintendent requests a feasibility study to be conducted, the executive county superintendent's report required pursuant to this section shall be filed within 60 days following submission of the feasibility study.

C.18A:7-11 Executive county business official, term.

53. The commissioner shall appoint an executive county business official to serve in the office of the executive county superintendent of schools for a term of three years. The executive county business official shall assist the executive county superintendent in the performance of the superintendent's duties pursuant to N.J.S.18A:7-8, and perform such other duties as determined by the commissioner. Based on criteria developed by the commissioner, the executive county business official shall be subject to a performance assessment at least once during the three-year term. The business official may be re-appointed on the basis of a satisfactory performance assessment.

C.18A:7-12 Application for services assumed by the office of the superintendent.

54. A local school district may apply to the executive county superintendent of schools to have school district services including, but not limited

to, transportation, personnel, purchasing, payroll, and accounting, assumed by the office of the superintendent. If the executive county superintendent determines to assume a service, a fee may be assessed the school district for the service. The executive county superintendent of schools may utilize county special services school districts, jointure commissions, and educational services commissions to provide services to local school boards.

C.18A:7-13 Appointment of executive county superintendent of schools.

55. a. When the office of county superintendent is vacated through the completion of a current term or for any other reason, the Governor, upon the recommendation of the Commissioner of Education, shall appoint an executive county superintendent of schools pursuant to N.J.S.18A:7-1.

b. When the position of executive county business official is vacated through the completion of a current term or for any other reason, the commissioner shall appoint an executive county business official pursuant to section 53 of P.L.2007, c.63 (C.18A:7-11).

C.18A:7-14 Term county superintendent deemed to refer to executive county superintendent of schools.

56. Whenever, in any law, rule, regulation, order, contract, document, judicial or administrative proceeding or otherwise, reference is made to the office of the county superintendent of schools, the same shall mean and refer to the office of the executive county superintendent of schools.

C.18A:7-15 Limitation on post employment for executive county superintendent.

57. An executive county superintendent of schools shall not accept employment in any school district which was under his supervision in that position for a period of two years commencing on the day his term as executive county superintendent terminates.

C.18A:7-16 Rules, regulations.

58. The State Board of Education 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 provisions of sections 42 to 58 of P.L.2007, c.63 (C.18A:7-11 et al.); except that notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the commissioner may adopt, immediately upon filing with the Office of Administrative Law, such rules and regulations as the commissioner deems necessary to implement the provisions of sections 42 to 58 of P.L.2007, c.63 (C.18A:7-11 et al.), which shall be effective for a period not to exceed 12 months.

59. Sections 1 through 36 shall take effect as provided in section 37 of this act; sections 38 through 41 shall take effect immediately; sections 42 through 58 shall take effect immediately.

Approved April 3, 2007.

CHAPTER 64

AN ACT providing for plaques to honor New Jersey's first African-American Senator, Hutchins F. Inge, and New Jersey's first African-American Assemblyman, Walter Gilbert Alexander, and making an appropriation.

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

C.52:11-5a Findings, declarations relative to plaques honoring Senator Hutchins F. Inge and Assemblyman Walter Gilbert Alexander.

1. The Legislature finds and declares that:

a. In 1966, Dr. Hutchins F. Inge of Newark became the first African-American to serve in the New Jersey State Senate and in 1921, Dr. Walter Gilbert Alexander of Orange became the first African-American to serve in the New Jersey General Assembly;

b. At the time Senator Inge took office, he had already established himself as a distinguished citizen of our State, having graduated from both the University of Minnesota College of Pharmacy and Howard University School of Medicine and serving on the staff of Presbyterian Hospital;

c. Senator Inge had also served his community with distinction, as a director of the Essex Urban League and the New Jersey Association for Retarded Children, and as a staff physician for the Newark Board of Health's Division of Child Hygiene;

d. During Senator Inge's tenure in the Senate, he served as the chairman of the Senate Federal and Interstate Relations Committee, and was a supporter of measures to aid education, transportation, and housing;

e. Walter Gilbert Alexander was born in Lynchburg, Virginia on December 3, 1880, and was the son of former slaves;

f. At the age of fourteen, he entered Lincoln University as the youngest student in his class and the youngest student that had ever matriculated at that university;

g. Walter Gilbert Alexander graduated from Lincoln University magna cum laude in 1899, having won the Bradley Medal in natural science and being honored as the Latin Salutatorian of his class;

h. After graduation, he entered the Boston College of Physicians and Surgeons, and graduated in June 1903 after winning first prize for his thesis;

i. A distinguished physician, he served as General Secretary and later President of the National Medical Association;

j. During Assemblyman Alexander's tenure in the Assembly, he served on committees concerning epileptics and public health, and sponsored legislation addressing civil rights and health care;

k. In March 1921, Assemblyman Alexander was honored by his fellow lawmakers who asked him to preside over the Assembly for thirty minutes, while a laudatory resolution commending him on his legislative service was read;

l. It is fitting and proper that this State honor Senator Hutchins F. Inge and Assemblyman Walter Gilbert Alexander by placing plaques in the State House to commemorate their tenure as members of the New Jersey Legislature.

C.52:11-5b Display of plaques.

2. Plaques to honor Senator Hutchins F. Inge, New Jersey's first African-American State Senator, and Assemblyman Walter Gilbert Alexander, New Jersey's first African-American Assemblyman, shall be displayed in the State House at Trenton.

3. There is appropriated from the General Fund to the Secretary of State such amounts as may be necessary to effectuate the purpose of section 2 of this act, subject to approval by the Director of the Division of Budget and Accounting in the Department of the Treasury.

4. This act shall take effect immediately.

Approved April 4, 2007.

CHAPTER 65

AN ACT concerning long-term care and adult day health services facilities and supplementing Title 26 of the Revised Statutes.

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

C.26:2H-12.33 Information, certain, about long-term care, adult day health services facilities, availability on DHSS website.

1. a. The Department of Health and Senior Services shall make available to the public, through its official department website, information regarding:

(1) the ownership of each long-term care facility and adult day health services facility licensed by the department; and

(2) any violation of statutory standards or rules and regulations of the department pertaining to the care of patients or physical plant standards found at any such facility by the department.

b. The information made available to the public pursuant to subsection a. of this section shall be provided in a manner that would enable a member of the public to search the website by name of a facility or its owner in order to access the information. The department shall also make the information available in writing, upon request.

c. The information regarding the ownership of a long-term care or adult day health services facility that is made available to the public pursuant to subsection a. of this section shall provide, at a minimum: the name of the owner of a facility as listed on the facility's license and, if there is more than one owner or the facility is owned by a corporation, the name of each person who holds at least a 10% interest in the facility; the name of any other licensed long-term care or adult day health services facility in the State owned by this owner, corporation and each person who holds at least a 10% interest in the facility, as applicable; and the address and contact information for the facility.

d. The information that is displayed on the official department website pursuant to subsection a. of this section shall include Internet web links to the New Jersey Report Card for Nursing Homes maintained by the department and the Medicare Nursing Home Compare database maintained by the federal Centers for Medicare & Medicaid Services.

2. This act shall take effect on the 60th day after enactment.

Approved April 9, 2007.

CHAPTER 66

AN ACT designating the first Monday in November each year as "Alzheimer's Disease Awareness Day" and amending P.L.1991, c.319.

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

1. Section 2 of P.L.1991, c.319 (C.36:2-24) is amended to read as follows:

C.36:2-24 "Alzheimer's Disease Awareness Month," "Alzheimer's Disease Awareness Day"; designated.

2. The month of November is permanently designated as "Alzheimer's Disease Awareness Month" and the first Monday in November is permanently designated as "Alzheimer's Disease Awareness Day" in the State of New Jersey.

2. Section 3 of P.L.1991, c.319 (C.36:2-25) is amended to read as follows:

C.36:2-25 Recognition, encouragement, assistance.

3. The Governor and the Legislature urge all citizens to recognize "Alzheimer's Disease Awareness Month" and "Alzheimer's Disease Awareness Day," and to provide encouragement and assistance to those organizations that offer educational, advocacy and support services for Alzheimer's victims and their caregivers.

3. This act shall take effect immediately.

Approved April 9, 2007.

CHAPTER 67

AN ACT concerning the enforcement of prevailing wage requirements and amending P.L.1963, c.150 and P.L.1999, c.238.

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

1. Section 14 of P.L.1963, c.150 (C.34:11-56.38) is amended to read as follows:

C.34:11-56.38 Prohibition against award of contract to non-complying contractors; definition; presumption.

14. The public body awarding any contract for public work, or otherwise undertaking any public work, or entering into a lease or agreement to

lease pursuant to which public work is to be done, shall first ascertain from the commissioner the list of names of contractors or subcontractors who have failed to pay prevailing wages as determined in section 13 of this act, and no contract shall be awarded to such contractor or subcontractor, or to any firm, corporation or partnership in which such contractor or subcontractor has an interest until three years have elapsed from the date of listing as determined in section 13 of this act.

For purposes of this section, "interest" shall mean an interest in the firm, corporation or partnership bidding on, or performing public work, whether having the interest as an owner, partner, officer, manager, employee, agent, consultant or representative. The term may also include, but not be limited to, all instances in which the contractor or subcontractor listed by the commissioner under section 13 of this act has received payments, whether those payments are in the form of cash or any other form of compensation from the firm, corporation or partnership, or when the contractor or subcontractor listed by the commissioner under section 13 of this act has entered into any contract or agreement with the firm, corporation or partnership for services performed or to be performed, for services that have been or will be assigned or subletted, or for the sale, rental or lease of vehicles, tools, equipment or supplies during the period from the initiation of the proceedings under section 13 of this act against the contractor or subcontractor until three years have elapsed from the date that the contractor or subcontractor has been listed by the commissioner under section 13 of this act. The term "interest" shall not include shares held in a publicly traded corporation if the shares were not received as compensation after the initiation of proceedings under section 13 of this act from a firm, corporation or partnership bidding or performing public work.

A rebuttable presumption that a contractor or subcontractor listed by the commissioner under section 13 of this act has an interest in another firm, corporation or partnership may arise if the two share any of the following capacities or characteristics: (1) perform similar work within the same geographical area and within the same monetary range, (2) occupy the same premises, (3) have the same telephone number or fax number, (4) have the same email address or internet website, (5) employ substantially the same administrative employees, (6) utilize the same tools and equipment, (7) employ or engage the services of any listed person or persons involved in the direction or control of the other, or (8) list substantially the same work experience in order to obtain the requisite pre-qualification rating from the Department of the Treasury, or any other entity, to participate in any public work.

If a rebuttable presumption has arisen that a contractor or subcontractor listed by the commissioner under section 13 of this act has an interest in another firm, corporation or partnership, the adversely affected contractor or subcontractor, including the firm, corporation or partnership, which would by virtue of a finding of "interest" be prevented under this section from being awarded public work, may request a hearing, which shall be conducted in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

2. Section 3 of P.L.1999, c.238 (C.34:11-56.50) is amended to read as follows:

C.34:11-56.50 Definitions relative to public works contractors.

3. As used in this act:

"Commissioner" means the Commissioner of Labor and Workforce Development or his duly authorized representatives.

"Contractor" means a person, partnership, association, joint stock company, trust, corporation, or other legal business entity or successor thereof who enters into a contract which is subject to the provisions of the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.), and includes any subcontractor or lower tier subcontractor of a contractor as defined herein.

"Department" means the Department of Labor and Workforce Development.

"Director" means the Director of the Division of Wage and Hour Compliance in the Department of Labor and Workforce Development.

"Worker" includes laborer, mechanic, skilled or semi-skilled laborer and apprentices or helpers employed by any contractor or subcontractor and engaged in the performance of services directly upon a public work, regardless of whether their work becomes a component part thereof, but does not include material suppliers or their employees who do not perform services at the job site.

3. Section 9 of P.L.1999, c.238 (C.34:11-56.56) is amended to read as follows:

C.34:11-56.56 Violation; disorderly persons offense; other penalties; suspension; hearing.

9. a. A contractor who: (1) willfully hinders or delays the commissioner in the performance of his duties in the enforcement of this act; (2) fails to make, keep, and preserve any records as required under the provisions of

the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.); (3) falsifies any such record, or refuses to make any such record accessible to the commissioner upon demand; (4) refuses to furnish a sworn statement of such records or any other information required for the enforcement of this act to the commissioner upon demand; (5) pays or agrees to pay wages at a rate less than the rate prescribed by the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.); or (6) otherwise violates any provision of this act, shall be guilty of a disorderly persons offense.

b. As an alternative to or in addition to sanctions provided by the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.), the commissioner may, after providing the contractor with notice of any alleged violation of this act, and with an opportunity to request a hearing before the commissioner or his designee:

(1) Deny renewal, revoke or suspend the registration of a contractor for a period of not more than five years; or

(2) Require a contractor, as a condition of initial or continued registration, to provide a surety bond payable to the State. The surety bond shall be for the benefit of workers damaged by any failure of a contractor to pay wages or benefits pursuant to or otherwise comply with the provisions of the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.) or this act. The surety bond shall be in the amount and form that the commissioner deems necessary for the protection of the contractor's workers, but shall not exceed \$10,000 per worker. The surety bond shall be issued by a surety that meets the requirements of N.J.S.2A:44-143.

c. The director may order the immediate suspension of a contractor's registration, prior to a formal hearing on the revocation of the contractor's registration pursuant to subsection b. of this section, if the director determines that ordering an immediate suspension is in the public interest and provided that the contractor is afforded an opportunity to contest the immediate suspension in the following manner:

(1) The director shall notify the contractor in writing of the immediate revocation and the contractor's rights under the subsection.

(2) The contractor may notify the director of its request for an opportunity to be heard and contest the immediate suspension in writing within 72 hours of its receipt of immediate suspension notification.

(3) Within seven business days of receipt of the notification from the contractor pursuant to paragraph (2) of this subsection, the director shall grant the contractor a hearing to contest the immediate suspension. The director shall permit the contractor to present evidence at the hearing.

(4) The director shall issue a written decision within five business days of the hearing either upholding or reversing the contractor's immediate suspension. The decision shall include the grounds for upholding or reversing the contractor's immediate suspension.

(5) If the contractor disagrees with the written decision, the contractor may appeal the decision to the commissioner, in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

d. If the director intends to impose an immediate suspension as set forth in subsection c. of this section, based upon a rebuttable presumption as set forth in section 14 of P.L.1963, c.150 (C.34:11-56.38), the director shall provide the contractor with a notice of intent to suspend and the contractor may request a hearing before the Director of the Division of Wage and Hour Compliance within 72 hours of the receipt of the notice of intent to suspend in order to present evidence expeditiously in support of the position that the suspension should not be imposed. The suspension shall not take effect prior to the expiration of the 72-hour opportunity to request a hearing. If such a request is not made, the suspension shall take effect at the end of the 72-hour period. If such a request is made, the suspension shall take effect only after the director conducts the hearing.

e. If the director orders the immediate suspension of a contractor's registration pursuant to subsection b. of this section, the violation shall have no effect on the registration of any contractor or subcontractor, regardless of tier, in the contractual chain with the suspended contractor.

4. This act shall take effect immediately.

Approved April 26, 2007.

CHAPTER 68

AN ACT requiring prevailing wages be paid for construction work on State-owned properties and amending P.L.1963, c.150.

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

1. Section 2 of P.L.1963, c.150 (C.34:11-56.26) is amended to read as follows:

C.34:11-56.26 Definitions.

2. As used in this act:

(1) "Department" means the Department of Labor and Workforce Development of the State of New Jersey.

(2) "Locality" means any political subdivision of the State, combination of the same or parts thereof, or any geographical area or areas classified, designated and fixed by the commissioner from time to time, provided that in determining the "locality" the commissioner shall be guided by the boundary lines of political subdivisions or parts thereof, or by a consideration of the areas with respect to which it has been the practice of employers of particular crafts or trades to engage in collective bargaining with the representatives of workers in such craft or trade.

(3) "Maintenance work" means the repair of existing facilities when the size, type or extent of such facilities is not thereby changed or increased.

(4) "Public body" means the State of New Jersey, any of its political subdivisions, any authority created by the Legislature of the State of New Jersey and any instrumentality or agency of the State of New Jersey or of any of its political subdivisions.

(5) "Public work" means construction, reconstruction, demolition, alteration, custom fabrication, or repair work, or maintenance work, including painting and decorating, done under contract and paid for in whole or in part out of the funds of a public body, except work performed under a rehabilitation program. "Public work" shall also mean construction, reconstruction, demolition, alteration, custom fabrication, or repair work, done on any property or premises, whether or not the work is paid for from public funds, if, at the time of the entering into of the contract the property or premises is owned by the public body or:

(a) Not less than 55% of the property or premises is leased by a public body, or is subject to an agreement to be subsequently leased by the public body; and

(b) The portion of the property or premises that is leased or subject to an agreement to be subsequently leased by the public body measures more than 20,000 square feet.

(6) "Commissioner" means the Commissioner of Labor and Workforce Development or his duly authorized representatives.

(7) "Workman" or "worker" includes laborer, mechanic, skilled or semi-skilled, laborer and apprentices or helpers employed by any contractor or subcontractor and engaged in the performance of services directly upon a public work, regardless of whether their work becomes a component part thereof, but does not include material suppliers or their employees who do

not perform services at the job site. For the purpose of P.L.1963, c.150 (C.34:11-56.25 et seq.), contractors or subcontractors engaged in custom fabrication shall not be regarded as material suppliers.

(8) "Work performed under a rehabilitation program" means work arranged by and at a State institution primarily for teaching and upgrading the skills and employment opportunities of the inmates of such institutions.

(9) "Prevailing wage" means the wage rate paid by virtue of collective bargaining agreements by employers employing a majority of workers of that craft or trade subject to said collective bargaining agreements, in the locality in which the public work is done.

(10) "Act" means the provisions of P.L.1963, c.150 (C.34:11-56.25 et seq.) and the rules and regulations issued hereunder.

(11) "Prevailing wage contract threshold amount" means:

(a) In the case of any public work paid for in whole or in part out of the funds of a municipality in the State of New Jersey or done on property or premises owned by a public body or leased or to be leased by the municipality, the dollar amount established for the then current calendar year by the commissioner through rules and regulations promulgated pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), which amount shall be equal to \$9,850 on July 1, 1994 and which amount shall be adjusted on July 1 every five calendar years thereafter in direct proportion to the rise or fall in the average of the Consumer Price Indices for Urban Wage Earners and Clerical Workers for the New York metropolitan and the Philadelphia metropolitan regions as reported by the United States Department of Labor during the last full calendar year preceding the date upon which the adjustment is made; and

(b) In the case of any public work other than a public work described in paragraph (a) of this subsection, an amount equal to \$2,000.

(12) "Custom fabrication" means the fabrication of plumbing, heating, cooling, ventilation or exhaust duct systems, and mechanical insulation.

2. Section 3 of P.L.1963, c.150 (C.34:11-56.27) is amended to read as follows:

C.34:11-56.27 Prevailing wage rate required in contract.

3. Every contract in excess of the prevailing wage contract threshold amount for any public work to which any public body is a party or for public work to be done on property or premises owned by a public body or leased or to be leased by a public body shall contain a provision stating the prevailing wage rate which can be paid (as shall be designated by the commis-

sioner) to the workers employed in the performance of the contract and the contract shall contain a stipulation that such workers shall be paid not less than such prevailing wage rate. Such contract shall also contain a provision that in the event it is found that any worker, employed by the contractor or any subcontractor covered by said contract, has been paid a rate of wages less than the prevailing wage required to be paid by such contract, the public body, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises may terminate the contractor's or subcontractor's right to proceed with the work, or such part of the work as to which there has been a failure to pay required wages and to prosecute the work to completion or otherwise. The contractor and his sureties shall be liable for any excess costs occasioned thereby to the public body, any lessee to whom the public body is leasing a property or premises or any lessor from whom the public body is leasing or will be leasing a property or premises.

3. Section 4 of P.L.1963, c.150 (C.34:11-56.28) is amended to read as follows:

C.34:11-56.28 Specification of prevailing wage rate by craft in contract.

4. The public body, any lessee to whom the public body is leasing a property or premises and any lessor from whom the public body is leasing or will be leasing a property or premises awarding any contract for public work or otherwise undertaking any public work shall ascertain from the commissioner the prevailing wage rate in the locality in which the public work is to be performed for each craft or trade needed to perform the contract and shall specify in the contract itself what the prevailing wage rate in the locality is for each craft or trade or classification of all workers needed to perform the contract during the anticipated term thereof. Nothing in this act however shall prohibit the payment of more than the prevailing wage rate to any worker employed on a public work.

4. Section 9 of P.L.1963, c.150 (C.34:11-56.33) is amended to read as follows:

C.34:11-56.33 Statement by contractor of amounts due workers; deductions from payment to contractor; payments to workers.

9. (a) Before final payment is made by or on behalf of any public body or before any lessee to whom the public body is leasing a property or premises or any lessor from whom the public body is leasing or will be leasing a property or premises makes such payment, of any sum or sums due on a

public work, it shall be the duty of the treasurer of the public body or other officer or person charged with the custody and disbursement of the funds of the public body, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises, as the case may be, to require the contractor and subcontractor to file written statements with the public body in a form satisfactory to the commissioner certifying to the amounts then due and owing from such contractor and subcontractor filing such statement to any and all workers for wages due on account of the public work, setting forth therein the names of the persons whose wages are unpaid and the amount due to each respectively, which statement shall be verified by the oath of the contractor or subcontractor, as the case may be, that he has read such statement subscribed by him, knows the contents thereof, and that the same is true of his own knowledge; provided, however, that nothing herein shall impair the right of a contractor to receive final payment because of the failure of any subcontractor to comply with provisions of this act.

(b) In case any worker shall have filed a protest in writing within three months from the date of the occurrence of the incident complained of with the commissioner, objecting to the payment to any contractor to the extent of the amount or amounts due or to become due to the worker for wages for work performed on a public work, the commissioner may direct the fiscal or financial officer of the public body or other person charged with the custody and disbursements of the funds of the public body, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises, as the case may be, to deduct from the whole amount of any payment, the sum or sums admitted by any contractor in such statement or statements so filed to be due and owing by him on account of wages earned on such public work.

Such fiscal or financial officer, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises, shall withhold the amount so deducted for the benefit of the worker whose wages are unpaid as shown by the verified statement filed by such contractor, and shall pay directly to any worker the amount shown by such statement to be due to him for such wages. Such payment shall thereby discharge the obligation of the contractor to the person receiving such payment to the extent of the amount thereof.

5. Section 10 of P.L.1963, c.150 (C.34:11-56.34) is amended to read as follows:

C.34:11-56.34 Notice of failure to pay prevailing wages; protest by worker.

10. (a) The fiscal or financial officer of any public body, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises, having public work performed under which any worker shall have been paid less than the prevailing wage shall forthwith notify the commissioner in writing of the name of the person or firm failing to pay the prevailing wages.

(b) Any worker may within two years from the date of the occurrence of the incident complained of file a protest in writing with the commissioner objecting to the amount of wages paid for service performed by him on a public work as being less than the prevailing wages for such services.

(c) It shall not constitute a failure to pay the prevailing wage rates for the work of a particular craft or classification where the prevailing wage rate determined for a specific craft or classification has been paid and thereafter one or more craft unions contend that the work should have been assigned to their members instead of the members of the specific craft to whom it was assigned or by whom it was performed.

6. This act shall take effect immediately.

Approved April 26, 2007.

CHAPTER 69

AN ACT concerning criminal penalties for tampering and amending P.L.1987, c.421.

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

1. Section 1 of P.L.1987, c.421 (C.2C:40-16) is amended to read as follows:

C.2C:40-16 Definitions.

1. As used in this act:

a. "Cosmetic" means any substance or other device which is used for the treatment of the skin, hair or nails.

b. "Drug" means any over-the-counter or prescribed medicine.

c. "Food product" means anything sold for human consumption, and includes tobacco products.

d. "Tamper" means to adulterate a cosmetic, drug or food product by adding any poisonous, deleterious or noxious substance or diluent which may be injurious or detrimental to a person's health. "Tamper" includes the addition of any substance or diluent or both to a prescribed drug resulting in a reduction or increase of the strength of that drug without so being ordered by the prescriber. Any change in the strength of the prescribed drug must be noted on the medication or prescription label and if not so noted the drug shall be considered to have been tampered with and mislabeled.

2. Section 2 of P.L.1987, c.421 (C.2C:40-17) is amended to read as follows:

C.2C:40-17 Tampering, degree of offense; sentencing requirements.

2. a. Except as provided in subsection b. of this section, a person who knowingly tampers with a cosmetic, drug or food product is guilty of a crime of the third degree, except that nothing herein shall be deemed to preclude a charge for a greater crime under any other provision of Title 2C of the New Jersey Statutes.

b. A health care professional or his agent who is authorized to prescribe, dispense or administer medication who knowingly tampers with medicine prescribed for a person is guilty of a crime of the second degree, except that nothing herein shall be deemed to preclude a charge for a greater crime under any other provision of Title 2C of the New Jersey Statutes.

c. Notwithstanding the provisions of paragraph (2) of subsection a. of N.J.S.2C:43-6, any sentence imposed upon a health care professional or his agent pursuant to subsection b. of this section shall include a term of imprisonment. The court may not suspend or make any other noncustodial disposition of a person sentenced pursuant to the provisions of this subsection.

3. This act shall take effect immediately.

Approved April 30, 2007.

CHAPTER 70

AN ACT concerning continuing education for certain licensed accountants and amending P.L.1997, c.259.

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

1. Section 27 of P.L.1997, c.259 (C.45:2B-68) is amended to read as follows:

C.45:2B-68 Continuing professional education required for license renewal; orientation, certain.

27. a. The board shall, as a condition for triennial license renewal, require any person licensed as a "certified public accountant," or "public accountant," to complete 120 credits of continuing professional education during the immediately preceding triennial period of licensure. Persons who are engaged in the practice of public accountancy, or are involved with the attest function in issuing an audit, review or compilation reports, shall have at least 24 of the required credits in the areas of accounting or auditing. Each credit of continuing professional education required pursuant to this section shall represent, or be equivalent to, 50 minutes of verified course attendance at a course or seminar approved by the board.

b. The board may, in its discretion, waive requirements for continuing professional education on an individual basis for hardship reasons such as health, military service, or other due cause and may establish a policy for the continuing education requirements for inactive or retired accountants who remain certified or registered.

c. The board shall not require completion of continuing education credits as a condition for triennial licensure for the initial renewal of licensure, however, any person licensed as a "certified public accountant" shall, within the first six months following initial licensure, complete an orientation course in topics identified by the board, and conducted by any organization recognized by the board as provided in subsection d. of this section.

d. The board shall:

(1) establish standards for continuing professional education, including the subject matter, contents of courses of study, and the number of credits required;

(2) accredit educational programs and sponsors of educational programs offering credit towards the continuing professional education requirements; and

(3) accredit other equivalent educational programs, such as teaching, conferences, professional seminars, technical reviews, courses with non-hourly attendance, including home study courses, and shall establish proce-

dures for the issuance of credit upon satisfactory proof of the completion of these programs.

2. This act shall take effect immediately.

Approved April 30, 2007.

CHAPTER 71

AN ACT concerning the board of trustees for a pension fund of school district employees in a county of the first class and amending N.J.S.18A:66-98.

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

1. N.J.S.18A:66-98 is amended to read as follows:

Trustees to elect officers; compensation, reimbursement.

18A:66-98. The board of trustees shall at the first annual meeting thereof, and at each annual meeting, elect a chairperson, vice-chairperson, secretary, and treasurer, and such other officers as they may deem necessary. The secretary and treasurer may be members of the board of trustees. The board of trustees shall fix the compensation of the secretary and treasurer. The members of the board, unless they are serving as secretary or treasurer, shall serve without compensation but shall be reimbursed for any necessary expenditures. No employee shall suffer loss of salary or wages through serving on the board.

2. This act shall take effect immediately.

Approved April 30, 2007.

CHAPTER 72

AN ACT concerning the membership of the New Jersey Automobile Insurance Risk Exchange board and amending P.L.1983, c.362.

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

1. Section 15 of P.L.1983, c.362 (C.39:6A-21) is amended to read as follows:

C.39:6A-21 The New Jersey Automobile Insurance Risk Exchange; membership, board of directors.

15. The New Jersey Automobile Insurance Risk Exchange; membership, board of directors.

There shall be created, within 45 days of the operative date of this act, an unincorporated association, to operate on a nonprofit-nonloss basis, to be known as the New Jersey Automobile Insurance Risk Exchange, with its headquarters to be located within the State of New Jersey. Every insurer licensed to transact private-passenger automobile insurance in this State shall be a member of the exchange and shall be bound by the rules of the exchange as a condition of the authority to transact insurance business in this State. Any insurer which ceases to transact automobile insurance business in this State shall remain liable for any amounts due to the exchange for business transacted prior to the effective date of its cessation of business in the State.

The exchange shall adopt a plan of operation which shall become effective upon approval by the Commissioner of Banking and Insurance. The business affairs of the exchange shall be governed by a board of directors to be comprised of 12 members. Nine members shall be appointed, from a list of names submitted by the Commissioner of Banking and Insurance, by the Governor, with the advice and consent of the Senate, of whom two shall represent the Property Casualty Insurers Association of America, or its successor organization; two shall represent the American Insurance Association, or its successor organization; two shall represent the independent companies; two shall represent New Jersey domiciled insurance companies as nominated to the commissioner by the exchange; and one shall be a public member. If no name is submitted by an aforementioned association or company to serve as its representative on the board of the exchange, the exchange shall submit to the commissioner the name of an individual employed by an insurer transacting automobile insurance in this State. Additionally, the Governor, the Speaker of the General Assembly and the President of the Senate shall each appoint one public member. The board shall elect a chairman who shall be a representative of an insurer domiciled in New Jersey. No insurer shall represent more than one organization on the board of directors of the exchange.

All appointments made on or after the effective date of this amendatory act shall be for five-year terms. A director shall serve until his successor is appointed. Vacancies on the board of directors of the exchange shall be filled for the remainders of the terms in the same manner as the original appointments. Public members shall be compensated in an amount to be determined by the commissioner, and shall be reimbursed for necessary expenses actually incurred in the performance of their duties. All expenses incurred by the board shall be payable from moneys collected by the exchange.

2. This act shall take effect immediately.

Approved April 30, 2007.

CHAPTER 73

AN ACT concerning the administration of oaths and amending R.S.41:2-1.

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

1. R.S. 41:2-1 is amended to read as follows:

Officials authorized to take oaths.

41:2-1. All oaths, affirmations and affidavits required to be made or taken by law of this State, or necessary or proper to be made, taken or used in any court of this State, or for any lawful purpose whatever, may be made and taken before any one of the following officers:

The Chief Justice of the Supreme Court or any of the justices or judges of courts of record of this State;

Masters of the Superior Court;

Municipal judges;

Mayors or aldermen of cities, towns or boroughs or commissioners of commission governed municipalities;

Surrogates, registers of deeds and mortgages, county clerks and their deputies;

Municipal clerks and clerks of boards of chosen freeholders;

Sheriffs of any county;

Members of boards of chosen freeholders;

Clerks of all courts;

Notaries public;
Commissioners of deeds;
Members of the State Legislature;
Attorneys-at-law and counsellors-at-law of this State;
Certified court reporters, as defined in section 10 of P.L.1940, c.175 (C.45:15B-10).

This section shall not apply to official oaths required to be made or taken by any of the officers of this State, nor to oaths or affidavits required to be made and taken in open court.

2. This act shall take effect immediately.

Approved April 30, 2007.

CHAPTER 74

AN ACT concerning hospital trustees and supplementing Title 26 of the Revised Statutes.

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

C.26:2H-12.34 Training required for service as trustee of general hospital, conditions.

1. a. (1) As a condition of serving as a member of the board of trustees of a general hospital licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et al.), a person shall be required to complete a training program approved by the Commissioner of Health and Senior Services that is designed to clarify the roles and duties of a hospital trustee and is at least one day in length.

(2) The training shall be completed no later than six months after the date that the person is appointed as a member of the board, except that a person who is appointed as a member of a hospital board of trustees on or after the date of enactment of this act but prior to the effective date thereof shall complete the training no later than six months after the effective date.

b. The commissioner shall, in consultation with the New Jersey Hospital Association, the Hospital Alliance of New Jersey, and the New Jersey Council of Teaching Hospitals:

(1) prescribe the subject matter of the training, which shall include, but need not be limited to, a review of the types of financial, organizational, legal, regulatory, and ethical issues that a hospital trustee may be required to consider in the course of discharging the trustee's governance responsibilities;

- (2) arrange for, or specify, the entity or entities to provide the training;
- (3) specify the timeframe within which the training is to be completed;
- (4) certify completion of the training for each trustee upon receipt of documentation thereof, as provided on a form and in a manner prescribed by the commissioner, or otherwise arrange for certification by the training entity; and

- (5) take such other actions as the commissioner determines appropriate to effectuate the purposes of this act.

c. The provisions of this act shall apply only to those persons who are appointed to serve as a member of a hospital board of trustees on or after the date of enactment of this act.

2. 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.

3. This act shall take effect on the 180th day after enactment, but the Commissioner of Health and Senior Services may take such anticipatory administrative action in advance thereof as shall be necessary for the implementation of this act.

Approved April 30, 2007.

CHAPTER 75

AN ACT authorizing the Port Authority of New York and New Jersey to establish additional air terminals and supplementing Title 32 of the Revised Statutes.

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

C.32:1-35.27e Findings, declarations relative to establishment of additional air terminals in NY and NJ.

1. The Legislature finds and declares:

a. The States of New York and New Jersey hereby find and determine that there can be no further delay in the selection of sites for the establishment by the Port Authority of New York and New Jersey of additional air terminals serving the Port of New York district.

b. Having given due consideration to all competing aspects of site selection, it is the judgment of the two states that it is in the public interest to authorize the establishment of one terminal in the State of New York and one terminal in the State of New Jersey, each such terminal to be at a site to be approved by the governor of the state in which such terminal is to be located.

C.32:1-35.27f Port Authority authorized to perform all operations relative to additional air terminal; exceptions.

2. Upon approval of a site for an additional air terminal by the governor of the state in which such terminal is to be located, the port authority is authorized to effectuate, establish, acquire, construct, rehabilitate, improve, maintain, and operate at such site an additional air terminal which, notwithstanding that such site may be outside the Port of New York district, shall be an "air terminal" for all the purposes of that certain agreement between the two states which is embodied in chapter eight hundred two of the laws of the State of New York for nineteen hundred forty-seven, as amended, and in the laws of the State of New Jersey, P.L.1947, c.43 (C.32:1-35.1 et seq.) (the "air terminal agreement" statutes) which were enacted to evidence the agreement of this State with the provisions of the laws of the State of New York; but the boundaries of the Port of New York district shall not thereby be deemed to have been extended. All of the provisions of the air terminal agreement statutes shall be applicable to the effectuation, establishment, acquisition, construction, rehabilitation, improvement, maintenance and operation of the said air terminal as though it had been expressly mentioned and authorized therein, except that:

(1) the authorizations granted to municipalities by the provisions of section eight of the said chapter of the laws of New York, as amended, and by the cognate provisions of the air terminal agreement statutes of the State of New Jersey shall extend to municipalities located outside the Port of New York district; and

(2) the limitations set forth in paragraphs (b) and (c) of section 9 of P.L.1947, c.43 (C.32:1-35.9), as amended and supplemented, shall not be applicable to such terminal located in the State of New Jersey.

3. This act shall take effect upon the enactment into law by the State of New York of legislation having an identical effect with sections 1 and 2 of this act, but if the State of New York shall have already enacted such legislation, this act shall take effect immediately.

Approved May 3, 2007.

CHAPTER 76

AN ACT concerning State properties for use as residential treatment facilities and housing for certain persons with disabilities and supplementing Titles 9 and 30 of the Revised Statutes.

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

C.9:3A-7.2 List of State-owned properties available for use as residential treatment facility for certain juveniles.

1. The Commissioner of Children and Families, in conjunction with the State Treasurer, shall prepare and maintain a list of all available State-owned properties that would be suitable for use as a residential treatment facility for juveniles who are adjudicated by a court of competent jurisdiction to be in need of mental health treatment or referred by the Department of Children and Families.

The list shall include: the location of the property; the general condition of the property, including whether the property is available for immediate occupancy; and the square footage of the property including, if available or applicable, the size of potential sleeping areas, eating areas and kitchen space, recreational space, and classroom space.

The commissioner shall provide the list to nonprofit and for-profit agencies and organizations that provide or intend to provide residential mental health services to children, upon request of the agency or organization and when the State is provided notice, either verbally or in writing, that the agency or organization is relocating.

C.30:1A-13 List of State-owned properties available for use as residential treatment facility for certain individuals.

2. The Commissioner of Human Services, in conjunction with the State Treasurer, shall prepare and maintain a list of all available State-owned properties that would be suitable for use as housing for adults with mental illness, or children or adults with developmental disabilities.

The list shall include: the location of the property; the general condition of the property, including whether the property is available for immediate occupancy; and the square footage of the property including, if available or applicable, the size of potential sleeping areas, eating areas and kitchen space, recreational space, and classroom space.

The commissioner shall provide the list to nonprofit and for-profit agencies and organizations that provide or intend to provide housing for

adults with mental illness or children or adults with developmental disabilities, upon request of the agency or organization and when the State is provided notice, either verbally or in writing, that the agency or organization is relocating.

C.52:18A-18.2 Leasing of certain State-owned property, priority, rate approval.

3. If the Department of the Treasury seeks to lease any property included on the lists prepared by the Commissioner of Children and Families pursuant to section 1 of P.L.2007, c.76 (C.9:3A-7.2) or the Commissioner of Human Services pursuant to section 2 of P.L.2007, c.76 (C.30:1A-13) and no State agency has indicated a current need for the property, the department shall give priority first to nonprofit and for-profit agencies and organizations that provide residential mental health services to children, and then to nonprofit and for-profit agencies and organizations that provide housing to adults with mental illness or persons with developmental disabilities, to lease the property from the State in order to establish a residential treatment facility or housing, as provided in sections 1 and 2 of P.L.2007, c.76 (C.9:3A-7.2 and C.30:1A-13). The lease to a nonprofit or for-profit agency shall be at the fair market rate, as established by the Department of the Treasury, and shall be subject to approval by the State House Commission.

4. This act shall take effect immediately.

Approved May 4, 2007.

CHAPTER 77

AN ACT requiring school bus drivers to inspect bus for pupils remaining and supplementing "School Bus Safety Act," P.L.2003, c.19 (C.18A:39-26 et seq.)

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

C.18A:39-28 Inspection of school bus for pupils by driver at end of transportation route.

1. A school bus driver shall visually inspect the school bus to which he is assigned at the end of the transportation route to determine that no

pupil has been left on the bus. For the purposes of this act, "school bus" means every motor vehicle operated by, or under contract with, a public or governmental agency, or religious or other charitable organization or corporation, or privately operated for compensation for the transportation of children to or from school for secular or religious education, which complies with the regulations of the Department of Education affecting school buses, including "School Vehicle Type I" and "School Vehicle Type II" as defined pursuant to R.S.39:1-1.

C.18A:39-29 Violation, suspension, revocation of school bus endorsement.

2. In the event that, after notice and opportunity to be heard, a school bus driver is found to have left a pupil on the school bus at the end of his route, his school bus endorsement shall be:
 - a. suspended for six months, for a first offense; or
 - b. permanently revoked, for a second offense.

C.18A:39-30 Permanent revocation for gross negligence.

3. In the event that a pupil, who was left on a bus by a school bus driver at the end of the route, is harmed as a result of foreseeable danger and the driver is found, after notice and opportunity to be heard, to have acted with gross negligence, his school bus endorsement shall be permanently revoked.

4. This act shall take effect immediately

Approved May 4, 2007.

CHAPTER 78

AN ACT concerning school crossing guards and traffic regulation, 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.39:4-80.1 Penalty for failure to comply with school crossing guard's signal to stop.

1. A motor vehicle operator who fails to comply with a school crossing guard's signal to stop during those time periods when that guard is duly authorized to control or direct vehicular or pedestrian traffic pursuant to

section 4 of P.L.1979, c.82 (C.40A:9-154.4) shall be fined not less than \$150 for a first offense. For a subsequent offense, the operator shall be fined not less than \$300.

2. This act shall take effect on the first day of the third month following enactment.

Approved May 4, 2007.

CHAPTER 79

AN ACT concerning outpatient renal dialysis services for certain persons and supplementing Title 26 of the Revised Statutes.

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

C.26:2H-18.72 Provision of renal dialysis treatment services, medication to uninsured low-income persons.

1. a. As a condition of licensure and renewal, an ambulatory care facility that is licensed to provide chronic renal dialysis services shall in each calendar year provide uncompensated renal dialysis treatment, services and medication associated with dialysis treatment for uninsured low-income persons in an amount up to 3.5% of the total number of renal dialysis treatments provided by the facility during that year.

b. As used in this act, "uninsured low-income person" means a patient who:

- (1) is a resident of New Jersey;
- (2) has an individual or, if applicable, family gross income that would qualify that person for charity care pursuant to section 10 of P.L.1992, c.160 (C.26:2H-18.60); and
- (3) has no health insurance coverage for the renal dialysis treatment and services provided.

c. Compliance with the requirements of this act may be calculated on an aggregate basis for separately licensed ambulatory care facilities in this State that have common ownership, except that the total amount of uncompensated renal dialysis treatment and services provided shall equal the sum of the amounts required for each separately licensed facility.

2. The Commissioner of Health and Senior Services shall 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.

C.26:2H-18.73 Annual report to Legislature.

3. The Commissioner of Health and Senior Services shall annually report to the Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), on the number of patients who receive treatment at each facility pursuant to this act who are not eligible for Medicare or Medicaid, the number of treatments provided to those patients, and such other information as he deems appropriate.

4. This act shall take effect 30 days after enactment.

Approved May 4, 2007.

CHAPTER 80

AN ACT concerning organ donation and amending P.L.1978, c.181, P.L.1997, c.188 and P.L.1969, c.161.

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

1. Section 1 of P.L.1978, c.181 (C.39:3-12.2) is amended to read as follows:

C.39:3-12.2 License to include designation as organ donor; education program for employees, personnel of organ procurement organization; access to information.

1. a. The Chief Administrator of the New Jersey Motor Vehicle Commission shall provide with every new license, renewal license, identification card or renewal identification card the opportunity for each person pursuant to the provisions of the "Uniform Anatomical Gift Act," P.L.1969, c.161 (C.26:6-57 et al.), to designate that the person shall donate all or any body organs or parts for the purposes of transplantation, therapy, medical research or education upon his death.

b. The designation indicating that a person is a donor pursuant to subsection a. of this section shall be done in accordance with procedures prescribed by the chief administrator. The designation shall be displayed in

print in a conspicuous form and manner on the license or identification card, and electronically, by substantially the following statement: "ORGAN DONOR" and shall constitute sufficient legal authority for the removal of a body organ or part upon the death of the licensee or identification cardholder. The designation shall be removed in accordance with procedures prescribed by the chief administrator.

c. (Deleted by amendment, P.L.1999, c.28).

d. (Deleted by amendment, P.L.2007, c.80).

e. The chief administrator, in consultation with those organ procurement organizations designated pursuant to 42 U.S.C. s.1320b-8 to serve in the State of New Jersey, shall establish and provide an annual education program for agency employees and personnel. The program shall focus on the benefits associated with organ and tissue donations, the scope and operation of New Jersey's donor program, and how the agency's employees and personnel can effectively inform the public about the donor program and can best assist those wishing to participate in the donor program.

f. The chief administrator shall electronically record and store all organ donor designations and identification information, and shall provide the organ procurement organizations designated pursuant to 42 U.S.C. s.1320b-8 to serve in the State of New Jersey with real-time electronic access to the organ donor designation information collected pursuant to subsection a. of this section. An organ procurement organization designated pursuant to 42 U.S.C. s.1320b-8 to serve in the State of New Jersey, or any donor registry established by any such organization, shall have real-time electronic access to those organ donor designations and identification at all times, without exception, for the purposes of verifying organ and tissue donation status and identity. For these purposes, the federally designated organ procurement organization shall have electronic access to each recorded donor's name, address, date of birth, gender, color of eyes, height, and driver's license number. Upon request, the chief administrator shall provide a copy of the donor's original driver's license application.

g. Those organ procurement organizations designated pursuant to 42 U.S.C. s.1320b-8 to serve in the State of New Jersey may contract with a third party, in consultation with the chief administrator, to assess, develop, and implement any system set-up necessary to support the initial and ongoing electronic access by those organizations to the donor designation and identification information required to be made available in accordance with the provisions of this section; however, the organ procurement organizations shall not be required to incur an aggregate cost in excess of \$50,000 for the purposes of this subsection.

2. Section 2 of P.L.1997, c.188 (C.39:2-3.4) is amended to read as follows:

C.39:2-3.4 Disclosure of personal information connected with motor vehicle record.

2. a. Notwithstanding the provisions of P.L.1963, c.73 (C.47:1A-1 et seq.) or any other law to the contrary, except as provided in this act, the Motor Vehicle Commission and any officer, employee or contractor thereof shall not knowingly disclose or otherwise make available to any person personal information about any individual obtained by the commission in connection with a motor vehicle record.

b. A person requesting a motor vehicle record including personal information shall produce proper identification and shall complete and submit a written request form provided by the chief administrator for the commission's approval. The written request form shall bear notice that the making of false statements therein is punishable and shall include, but not be limited to, the requestor's name and address; the requestor's driver's license number or corporate identification number; the requestor's reason for requesting the record; the driver's license number or the name, address and birth date of the person whose driver record is requested; the license plate number or VIN number of the vehicle for which a record is requested; any additional information determined by the chief administrator to be appropriate and the requestor's certification as to the truth of the foregoing statements. Prior to the approval of the written request form, the commission may also require the requestor to submit documentary evidence supporting the reason for the request.

In lieu of completing a written request form for each record requested, the commission may permit a person to complete and submit for approval of the chief administrator or the chief administrator's designee, on a case by case basis, a written application form for participation in a public information program on an ongoing basis. The written application form shall bear notice that the making of false statements therein is punishable and shall include, but not be limited to, the applicant's name, address and telephone number; the nature of the applicant's business activity; a description of each of the applicant's intended uses of the information contained in the motor vehicle records to be requested; the number of employees with access to the information; the name, title and signature of the authorized company representative; and any additional information determined by the chief administrator to be appropriate. The chief administrator may also require the applicant to submit a copy of its business credentials, such as license to do business or certificate of incorporation. Prior to approval by the chief administrator or the chief admin-

istrator's designee, the applicant shall certify in writing as to the truth of all statements contained in the completed application form.

c. Personal information shall be disclosed for use in connection with matters of motor vehicle or driver safety and theft; motor vehicle emissions; motor vehicle product alterations, recalls or advisories; performance monitoring of motor vehicles and dealers by motor vehicle manufacturers; and removal of non-owner records from the original owner records of motor vehicle manufacturers to carry out the purposes of the Automobile Information Disclosure Act, Pub.L.85-506, the Motor Vehicle Information and Cost Saving Act, Pub.L.92-513, the National Traffic and Motor Vehicle Safety Act of 1966, Pub.L.89-563, the Anti-Car Theft Act of 1992, Pub.L.102-519, and the Clean Air Act, Pub.L.88-206, and may be disclosed as follows:

(1) For use by any government agency, including any court or law enforcement agency in carrying out its functions, or any private person or entity acting on behalf of a federal, State or local agency in carrying out its functions.

(2) For use in connection with matters of motor vehicle or driver safety and theft; motor vehicle emissions; motor vehicle product alterations, recalls, or advisories; performance monitoring of motor vehicles, motor vehicle parts and dealers; motor vehicle market research activities, including survey research; and the removal of non-owner records from the original owner records of motor vehicle manufacturers.

(3) For use in the normal course of business by a legitimate business or its agents, employees or contractors, but only:

(a) to verify the accuracy of personal information submitted by the individual to the business or its agents, employees, or contractors; and

(b) if such information as so submitted is not correct or is no longer correct, to obtain the correct information, but only for the purposes of preventing fraud by, pursuing legal remedies against, or recovering on a debt or security interest against the individual.

(4) For use in connection with any civil, criminal, administrative or arbitral proceeding in any federal, State or local court or agency or before any self-regulatory body, including service of process, investigation in anticipation of litigation, and the execution or enforcement of judgments and orders, or pursuant to an order of a federal, State or local court.

(5) For use in research activities, and for use in producing statistical reports, so long as the personal information is not published, redisclosed, or used to contact individuals.

(6) For use by any insurer or insurance support organization, or by a self-insured entity, or its agents, employees, or contractors, in connection with claims investigation activities, antifraud activities, rating or underwriting.

(7) For use in providing notice to the owners of towed or impounded vehicles.

(8) For use by an employer or its agent or insurer to obtain or verify information relating to a holder of a commercial driver's license that is required under the "Commercial Motor Vehicle Safety Act," 49 U.S.C.App.s.2710 et seq.

(9) For use in connection with the operation of private toll transportation facilities.

(10) For use by any requestor, if the requestor demonstrates it has obtained the notarized written consent of the individual to whom the information pertains.

(11) For product and service mail communications from automotive-related manufacturers, dealers and businesses, if the commission has implemented methods and procedures to ensure that:

(a) individuals are provided an opportunity, in a clear and conspicuous manner, to prohibit such uses; and

(b) product and service mail communications from automotive-related manufacturers, dealers and businesses will not be directed at individuals who exercise their option under subparagraph (a) of this paragraph.

(12) For use by an organ procurement organization designated pursuant to 42 U.S.C. s.1320b-8 to serve in the State of New Jersey, or any donor registry established by any such organization, exclusively for the purposes of determining, verifying, and recording organ and tissue donor designation and identity. For these purposes, an organ procurement organization shall have electronic access at all times, without exception, to real-time organ donor designation and identification information. An organ procurement organization may also have information for research activities, pursuant to paragraph (5) of subsection c. of this section.

d. As provided by the federal "Drivers' Privacy Protection Act of 1994," Pub.L.103-322, a person authorized to receive personal information under paragraphs (1) through (10) of subsection c. of this section may resell or redisclose the personal information only for a use permitted by paragraphs (1) through (10) of subsection c. of this section subject to regulation by the commission. A person authorized to receive personal information under paragraph (11) of subsection c. of this section may resell or redisclose the personal information pursuant to paragraph (11) of subsection c.

of this section subject to regulation by the commission. An organization authorized to receive personal information under paragraph (12) of subsection c. of this section may redisclose the personal information only for the purposes set forth in that paragraph.

e. As provided by the federal "Drivers' Privacy Protection Act of 1994," Pub.L.103-322, a person authorized to receive personal information under this section who resells or rediscloses personal information covered by the provisions of this act shall keep for a period of five years records identifying each person or entity that receives information and the permitted purpose for which the information will be used and shall make such records available to the commission upon request. Any person who receives, from any source, personal information from a motor vehicle record shall release or disclose that information only in accordance with this act.

f. The release of personal information under this section shall not include an individual's social security number except in accordance with applicable State or federal law.

3. Section 4 of P.L.1969, c.161 (C.26:6-60) is amended to read as follows:

C.26:6-60 Gift by will or other document.

4. (a) A gift of all or part of the body under section 2(a) may be made by will. The gift becomes effective upon the death of the testator without waiting for probate. If the will is not probated, or if it is declared invalid for testamentary purposes, the gift, to the extent that it has been acted upon in good faith, is nevertheless valid and effective.

(b) A gift of all or part of the body under section 2(a) may also be made by document other than a will. The gift becomes effective upon the death of the donor. The document, which may be a card designed to be carried on the person, must be signed by the donor. If the donor cannot sign, the document may be signed for him at his direction and in his presence in the presence of two witnesses who must sign the document in his presence. Delivery of the document of gift during the donor's lifetime is not necessary to make the gift valid.

(c) The gift may be made to a specified donee or without specifying a donee. If the latter, the gift may be accepted by the attending physician as donee upon or following death. If the gift is made to a specified donee who is not available at the time and place of death, the attending physician upon or following death, in the absence of any expressed indication that the donor desired otherwise, may accept the gift as donee. The physician who

becomes a donee under this subsection shall not participate in the procedures for removing or transplanting a part.

(d) Notwithstanding section 7(b), the donor may designate in his will, card, or other document of gift the surgeon or physician to carry out the appropriate procedures. In the absence of a designation or if the designee is not available, the donee or other person authorized to accept the gift may employ or authorize any surgeon or physician for the purpose or, in the case of a gift of eyes, he may employ or authorize a practitioner of mortuary science licensed by the State Board of Mortuary Science of New Jersey, an eye bank technician or a medical student who has successfully completed a course in eye enucleation approved by the State Board of Medical Examiners to enucleate eyes for the gift after certification of death by a physician. A practitioner of mortuary science, an eye bank technician or a medical student acting in accordance with the provisions of this subsection shall not have any liability, civil or criminal, for the eye enucleation.

(e) Any gift by a person designated in section 2(b) shall be made by a document signed by him or made by his telegraphic, recorded telephonic, or other recorded message.

(f) Notwithstanding any provision of law to the contrary, the intent of a decedent to give all or any part of his body as a gift pursuant to section 2(a) of P.L.1969, c.161 (C.26:6-58), as evidenced by the possession of a donor card, donor designation on a driver's license, advance directive pursuant to P.L.1991, c.201 (C.26:2H-53 et al.), other document of gift, or by registration with a Statewide organ and tissue donor registry, shall not be revoked by any person designated in section 2(b) of P.L.1969, c.161 (C.26:6-58), nor shall the consent of any such person at the time of the donor's death or immediately thereafter be necessary to render the gift valid and effective.

4. This act shall take effect on the first day of the fourth month following enactment.

Approved May 4, 2007.

CHAPTER 81

AN ACT concerning the assessment funding mechanism for the support of the Division of Banking in the Department of Banking and Insurance,

revising certain regulatory and fee requirements and amending various parts of statutory law.

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

1. Section 4 of P.L.2005, c.199 (C.17:1C-36) is amended to read as follows:

C.17:1C-36 Objections to assessment, hearing.

4. Within 15 days after the date of mailing a statement of the assessment as provided in this act, a regulated entity may file its objections to its assessment with the commissioner. The filing of an objection shall not relieve a regulated entity from its obligation to pay its assessment in full within 30 days after receipt of the original statement of the assessment. Upon receiving those objections, the commissioner shall either: amend the statement as warranted, consistent with sections 5 and 6 of this act; or schedule and send a notice of a hearing on the objections, which hearing shall be held not less than 30 nor more than 60 days after the date of the notice.

2. Section 6 of P.L.2005, c.199 (C.17:1C-38) is amended to read as follows:

C.17:1C-38 Notice of delinquency, collection.

6. If a statement of the assessment against which objections are filed is not paid in full within 30 days after the date of mailing of the original statement of the assessment; or if an amended statement of the assessment is not paid within 30 days of the date a copy thereof is mailed by registered mail to the objector, the commissioner shall give notice of the delinquency to the State Treasurer and to the objector, and the State Treasurer shall proceed to make the collection.

3. Section 15 of P.L.2005, c.199 (C.17:1C-47) is amended to read as follows:

C.17:1C-47 Total amount assessable.

15. a. The total amount assessable to regulated entities in any fiscal year for the assessment established by this act shall not exceed the lesser of:

(1) the total amount of expenses incurred by the State in connection with the administration of the special functions of the division pursuant to section 3 of this act during the preceding fiscal year as ascertained by the

Director of the Division of Budget and Accounting in the Department of the Treasury, on or before August 15 in each year, and certified to the commissioner by category; or

(2) .0001084 times the sum of (a) the average total assets for State-chartered banks, savings banks, and savings and loan associations for the preceding five calendar years' data, excluding the two most recent calendar years plus (b) the average total loan volume for residential mortgage loans closed by licensed lenders pursuant to the "New Jersey Licensed Lenders Act," P.L.1996, c.157 (C.17:11C-1 et al.) for the preceding five calendar years' data, excluding the two most recent calendar years.

b. In calculating the assessments:

(1) Banks, savings banks and savings and loan associations shall be given prorated credit for unused portions of assessment periods; and

(2) Licensees shall be given prorated credit for unused portions of licensing periods.

c. The department shall not issue an examination bill for an examination that has not been completed by the date that the regulated entity becomes subject to the assessment pursuant to the provisions of this act. For the purposes of this act, the completion of the examination shall not include the time to process and review the examination report.

4. Section 256 of P.L.1948, c.67 (C.17:9A-256) is amended to read as follows:

C.17:9A-256 Reports to commissioner; violations, penalties.

256. A. Every bank and out-of-State bank with a branch office in this State shall make and file in the department, not less than two reports during each year, in the form prescribed by the commissioner.

B. Every report filed pursuant to subsection A of this section shall state in detail and under appropriate heads the assets and liabilities of the bank or out-of-State bank at the close of business on any day specified by the commissioner, and shall be filed in the department within ten days after the receipt by the bank or out-of-State bank of a request therefor. The report shall be attested by the signatures of at least three directors who are not officers of the bank or out-of-State bank, and shall be verified by the oaths of at least two officers of the bank or out-of-State bank. The commissioner may extend for not more than ten days the time within which such report shall be filed.

C. The commissioner shall have power to call for special reports from a bank or out-of-State bank when, in the commissioner's judgment, such

special reports are necessary in order to obtain a full and complete knowledge of its condition.

D. A bank or out-of-State bank which fails to make and transmit a report required by this section shall be subject to a penalty of not more than \$100 for each day during which such failure continues, and the commissioner may revoke or suspend its authority to do business in this State.

The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

E. The commissioner may waive the requirements of this section if the bank or out-of-State bank files a similar report with federal regulators and adequate provision is made for the commissioner to have access to that filing.

5. Section 334 of P.L.1948, c.67 (C.17:9A-334) is amended to read as follows:

C.17:9A-334 Fees payable by foreign banks.

334. A foreign bank shall pay to the commissioner for the use of the State a fee, to be prescribed by the commissioner by regulation, in an amount not less than or not more than, the following minimum and maximum amounts:

	Minimum	Maximum
(1) For filing a copy of its certificate of incorporation or amendment thereof or other change therein	\$50.00	\$250.00
(2) For filing a statement of its financial condition	50.00	250.00
(3) For filing a power of attorney	5.00	75.00
(4) (Deleted by amendment, P.L.2007, c.81).		
(5) For registering a back office		500.00

The commissioner shall charge for the issuance of a certificate of authority or a certificate of renewal of a certificate of authority such fee as the commissioner shall prescribe by rule or regulation, not to exceed \$1,500.00. The certificate shall run from the date of issuance for a term of not less than two years as set by the commissioner by regulation.

The commissioner may by rule or regulation adopted pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) im-

pose other fees and charges, including assessments and nonrefundable fees for application and examinations, on out-of-State banks establishing branch offices or agency offices in this State.

6. Section 34 of P.L.1996, c.17 (C.17:9A-415) is amended to read as follows:

C.17:9A-415 Submission of report to commissioner; violations; penalty.

34. a. To the extent specified by the commissioner by regulation, order or written request:

(1) each bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company shall submit to the commissioner one or more copies of each report filed with any bank supervisory agency, except for any report the disclosure of which would be prohibited by applicable federal or State law, within 15 days after the filing thereof with that agency; and

(2) each person that controls a New Jersey bank or a New Jersey bank holding company that does not file a report with any other bank supervisory agency shall file an annual report with the commissioner.

b. At the request of the commissioner, to the extent permitted by applicable State and federal law, each bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company shall provide to the commissioner copies of the reports of examination of any New Jersey bank or New Jersey bank holding company.

c. A bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company that fails to make and file a report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and, to the extent permitted by applicable State or federal law, the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

7. Section 8 of P.L.1996, c.157 (C.17:11C-8) is amended to read as follows:

C.17:11C-8 Application, fee.

8. a. Every application for an initial license shall be accompanied by a nonrefundable application fee as set forth in subsection d. of this section.

When the applicant at the same time seeks a license to engage in more than one activity, only one application fee may be charged. With respect to a license fee imposed prior to the implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), the license fee, as prescribed by the commissioner by regulation, shall be based on the number of the following activities in which the person is licensed to engage under this act or the "Retail Installment Sales Act of 1960," P.L.1960, c.40 (C.17:16C-1 et seq.): a mortgage banker or mortgage broker; a secondary lender; a consumer lender; or a sales finance company. The fee for a biennial license or a renewal thereof shall be set according to the following schedule:

- (1) If the person is licensed to engage in one activity, the fee shall not be more than \$3,000;
- (2) If the person is licensed to engage in two activities, the fee shall not be more than \$4,000;
- (3) If the person is licensed to engage in three activities, the fee shall not be more than \$5,000; and
- (4) If the person is licensed to engage in all four activities, the fee shall not be more than \$6,000.

Upon implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed or collected by the commissioner pursuant to this section. A license shall run from the date of issuance to the end of a term of not less than two years as set by the commissioner by regulation.

b. (Deleted by amendment, P.L.2007, c.81).

c. An applicant for a mortgage solicitor registration pursuant to subsection c. of section 3 of P.L.1996, c.157 (C.17:11C-3) shall be subject to a nonrefundable mortgage solicitor registration application fee, not to exceed \$100 as established by the commissioner by regulation. A solicitor who changes his registration to a different licensee shall be required to submit a new registration application and to pay another nonrefundable application fee.

d. An applicant shall pay to the commissioner at the time of the initial application for a license a nonrefundable application fee not to exceed the amounts specified in this subsection:

- (1) For an application for one activity, an application fee not to exceed \$700;
- (2) For an application for two activities, an application fee not to exceed \$1,000;
- (3) For an application for three activities, an application fee not to exceed \$1,300; and

(4) For an application for four activities, an application fee not to exceed \$1,600.

e. A licensee that seeks to add an additional activity to an existing license shall pay a fee not to exceed \$300 per activity.

f. Fee amounts shall be prescribed by the commissioner by regulation.

8. Section 9 of P.L.1996, c.157 (C.17:11C-9) is amended to read as follows:

C.17:11C-9 Maintenance of branch offices by licensee.

9. a. A licensee may maintain a branch office or offices. The licensee shall license all branch offices in this State and all branch offices outside this State from which the licensee has direct contact with New Jersey consumers regarding origination or brokering.

b. The commissioner shall issue a branch office license if:

(1) The licensee has submitted a completed application form and a branch application fee pursuant to the schedule provided in subsection d. of section 8 of P.L.1996, c.157 (C.17:11C-8);

(2) The application for the branch office demonstrates that the office is in a suitable location; and

(3) The application contains a certification that the office is covered by the surety bond.

c. (Deleted by amendment, P.L.2007, c.81).

9. Section 11 of P.L.1996, c.157 (C.17:11C-11) is amended to read as follows:

C.17:11C-11 Issuance, expiration of licenses.

11. a. Each license issued pursuant to this act shall expire at the end of the license period of not less than two years as set by the commissioner by regulation.

b. (Deleted by amendment, P.L.2007, c.81).

c. The commissioner may by regulation provide for individual mortgage banker, mortgage broker and secondary lender licenses to continue in existence in an inactive status for a specified period of time.

10. Section 43 of P.L.1996, c.157 (C.17:11C-43) is amended to read as follows:

C.17:11C-43 Annual report by licensees; violations, penalties.

43. A licensee shall annually file a report with the commissioner which shall set forth such information as the commissioner shall require concerning the business conducted as a licensee during the preceding calendar year. The report shall be under oath and in a form and within the time specified by the commissioner by regulation.

A licensee that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

11. Section 171 of P.L.1963, c.144 (C.17:12B-171) is amended to read as follows:

C.17:12B-171 Reports to commissioner; violations, penalties.

171. Every State association shall, within 60 days after the close of each fiscal year, file in the department, on blanks to be provided by the commissioner, a report of its transactions, affairs and financial condition as of the end of its fiscal year. The report shall state the names and addresses of its directors, officers, attorneys, agents and other employees, and the compensation, if any, paid to each, and shall be verified by the oaths or affirmations of such officers as the commissioner shall designate. The commissioner may call for additional reports when he deems it expedient, but not more often than once in every 3 months.

If any State association fails to file its annual report within the time herein specified, or any additional report within such reasonable period as the commissioner fixes, the association shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The commissioner may, for sufficient cause, extend the time for filing any reports for not more than 10 days. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

12. Section 172 of P.L.1963, c.144 (C.17:12B-172) is amended to read as follows:

C.17:12B-172 Examination, inspection, supervision of associations.

172. Every State association and every out-of-State association with a branch office in this State shall be subject to the examination, inspection and supervision of the department. When deemed advisable, the examiner shall verify the liabilities of the State association to its members by an inspection and verification of their accounts. The commissioner shall promptly communicate the result of every examination to the president of the State association examined, who shall present the same to the board at the next regular meeting, or a special meeting, if deemed advisable, or if so directed by the commissioner. The action taken thereon by the board shall thereupon be promptly communicated by the president to the commissioner.

Every report and copy of a report of examination of a State association and out-of-State association made by or under the supervision of the commissioner, shall be confidential, and shall not be made public by any officer, director or employee of a State association or out-of-State association, and shall not be subject to subpoena or to admission into evidence in any action or proceeding in any court, except pursuant to an order of the court made upon notice to the commissioner an opportunity to advise the court of reasons for excluding from evidence such report or any portion thereof. The court shall order the issuance of a subpoena for the production or admission into evidence of any such report or portion thereof, only if it is satisfied that (1) it is material and relevant to the issues in the proceedings, and (2) the ends of justice and public advantage will be subserved thereby. This section shall not apply to any action or proceeding instituted by the commissioner or Attorney General pursuant to any law of this State.

For State associations or out-of-State associations with branch offices in this State and also in one or more other states, the commissioner may contract with the state regulator in the other state or states where branch offices are located to conduct cooperative examinations. Pursuant to those agreements, examiners of the department may examine branch offices of State associations and out-of-State associations in New Jersey and in other states, and examiners of other state regulators may examine branch offices of State associations and out-of-State associations in New Jersey and other states. The fees for these examinations may be shared pursuant to a contract or agreement among the regulators.

13. Section 33 of P.L.1984, c.171 (C.17:13-111) is amended to read as follows:

C.17:13-111 Annual report by credit union; violations, penalties.

33. Every credit union shall submit a report in writing to the commissioner of its condition at the close of business on the 31st day of December. The report shall be submitted to the commissioner in a form and within the time specified by the commissioner by regulation. The report shall be verified by the oath of the president and the treasurer of the credit union, and the statement of assets and liabilities shall be verified by the oath of the examining committee that the statement is a true and correct statement of the condition of the credit union based on the audit or examination made by the examining committee as of the December 31 preceding the report. The credit union shall furnish the commissioner with any other reports as he may deem advisable. Any false statement or oath shall be deemed to be perjury.

A credit union that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

14. Section 11 of P.L.1993, c.383 (C.17:15A-40) is amended to read as follows:

C.17:15A-40 Valid license, civil actions.

11. a. A license shall be valid until surrendered by the licensee, or unless revoked or suspended pursuant to this act.

b. The license shall be for a term of not less than two years as set by the commissioner by regulation.

c. A licensee may bring a civil action in Superior Court against another licensee, or against a depository institution subject to subsection b. of section 21 of P.L.1993, c.383 (C.17:15A-50), as amended, or subsection c. of section 21 of P.L.1993, c.383 (C.17:15A-50), as amended, for violating any of the following provisions, if that violation has an impact on the check cashing business of the licensee bringing the action: (1) section 3 of P.L.1993, c.383 (C.17:15A-32); (2) the requirements set forth in paragraph (6) of subsection d. of section 12 of P.L.1993, c. 383 (C.17:15A-41); (3) subsection e. of section 12 of P.L.1993, c. 383 (C.17:15A-41); (4) subsection f. of section 18 of P.L.1993, c.383 (C.17:15A-47); (5) subsection b. of section 21 of P.L.1993, c.383 (C.17:15A-50); or (6) subsection c. of section 21 of P.L.1993, c.383 (C.17:15A-50). Nothing contained in this subsection

shall be construed to restrict, limit or alter in any way the commissioner's authority to enforce the provisions of "The Check Cashers Regulatory Act of 1993," P.L.1993, c.383 (C.17:15A-30 et seq.) or any other law.

d. If a licensee has not provided check cashing services during normal business hours at the location specified in the license for a period of 180 consecutive days or more, and if no application for renewal of the license or relocation of the licensed check casher is or shall have been filed prior to expiration of that 180-day period, the department may, after notice to the licensee and opportunity to be heard, revoke the license or for good cause shown, the department may extend the 180-day period.

15. Section 16 of P.L.1993, c.383 (C.17:15A-45) is amended to read as follows:

C.17:15A-45 Annual report by check cashing business; violations, penalties.

16. Each licensee shall annually file a report with the commissioner giving the information the commissioner may require concerning its check cashing business and operations during the preceding calendar year. In addition to the annual report the commissioner may require additional regular or special reports as the commissioner deems necessary to effectuate the purposes of this act. These reports shall be made under oath or affirmation and shall be in the form and within the time prescribed by the commissioner by regulation.

A licensee that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

16. Section 9 of P.L.1998, c.14 (C.17:15C-9) is amended to read as follows:

C.17:15C-9 Investigation of applicants for licensing, renewal; licensing period.

9. a. Upon the filing of a complete application, in the case of an initial application, or the filing of a complete renewal application, the commissioner shall investigate the financial condition and responsibility, financial and business experience, character and general fitness of the applicant for an initial license or a renewal license. The commissioner may conduct an on-site investigation of the applicant for an initial license, the reasonable

cost of which shall be borne by the applicant. If the commissioner finds that the applicant's business will be conducted honestly, fairly and in a manner commanding the confidence and trust of the community and that the applicant has fulfilled the requirements imposed by this act and has paid the required license fee, the commissioner shall issue a license to the applicant authorizing the applicant to engage in the licensed activities in this State. If these requirements have not been met, the commissioner shall deny the application in writing, setting forth the reasons for the denial.

b. The commissioner shall approve or deny every application for an initial license within 120 days from the date that the applicant has satisfied all requirements for licensure.

c. The license period of not less than two years shall be set by the commissioner by rule or regulation. A license shall run from the date of issuance to the end of the licensing period.

d. Licenses shall not be transferable or assignable.

e. The licensee shall register locations in the State.

f. Within 45 days after the end of each calendar quarter, each licensee shall file with the commissioner in writing a list of all locations within the State that have been added or terminated by the licensee, if any. The list shall include the name and business address of each location.

g. If the licensed name or licensed business address is changed, the licensee shall notify the commissioner in writing of the change within 10 days.

17. Section 12 of P.L.1998, c.14 (C.17:15C-12) is amended to read as follows:

C.17:15C-12 Annual reports; violations, penalties.

12. a. Each licensee shall file with the commissioner an annual report containing the information required by the commissioner by regulation.

b. The commissioner may require reports of any licensee or authorized delegate, under penalty of perjury or otherwise, concerning the licensee's or authorized delegate's business conducted pursuant to the license issued under this act, as the commissioner requires for the enforcement of this act.

c. A licensee who fails to file any report required by this section on or before the day designated for making the report, or fails to include any prescribed matter in the report, shall pay a penalty of not more than \$100 for each day that the report is delayed or incomplete, unless the commissioner, for good cause shown, reduces the amount to be paid, or unless the time to file the report is extended in writing by the commissioner. In addition, the commissioner may revoke or suspend the authority of a licensee to do busi-

ness in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

d. The licensee shall include in its annual report:

(1) (a) except as provided pursuant to subparagraph (b) of this paragraph (1), for a person licensed to engage only in the business of a foreign money transmitter, a copy of its most recent audited consolidated annual financial statement, including balance sheet, statement of income or loss, statement of changes in shareholder's equity and statement of changes in financial position, or, in the case of a licensee that is a wholly owned subsidiary of another corporation, the consolidated audited annual financial statement of the parent corporation may be filed in lieu of the licensee's audited annual financial statement;

(b) for a person licensed to engage only in the business of a foreign money transmitter, a copy of its most recent compiled annual financial statement, including balance sheet, statement of income or loss, statement of changes in shareholder's equity and statement of changes in financial position, except that the commissioner may, for good cause, request a foreign money transmitter to submit an audited financial statement;

(2) for the most recent quarter for which data is available prior to the date of the filing of the annual report, but in no event more than 120 days prior to the annual report filing date, the licensee shall provide the number of payment instruments sold by the licensee in the State, the dollar amount of those instruments and the dollar amount of those instruments currently outstanding;

(3) any material changes to any of the information submitted by the licensee on its original application which have not previously been reported to the commissioner on any other report required to be filed under this act;

(4) a list of the licensee's permissible investments;

(5) a list of the locations within this State at which business regulated by this act is being conducted by either the licensee or its authorized delegate; and

(6) such other information as the commissioner may require by regulation.

18. Section 7 of P.L.1960, c.40 (C.17:16C-7) is amended to read as follows:

C.17:16C-7 Application fee for sales finance companies, license period.

7. Every application for a new license shall be accompanied by a non-refundable application fee as provided in subsection d. of section 8 of P.L.1996, c.157 (C.17:11C-8).

The license shall run from the date of issuance to the end of a term of not less than two years as set by the commissioner by regulation.

19. Section 8 of P.L.1960, c.40 (C.17:16C-8) is amended to read as follows:

C.17:16C-8 Motor vehicle installment seller; license, application fee.

8. With respect to a license fee imposed prior to the implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), every motor vehicle installment seller shall pay to the commissioner at the time of making the application and biennially thereafter upon renewal a license fee for its principal office and for each additional place of business conducted in this State. The commissioner shall charge for a license such fee as he shall prescribe by rule or regulation. Each fee shall not exceed \$300. The license shall run from the date of issuance to the end of the licensing period of not less than two years as set by the commissioner by regulation. Upon implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed or collected by the commissioner pursuant to this section, however a motor vehicle installment seller shall pay to the commissioner at the time of application a nonrefundable application fee not to exceed \$300.

20. Section 19 of P.L.1960, c.40 (C.17:16C-19) is amended to read as follows:

C.17:16C-19 Preservation of books, accounts, records, annual report; violations, penalties.

19. All books, accounts and records of the licensee shall be preserved and kept available as provided herein for such period of time as the commissioner may by regulation require. The commissioner may require a licensee to file an annual report containing that information required by the commissioner by regulation concerning business conducted as a licensee in the preceding calendar year. The report shall be submitted under oath and in the form specified by the commissioner by regulation.

A licensee that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

21. Section 21 of P.L.1960, c.41 (C.17:16C-82) is amended to read as follows:

C.17:16C-82 License fees payable by home financing agency.

21. (a) With respect to a license fee imposed prior to the implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), every home financing agency shall pay to the commissioner at the time of making the application and biennially thereafter upon renewal a license fee for its principal place of business and for each additional place of business conducted in this State. The commissioner shall charge for a license such fee as he shall prescribe by rule or regulation. Each fee shall not exceed \$600. The license shall run from the date of issuance to the end of the licensing period of not less than two years as set by the commissioner by regulation. Upon implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed or collected by the commissioner pursuant to this section, however a home financing agency shall pay to the commissioner at the time of application a nonrefundable application fee not to exceed \$600.

(b) With respect to a license fee imposed prior to the implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), every home repair contractor shall pay to the commissioner at the time of making the application and biennially thereafter upon renewal a license fee for its principal place of business and for each additional place of business conducted in this State. The commissioner shall charge for a license such fee as he shall prescribe by rule or regulation. Each fee shall not exceed \$300. The license shall run from the date of issuance to the end of the licensing period of not less than two years as set by the commissioner by regulation. Upon implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed or collected by the commissioner pursuant to this section, however a home repair contractor shall pay to the commissioner at the time of application a nonrefundable application fee not to exceed \$300.

(c) With respect to a license fee imposed prior to the implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), every home repair salesman shall pay to the commissioner at the time of making the application and biennially thereafter upon renewal a license fee. The commissioner shall charge for a license such fee as he shall prescribe by rule or regulation, not to exceed \$60. The license shall run from the date of issuance to the end of the licensing period of not less than two years as set by the commissioner by regulation. Upon implementation of the assess-

ment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed or collected by the commissioner pursuant to this section, however a home repair salesman shall pay to the commissioner at the time of application a nonrefundable application fee not to exceed \$60.

22. Section 26 of P.L.1960, c.41 (C.17:16C-87) is amended to read as follows:

C.17:16C-87 Maintenance, preservation of books, accounts, records, annual report; violations, penalties.

26. a. Every home repair contractor, home financing agency and holder of a home repair contract shall maintain at its place or places of business such books, accounts and records relating to all transactions under this act as will enable the commissioner to enforce full compliance with the provisions hereof. All such books, accounts and records shall be preserved and kept available for such period of time as the commissioner may by regulation require. The commissioner may prescribe the minimum information to be shown in such books, accounts and records of the licensee so that such records will enable the commissioner to determine compliance with the provisions of this act.

b. The commissioner may require a licensee to file an annual report containing that information required by the commissioner by regulation concerning business conducted as a licensee in the preceding calendar year. The report shall be submitted under oath and in the form and within the time specified by the commissioner by regulation.

c. A licensee that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

23. Section 4 of P.L.1968, c.221 (C.17:16D-4) is amended to read as follows:

C.17:16D-4 Licenses.

4. Licenses. No person shall engage in the business of financing insurance premiums in this State without first having obtained a license as a premium finance company from the Commissioner of Banking and Insurance, except that any State or national bank authorized to do business in

this State shall be authorized to transact business as a premium finance company, subject to all of the provisions of this act, except that it shall not be required to obtain a license or pay a license fee hereunder. Any person who shall engage in the business of financing insurance premiums in this State without a valid license as provided hereunder shall, upon conviction as provided in R.S.17:33-2, be subject to a fine of not more than \$300. With respect to a license fee imposed prior to the implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), the commissioner shall charge for a license such fee as he shall prescribe by rule or regulation, not to exceed \$1,000. Upon implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed or collected by the commissioner pursuant to this section, however an insurance premium finance agency shall pay to the commissioner at the time of application a nonrefundable application fee not to exceed \$1,000. The license shall run from the date of issuance to the end of the licensing period of not less than two years as set by the commissioner by regulation. The fee imposed prior to implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), for said license shall be paid to the commissioner for the use of the State. No portion of the license fee imposed prior to implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), shall be refunded if the license is surrendered by the licensee or suspended or revoked by the commissioner.

Before any licensee changes his address he shall return his license to the commissioner who shall indorse the license indicating the change.

The person to whom the license or the renewal thereof may be issued shall file sworn answers, subject to the penalties of perjury, to such interrogatories as the commissioner may require. The commissioner shall have authority, at any time, to require the applicant fully to disclose the identity of all stockholders, partners, officers and employees, and he may, in his discretion, refuse to issue or renew a license in the name of any firm, partnership, or corporation if he is not satisfied that any officer, employee, stockholder, or partner thereof who may materially influence the applicant's conduct meets the standards of this act.

24. Section 7 of P.L.1968, c.221 (C.17:16D-7) is amended to read as follows:

C.17:16D-7 Books and records; annual report; violations, penalties.

7. Every licensee shall maintain records of its premium finance transactions which will enable the commissioner to enforce full compliance with

this act and the said records shall be open to examination and investigation by the commissioner. The commissioner shall have the power to make such examination of the books, records and accounts of any licensee as he shall deem necessary. The expenses incurred in making any such examination shall be assessed against and paid by the licensee so examined. The commissioner may, at any time, require any licensee to bring such records as he may direct to the commissioner's office for examination.

Every licensee shall preserve its records of such premium finance transactions, including cards used in a card system for at least 3 years after making final entry in respect to any premium finance agreement. The preservation of records in photographic form shall constitute compliance with this requirement.

Each licensee shall file a report with the commissioner giving such information in the form and within the time as the commissioner may require by regulation concerning the licensee's business and operation during the preceding calendar year.

A licensee that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

25. Section 5 of P.L.1979, c.16 (C.17:16G-5) is amended to read as follows:

C.17:16G-5 Bond; financial records; annual audit; filing; examination of agency; annual reports; violations, penalties.

5. a. Any nonprofit social service agency or nonprofit consumer credit counseling agency licensed under this act shall be bonded to the satisfaction of the commissioner for each location pursuant to regulation. In setting the bonding requirements for each location, the commissioner shall consider the number of debtors provided credit counseling and debt adjustment services at that location, and the balance of funds in the trust account required to be maintained pursuant to section 3 of P.L.2005, c.287 (C.17:16G-9).

b. The commissioner may require a licensee to file an annual report containing that information required by the commissioner by regulation concerning activities conducted as a licensee in the preceding calendar year.

The report shall be submitted under oath and in the form and within the time specified by the commissioner by regulation.

c. The commissioner may require a high-cost home loan counselor to file an annual report containing that information required by the commissioner by regulation concerning activities conducted pursuant to subsection g. of section 5 of P.L.2003, c.64 (C.46:10B-26) as a registrant in the preceding calendar year. The report shall be submitted under oath and in the form and within the time specified by the commissioner by regulation.

d. Each licensee shall file with the commissioner on or before April 1 of each year a copy of its annual report, containing the information required by the commissioner by regulation pursuant to P.L.1979, c.16 (C.17:16G-1 et seq.) and section 3 of P.L.2005, c.287 (C.17:16G-9). A licensee or high-cost home loan counselor that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

e. Each licensee shall have its financial records relating to debt adjustment audited annually by a certified public accountant or a public accountant, which audit shall be filed with the commissioner. Such an audit shall certify that the salaries and expenses paid by the licensee are reasonable compared to those incurred by comparable organizations providing similar services.

f. After reviewing the annual report and audit, the Commissioner of Banking and Insurance may cause an examination of the licensee to be made, the actual expenses of such an examination shall be paid by the licensee, and the commissioner may maintain any action against any licensee to recover the fees and expenses herein provided for.

g. The licensee shall make a copy of the annual report and audit available for public inspection at each of the licensee's locations.

26. R.S.45:22-4 is amended to read as follows:

License; issuance, term.

45:22-4. Upon application to the Commissioner of Banking and Insurance, such official may in his discretion issue to the applicant upon the filing of a bond as hereinafter provided, a license to do business in this State. The license shall not be assignable. The license shall run from the date of

issuance to the end of the licensing period of not less than two years as set by the commissioner by regulation. The Commissioner of Banking and Insurance may require proof to his satisfaction of the financial ability of the applicant to carry on such business.

27. R.S.45:22-10 is amended to read as follows:

Investigation by commissioner; other investigations.

45:22-10. The Commissioner of Banking and Insurance may at any time investigate the business of all licensees, either personally or by any person designated by him, and for the purpose of effectuating this article the Commissioner of Banking and Insurance or the person so designated shall have free access, during the usual business hours, to the licensee's place of business, to the books, papers, records, safes and vaults of the licensee wherever located, and shall also have the authority to examine, under oath, any person whose testimony he may require relative to such business. The cost and charges of any such examination or investigation shall be borne by the licensee. Absent a determination by the commissioner that good cause exists, the cost of the examination shall not exceed \$2,500. The examination shall be conducted in accordance with generally accepted examination procedures and pursuant to established and objective criteria developed by the commissioner. The department shall issue to the licensee an itemized invoice setting forth the number of hours and the work performed in connection with the examination.

28. R.S.45:22-12 is amended to read as follows:

Pawnbroker's annual report; contents; violations, penalties.

45:22-12. Every pawnbroker shall annually, submit to the Commissioner of Banking and Insurance, on such forms and within the time as may be prescribed by him, a report under oath, giving the number and amount of loans made during the preceding calendar year, and the balance of all loans outstanding at the close of the year, the rates of interest charged and such other information as the commissioner may require.

A pawnbroker that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

29. This act shall take effect immediately, but remain inoperative until July 1, 2006, and if enacted after that date, shall be retroactive to July 1, 2006; except that provisions of this act which amend the term of a license shall remain inoperative until the Commissioner of Banking and Insurance adopts regulations establishing the new license terms authorized by this act. The Commissioner of Banking and Insurance may immediately undertake action to promulgate any regulation necessary to implement the provisions of this act.

Approved May 4, 2007.

CHAPTER 82

AN ACT concerning criminal history record checks and amending P.L.1986 c.116.

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

1. Section 1 of P.L.1986, c.116 (C.18A:6-7.1) is amended to read as follows:

C.18A:6-7.1 Criminal record check in public school employment, volunteer service.

1. A facility, center, school, or school system under the supervision of the Department of Education and board of education which cares for, or is involved in the education of children under the age of 18 shall not employ for pay or contract for the paid services of any teaching staff member or substitute teacher, teacher aide, child study team member, school physician, school nurse, custodian, school maintenance worker, cafeteria worker, school law enforcement officer, school secretary or clerical worker or any other person serving in a position which involves regular contact with pupils unless the employer has first determined consistent with the requirements and standards of this act, that no criminal history record information exists on file in the Federal Bureau of Investigation, Identification Division, or the State Bureau of Identification which would disqualify that individual from being employed or utilized in such capacity or position. An individual employed by a board of education or a school bus contractor holding a contract with a board of education, in the capacity of a school bus driver, shall be required to meet the criminal history record requirements pursuant to section 6 of P.L.1989, c.104 (C.18A:39-19.1). A facility, center, school, or

school system under the supervision of the Department of Education and board of education which cares for, or is involved in the education of children under the age of 18 may require criminal history record checks for individuals who, on an unpaid voluntary basis, provide services that involve regular contact with pupils. In the case of school districts involved in a sending-receiving relationship, the decision to require criminal history record checks for volunteers shall be made jointly by the boards of education of the sending and receiving districts.

An individual, except as provided in subsection g. of this section, shall be permanently disqualified from employment or service under this act if the individual's criminal history record check reveals a record of conviction for any crime of the first or second degree; or

a. An offense as set forth in chapter 14 of Title 2C of the New Jersey Statutes, or as set forth in N.J.S.2C:24-4 and 2C:24-7, or as set forth in R.S.9:6-1 et seq., or as set forth in N.J.S.2C:29-2; or

b. An offense involving the manufacture, transportation, sale, possession, distribution or habitual use of a "controlled dangerous substance" as defined in the "Comprehensive Drug Reform Act of 1987," N.J.S.2C:35-1 et al. or "drug paraphernalia" as defined pursuant to N.J.S.2C:36-1 et seq.; or

c. (1) A crime involving the use of force or the threat of force to or upon a person or property including, but not limited to, robbery, aggravated assault, stalking, kidnapping, arson, manslaughter and murder; or

(2) A crime as set forth in chapter 39 of Title 2C of the New Jersey Statutes, a third degree crime as set forth in chapter 20 of Title 2C of the New Jersey Statutes, or a crime as listed below:

Recklessly endangering another person

N.J.S.2C:12-2

Terroristic threats

N.J.S.2C:12-3

Criminal restraint

N.J.S.2C:13-2

Luring, enticing child into motor vehicle, structure or isolated area

P.L.1993, c.291 (C.2C:13-6)

Causing or risking widespread injury or damage

N.J.S.2C:17-2

Criminal mischief

N.J.S.2C:17-3

Burglary

N.J.S.2C:18-2

Usury

N.J.S.2C:21-19

Threats and other improper influence

N.J.S.2C:27-3

Perjury and false swearing

N.J.S.2C:28-3

Resisting arrest

N.J.S.2C:29-2

Escape

N.J.S.2C:29-5;

or

(3) Conspiracy to commit or an attempt to commit any of the crimes described in this act.

d. For the purposes of this section, a conviction exists if the individual has at any time been convicted under the laws of this State or under any similar statutes of the United States or any other state for a substantially equivalent crime or other offense.

e. Notwithstanding the provisions of this section, an individual shall not be disqualified from employment or service under this act on the basis of any conviction disclosed by a criminal record check performed pursuant to this act without an opportunity to challenge the accuracy of the disqualifying criminal history record.

f. When charges are pending for a crime or any other offense enumerated in this section, the employing board of education shall be notified that the candidate shall not be eligible for employment until the commissioner has made a determination regarding qualification or disqualification upon adjudication of the pending charges.

g. This section shall first apply to criminal history record checks conducted on or after the effective date of P.L.1998, c.31 (C.18A:6-7.1c et al.); except that in the case of an individual employed by a board of education or a contracted service provider who is required to undergo a check upon employment with another board of education or contracted service provider, the individual shall be disqualified only for the following offenses:

(1) any offense enumerated in this section prior to the effective date of P.L.1998, c.31 (C.18A:6-7.1c et al.); and

(2) any offense enumerated in this section which had not been enumerated in this section prior to the effective date of P.L.1998, c.31 (C.18A:6-7.1c et al.), if the person was convicted of that offense on or after the effective date of that act.

2. Section 2 of P.L.1986, c.116 (C.18A:6-7.2) is amended to read as follows:

C.18A:6-7.2 Fingerprinting; reimbursement of unpaid volunteers.

2. An applicant for employment or service in any of the positions covered by this act shall submit to the Commissioner of Education his or her name, address and fingerprints taken in accordance with procedures established by the commissioner. The Commissioner of Education is hereby authorized to exchange fingerprint data with and receive criminal history record information from the Federal Bureau of Investigation and the Division of State Police for use in making the determinations required by this act. No criminal history record check shall be performed pursuant to this act unless the applicant shall have furnished his or her written consent to such a check. The applicant shall bear the cost for the criminal history record check, including all costs for administering and processing the check.

If a facility, center, school, or school system under the supervision of the Department of Education or board of education requires a criminal history record check for an unpaid volunteer, the facility, center, school, or school system under the supervision of the Department of Education or school board shall reimburse the applicant for the cost of the check. A facility, center, school, or school system under the supervision of the Department of Education or board of education may reimburse an applicant serving in a paid position for the cost of the check.

3. This act shall take effect immediately.

Approved May 4, 2007.

CHAPTER 83

AN ACT concerning knowingly leaving the scene of a motor vehicle accident resulting in death or serious bodily injury, designating the act as "Skinner's and Michelle's Law" and amending P.L.1997, c.111 and N.J.S.2C:44-1.

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

1. Section 1 of P.L.1997, c.111 (C.2C:11-5.1) is amended to read as follows:

C.2C:11-5.1 Knowingly leaving scene of motor vehicle accident resulting in death, second degree crime.

1. A motor vehicle operator who knows he is involved in an accident and knowingly leaves the scene of that accident under circumstances that violate the provisions of R.S.39:4-129 shall be guilty of a crime of the second degree if the accident results in the death of another person.

If the evidence so warrants, nothing in this section shall be deemed to preclude an indictment and conviction for aggravated manslaughter under the provisions of N.J.S.2C:11-4 or vehicular homicide under the provisions of N.J.S.2C:11-5.

Notwithstanding the provisions of N.J.S.2C:1-8 or any other provisions of law, a conviction arising under this section shall not merge with a conviction for aggravated manslaughter under the provisions of N.J.S.2C:11-4 or for vehicular homicide under the provisions of N.J.S.2C:11-5 and a separate sentence shall be imposed upon each such conviction.

Notwithstanding the provisions of N.J.S.2C:44-5 or any other provisions of law, when the court imposes multiple sentences of imprisonment for more than one offense, those sentences shall run consecutively.

For the purposes of this section, neither knowledge of the death nor knowledge of the violation are elements of the offense and it shall not be a defense that the operator of the motor vehicle was unaware of the death or of the provisions of R.S.39:4-129.

2. Section 2 of P.L.1997, c.111 (C.2C:12-1.1) is amended to read as follows:

C.2C:12-1.1 Knowingly leaving scene of motor vehicle accident resulting in serious bodily injury, third degree crime.

2. A motor vehicle operator who knows he is involved in an accident and knowingly leaves the scene of that accident under circumstances that violate the provisions of R.S.39:4-129 shall be guilty of a crime of the third degree if the accident results in serious bodily injury to another person. The presumption of nonimprisonment set forth in N.J.S.2C:44-1 shall not apply to persons convicted under the provisions of this section.

If the evidence so warrants, nothing in this section shall be deemed to preclude an indictment and conviction for aggravated assault or assault by auto under the provisions of N.J.S.2C:12-1.

Notwithstanding the provisions of N.J.S.2C:1-8 or any other provisions of law, a conviction arising under this section shall not merge with a conviction for aggravated assault or assault by auto under the provisions of N.J.S.2C:12-1 and a separate sentence shall be imposed upon each conviction.

Notwithstanding the provisions of N.J.S.2C:44-5 or any other provisions of law, whenever in the case of such multiple convictions the court imposes multiple sentences of imprisonment for more than one offense, those sentences shall run consecutively.

For the purposes of this section, neither knowledge of the serious bodily injury nor knowledge of the violation are elements of the offense and it shall not be a defense that the driver of the motor vehicle was unaware of the serious bodily injury or provisions of R.S.39:4-129.

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

Criteria for withholding or imposing sentence of imprisonment.

2C:44-1. Criteria for Withholding or Imposing Sentence of Imprisonment. a. In determining the appropriate sentence to be imposed on a person who has been convicted of an offense, the court shall consider the following aggravating circumstances:

(1) The nature and circumstances of the offense, and the role of the actor therein, including whether or not it was committed in an especially heinous, cruel, or depraved manner;

(2) The gravity and seriousness of harm inflicted on the victim, including whether or not the defendant knew or reasonably should have known that the victim of the offense was particularly vulnerable or incapable of resistance due to advanced age, ill-health, or extreme youth, or was for any other reason substantially incapable of exercising normal physical or mental power of resistance;

(3) The risk that the defendant will commit another offense;

(4) A lesser sentence will depreciate the seriousness of the defendant's offense because it involved a breach of the public trust under chapters 27 and 30, or the defendant took advantage of a position of trust or confidence to commit the offense;

(5) There is a substantial likelihood that the defendant is involved in organized criminal activity;

(6) The extent of the defendant's prior criminal record and the seriousness of the offenses of which he has been convicted;

(7) The defendant committed the offense pursuant to an agreement that he either pay or be paid for the commission of the offense and the pecuni-

ary incentive was beyond that inherent in the offense itself;

(8) The defendant committed the offense against a police or other law enforcement officer, correctional employee or fireman, acting in the performance of his duties while in uniform or exhibiting evidence of his authority; the defendant committed the offense because of the status of the victim as a public servant; or the defendant committed the offense against a sports official, athletic coach or manager, acting in or immediately following the performance of his duties or because of the person's status as a sports official, coach or manager;

(9) The need for deterring the defendant and others from violating the law;

(10) The offense involved fraudulent or deceptive practices committed against any department or division of State government;

(11) The imposition of a fine, penalty or order of restitution without also imposing a term of imprisonment would be perceived by the defendant or others merely as part of the cost of doing business, or as an acceptable contingent business or operating expense associated with the initial decision to resort to unlawful practices;

(12) The defendant committed the offense against a person who he knew or should have known was 60 years of age or older, or disabled; and

(13) The defendant, while in the course of committing or attempting to commit the crime, including the immediate flight therefrom, used or was in possession of a stolen motor vehicle.

b. In determining the appropriate sentence to be imposed on a person who has been convicted of an offense, the court may properly consider the following mitigating circumstances:

(1) The defendant's conduct neither caused nor threatened serious harm;

(2) The defendant did not contemplate that his conduct would cause or threaten serious harm;

(3) The defendant acted under a strong provocation;

(4) There were substantial grounds tending to excuse or justify the defendant's conduct, though failing to establish a defense;

(5) The victim of the defendant's conduct induced or facilitated its commission;

(6) The defendant has compensated or will compensate the victim of his conduct for the damage or injury that he sustained, or will participate in a program of community service;

(7) The defendant has no history of prior delinquency or criminal activity or has led a law-abiding life for a substantial period of time before the commission of the present offense;

(8) The defendant's conduct was the result of circumstances unlikely to recur;

(9) The character and attitude of the defendant indicate that he is unlikely to commit another offense;

(10) The defendant is particularly likely to respond affirmatively to probationary treatment;

(11) The imprisonment of the defendant would entail excessive hardship to himself or his dependents;

(12) The willingness of the defendant to cooperate with law enforcement authorities;

(13) The conduct of a youthful defendant was substantially influenced by another person more mature than the defendant.

c. (1) A plea of guilty by a defendant or failure to so plead shall not be considered in withholding or imposing a sentence of imprisonment.

(2) When imposing a sentence of imprisonment the court shall consider the defendant's eligibility for release under the law governing parole, including time credits awarded pursuant to Title 30 of the Revised Statutes, in determining the appropriate term of imprisonment.

d. Presumption of imprisonment. The court shall deal with a person who has been convicted of a crime of the first or second degree by imposing a sentence of imprisonment unless, having regard to the character and condition of the defendant, it is of the opinion that his imprisonment would be a serious injustice which overrides the need to deter such conduct by others. Notwithstanding the provisions of subsection e. of this section, the court shall deal with a person who has been convicted of theft of a motor vehicle or of the unlawful taking of a motor vehicle and who has previously been convicted of either offense by imposing a sentence of imprisonment unless, having regard to the character and condition of the defendant, it is of the opinion that his imprisonment would be a serious injustice which overrides the need to deter such conduct by others.

e. The court shall deal with a person convicted of an offense other than a crime of the first or second degree, who has not previously been convicted of an offense, without imposing a sentence of imprisonment unless, having regard to the nature and circumstances of the offense and the history, character and condition of the defendant, it is of the opinion that his imprisonment is necessary for the protection of the public under the criteria set forth in subsection a., except that this subsection shall not apply if the person is convicted of any of the following crimes of the third degree: theft of a motor vehicle; unlawful taking of a motor vehicle; eluding; if the person is convicted of a crime of the third degree constituting use of a false

government document in violation of subsection c. of section 1 of P.L.1983, c.565 (C.2C:21-2.1); if the person is convicted of a crime of the third degree constituting distribution, manufacture or possession of an item containing personal identifying information in violation of subsection b. of section 6 of P.L.2003, c.184 (C.2C:21-17.3); or if the person is convicted of a crime of the third or fourth degree constituting bias intimidation in violation of N.J.S.2C:16-1; or if the person is convicted of a crime of the third degree under section 2 of P.L.1997, c.111 (C.2C:12-1.1).

f. Presumptive Sentences. (1) Except for the crime of murder, unless the preponderance of aggravating or mitigating factors, as set forth in subsections a. and b., weighs in favor of a higher or lower term within the limits provided in N.J.S.2C:43-6, when a court determines that a sentence of imprisonment is warranted, it shall impose sentence as follows:

(a) To a term of 20 years for aggravated manslaughter or kidnapping pursuant to paragraph (1) of subsection c. of N.J.S.2C:13-1 when the offense constitutes a crime of the first degree;

(b) Except as provided in paragraph (a) of this subsection to a term of 15 years for a crime of the first degree;

(c) To a term of seven years for a crime of the second degree;

(d) To a term of four years for a crime of the third degree; and

(e) To a term of nine months for a crime of the fourth degree.

In imposing a minimum term pursuant to 2C:43-6b., the sentencing court shall specifically place on the record the aggravating factors set forth in this section which justify the imposition of a minimum term.

Unless the preponderance of mitigating factors set forth in subsection b. weighs in favor of a lower term within the limits authorized, sentences imposed pursuant to 2C:43-7a.(1) shall have a presumptive term of life imprisonment. Unless the preponderance of aggravating and mitigating factors set forth in subsections a. and b. weighs in favor of a higher or lower term within the limits authorized, sentences imposed pursuant to 2C:43-7a.(2) shall have a presumptive term of 50 years' imprisonment; sentences imposed pursuant to 2C:43-7a.(3) shall have a presumptive term of 15 years' imprisonment; and sentences imposed pursuant to 2C:43-7a.(4) shall have a presumptive term of seven years' imprisonment.

In imposing a minimum term pursuant to 2C:43-7b., the sentencing court shall specifically place on the record the aggravating factors set forth in this section which justify the imposition of a minimum term.

(2) In cases of convictions for crimes of the first or second degree where the court is clearly convinced that the mitigating factors substantially outweigh the aggravating factors and where the interest of justice demands,

the court may sentence the defendant to a term appropriate to a crime of one degree lower than that of the crime for which he was convicted. If the court does impose sentence pursuant to this paragraph, or if the court imposes a noncustodial or probationary sentence upon conviction for a crime of the first or second degree, such sentence shall not become final for 10 days in order to permit the appeal of such sentence by the prosecution.

g. Imposition of Noncustodial Sentences in Certain Cases. If the court, in considering the aggravating factors set forth in subsection a., finds the aggravating factor in paragraph a.(2) or a.(12) and does not impose a custodial sentence, the court shall specifically place on the record the mitigating factors which justify the imposition of a noncustodial sentence.

h. Except as provided in section 2 of P.L.1993, c.123 (C.2C:43-11), the presumption of imprisonment as provided in subsection d. of this section shall not preclude the admission of a person to the Intensive Supervision Program, established pursuant to the Rules Governing the Courts of the State of New Jersey.

4. This act shall take effect immediately.

Approved May 4, 2007.

CHAPTER 84

AN ACT concerning receipt of federal funds under the "New Jersey Highway Traffic Safety Act of 1987" and amending P.L.1987, c.284.

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

1. Section 3 of P.L.1987, c.284 (C.27:5F-20) is amended to read as follows:

C.27:5F-20 Definitions.

3. As used in this act:

a. "State highway traffic safety program" means all highway traffic safety programs conducted by the State, political subdivisions of the State, and qualifying nonprofit organizations.

b. "Local highway traffic safety program" means a highway traffic safety program established or submitted to the Governor by a political sub-

division and qualifying nonprofit organizations pursuant to the provisions of this act.

c. "Political subdivision" means any local political subdivision of this State, including but not limited to a municipality, a county, a township, a district, or a special district.

d. "Governor" means the Governor of the State of New Jersey.

e. "Director" shall mean the Director of the Office of Highway Traffic Safety of the State of New Jersey.

f. "Volunteer first aid, rescue and ambulance squad" means a first aid, rescue and ambulance squad which provides emergency medical services without receiving payment for those services.

g. "Nonvolunteer first aid, rescue and ambulance squad" means a first aid, rescue and ambulance squad which provides emergency medical services on a paid basis.

h. "Nonprofit organization" means a nonprofit organization which provides services throughout the State and is tax exempt under section 501(c)(3) of the federal Internal Revenue Code (26 U.S.C. s.501(c)(3)), and is not a private foundation as defined in section 509(a) of the federal Internal Revenue Code (26 U.S.C. s.509(a)).

2. Section 4 of P.L.1987, c.284 (C.27:5F-21) is amended to read as follows:

C.27:5F-21 Coordination by Governor.

4. a. The Governor shall coordinate the highway traffic safety activities of State and local agencies, other public and private agencies, nonprofit organizations, and interested organizations and individuals and shall be the official of this State having the ultimate responsibility of dealing with the federal government with respect to the State highway traffic safety program. In order to effectuate the purposes of this act he shall:

(1) Prepare for this State, the New Jersey Highway Traffic Safety Program which shall consist of a comprehensive plan in conformity with the laws of this State to reduce traffic accidents and deaths, injuries, and property damage resulting therefrom.

(2) Promulgate rules and regulations establishing standards and procedures relating to the content, coordination, submission, and approval of local highway traffic safety programs.

(3) Contract and do all things necessary or convenient on behalf of the State in order to insure that all departments of State government, local political subdivisions and nonprofit organizations, to the extent that nonprofit

organizations qualify for highway traffic safety grants pursuant to the provisions of section 12 of P.L.1987, c.284 (C.27:5F-29) as amended by section 6 of P.L.2007, c.84, secure the full benefits available under the "U.S. Highway Safety Act of 1966," Pub.L. 89-564 (23 U.S.C. ss. 401-404), and any acts amendatory or supplementary thereto.

(4) Adopt training programs, guidelines and standards for members of nonvolunteer first aid, rescue and ambulance squads providing emergency medical service programs.

b. The New Jersey Highway Traffic Safety Program, and rules and regulations, training programs, guidelines, and standards shall comply with uniform standards promulgated by the United States Secretary of Transportation in accordance with the "U.S. Highway Safety Act of 1966," Pub.L. 89-564 (23 U.S.C. ss. 401-404), and any acts amendatory or supplementary thereto.

3. Section 6 of P.L.1987, c.284 (C.27:5F-23) is amended to read as follows:

C.27:5F-23 Qualification for federal funds.

6. A political subdivision or nonprofit organization shall qualify for receipt of federal funds upon application to the Governor, provided that:

a. The political subdivision or nonprofit organization submits to the Governor a local highway traffic safety program in accordance with and meeting the standards established and the rules and regulations promulgated pursuant to this act.

b. The political subdivision or nonprofit organization submits to the Governor any other information as may be required to carry out the purposes of this act.

4. Section 7 of P.L.1987, c.284 (C.27:5F-24) is amended to read as follows:

C.27:5F-24 Grants to Treasury Department.

7. The Department of the Treasury shall accept and receive any grants of money awarded to the State, its political subdivisions and nonprofit organizations under the "U.S. Highway Safety Act of 1966," Pub.L. 89-564 (23 U.S.C. ss. 401-404), and acts amendatory or supplementary thereto. All moneys so received shall be deposited by the Department of the Treasury and shall be used exclusively for establishing, administering and fulfilling highway traffic safety programs pursuant to the provisions of this act. The

money shall be paid from the fund or funds upon audit and warrant of the Director, Division of Budget and Accounting, on vouchers of or certification by the Governor.

5. Section 9 of P.L.1987, c.284 (C.27:5F-26) is amended to read as follows:

C.27:5F-26 Emergency medical service programs.

9. The Governor may also accept applications from political subdivisions and qualifying nonprofit organizations made on behalf of hospitals, volunteer and nonvolunteer first aid, rescue and ambulance squads, or other local entities serving a public purpose for grants of money to implement emergency medical service programs. A political subdivision or qualifying nonprofit organization shall submit all such applications to the Governor.

6. Section 12 of P.L.1987, c.284 (C.27:5F-29) is amended to read as follows:

C.27:5F-29 Office of Highway Traffic Safety.

12. a. There is hereby created an Office of Highway Traffic Safety in the Department of Law and Public Safety.

b. The office shall be under the immediate supervision of a director who shall be qualified to direct the work of the office. The director shall be appointed by, and serve at the pleasure of, the Governor.

c. The director shall:

(1) Administer the work of the office under the direction and supervision of the Governor and the Attorney General;

(2) Perform such functions, in addition to the work of the office, as the Governor may prescribe;

(3) Organize and reorganize the office;

(4) Assign and reassign personnel to employment within the office;

(5) Perform or cause to be performed the work of the office in the manner and pursuant to a program as he may deem necessary and appropriate;

(6) Employ as necessary the services of several departments and agencies, in a manner and to an extent as may be agreed upon by the chief executive officer of a department or agency and the Governor;

(7) Assist the localities in the development and formulation of local highway traffic safety programs;

(8) Receive and process applications from local agencies, State agencies, and nonprofit organizations for highway traffic safety project grants, provided that grants to qualifying nonprofit organizations shall be awarded

only for programs approved by the director; the director shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), criteria by which a nonprofit organization shall qualify for award of grants including, but not limited to, the requirement that a nonprofit organization be operated primarily for scientific, educational, service, charitable or similar purposes in the public interest with a demonstrable record of conducting highway traffic programs and specifying the types of programs for which a nonprofit organization may be awarded a grant; and

(9) Cause to be made a periodic review of local highway traffic safety programs, including training programs of first aid, rescue and ambulance squads, to insure they comply with the standards, guidelines, rules and regulations provided for by this act.

7. This act shall take effect on the first day of the 10th month following enactment, except the Director of the Office of Highway Traffic Safety may take such anticipatory administrative action in advance thereof as may be necessary for the implementation of this act and nonprofit organizations shall be eligible for the award of grants beginning with the federal fiscal year 2008 program.

Approved May 4, 2007.

CHAPTER 85

AN ACT concerning the transmission of certain unsolicited advertisements over telephone lines and amending P.L.2005, c.114 (C.56:8-157 et seq.).

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

1. Section 2 of P.L.2005, c.114 (C.56:8-158) is amended to read as follows:

C.56:8-158 Sending unsolicited advertisement to telephone facsimile machine prohibited, exceptions.

2. a. A person within this State shall not use any telephone facsimile machine, computer or other device to send an unsolicited advertisement to a telephone facsimile machine within this State. This subsection shall not be construed to cover the actions of an internet service provider or telecom-

munications service provider in the transmission, routing, relaying, handling, or storing of the facsimile through an automatic technical process.

b. Subsection a. of this section shall not apply where there is an existing business relationship between the sender of the unsolicited advertisement and the residential or business subscriber or where a member of a nonprofit organization including, but not limited to, professional or trade associations, sends an unsolicited advertisement to a member of the same organization, directly and not through a centralized facsimile database or facsimile number list maintained by the organization, provided that such unsolicited advertisement, whether sent pursuant to an existing business relationship between the sender and the residential or business subscriber or whether sent from one member of a nonprofit organization to another member of the same organization, shall provide clear and conspicuous notice on the first page of the unsolicited advertisement. Such notice shall include:

(1) disclosure to the recipient that the recipient may request the sender of the unsolicited advertisement not to send any future unsolicited advertisements to the recipient's telephone facsimile machine; and

(2) the domestic address and facsimile machine number for the recipient to transmit such a request to the sender.

c. A request not to send future unsolicited advertisements to a telephone facsimile machine shall:

(1) identify the telephone number of the telephone facsimile machine to which the request relates;

(2) be made to the sender's domestic address or the facsimile machine number of the sender provided in the notice to the recipient; and

(3) be sent in written form to the sender's domestic address or sent by return facsimile transmission to the sender's facsimile machine number, in order to be effective.

Such request is effective unless subsequently the person making the request provides express invitation or permission to the sender, in written form or by facsimile transmission, to send future unsolicited advertisements to such person at such telephone facsimile machine.

d. Failure to honor a valid request, in written form or by facsimile transmission, not to send future unsolicited advertisements pursuant to subsections c. through g. of this section, as applicable, shall constitute a violation of P.L.2005, c.114 (C.56:8-157 et seq.).

e. Nonprofit organizations, including but not limited to, professional or trade associations, shall be exempt from subsection a. of this section and shall be allowed to send unsolicited advertisements to their new and exist-

ing members in furtherance of the organization's purpose, without penalty, provided that the organization provides to each of its prospective new members at the time of membership application or to each of its existing members at the time of membership renewal, as the case may be, clear and conspicuous notice of:

(1) the member's right to request the organization not to send any future unsolicited advertisements to the member's telephone facsimile machine;

(2) the organization's domestic address and facsimile machine number to which its members may transmit such a request to the organization; and

(3) the requirement that any such request to the organization shall be sent in written form to the organization's domestic address or sent by return facsimile transmission to the organization's facsimile number, in order to be effective.

A request by a member to a nonprofit organization not to send future unsolicited advertisements to a member's telephone facsimile machine shall comply with the requirements of this subsection and with the requirements of subsection c. of this section, as applicable. Failure of a nonprofit organization to honor a valid request, in written form or by facsimile transmission, from a member not to send future unsolicited advertisements pursuant to the requirements of this subsection and the requirements of subsection c. of this section, as applicable, shall constitute a violation of P.L.2005, c.114 (C.56:8-157 et seq.).

f. Members of nonprofit organizations, including but not limited to, professional or trade associations, who send unsolicited advertisements to the telephone facsimile machines of other members of the same organization by initially sending such advertisements to a centralized facsimile database or facsimile number list maintained by the organization for the purpose of distributing such advertisements to its membership shall be exempt from subsection a. of this section and shall be allowed to send such unsolicited advertisements through such centralized facsimile database or facsimile number list to other members of the same organization, without penalty, provided that the organization provides to each of its prospective new members at the time of membership application or to each of its existing members at the time of membership renewal, as the case may be, clear and conspicuous notice of:

(1) the member's right to request that the organization not send any future unsolicited advertisements from one or more other members of the same organization through such centralized facsimile database or facsimile number list to the member's telephone facsimile machine;

(2) the organization's domestic address and facsimile machine number to which its members may transmit such a request to the organization; and

(3) the requirement that any such request to the organization shall be sent in written form to the organization's domestic address or sent by return facsimile transmission to the organization's facsimile number, in order to be effective.

A request by a member to a nonprofit organization that the organization not send any future unsolicited advertisements from one or more other members of the same organization through such centralized facsimile database or facsimile number list to a member's telephone facsimile machine shall comply with the requirements of this subsection and with the requirements of subsection c. of this section, as applicable. Failure of the nonprofit organization to honor a valid request, in written form or by facsimile transmission, from a member of the same organization not to send any future unsolicited advertisements from one or more other members through such centralized facsimile database or facsimile number list pursuant to the requirements of this subsection and the requirements of subsection c. of this section, as applicable, shall constitute a violation of P.L.2005, c.114 (C.56:8-157 et seq.).

g. Nonprofit organizations, including but not limited to, professional or trade associations, shall be exempt from subsection a. of this section and shall be allowed to send unsolicited advertisements to the telephone facsimile machine of any person, other than a new or existing member of the sending organization, within this State, without penalty, provided that such advertisements are intended to give the person notice of an event that is in furtherance of the organization's purpose, and further provided that, any such unsolicited advertisements to the person's telephone facsimile machine shall provide clear and conspicuous notice on the first page of the unsolicited advertisement. Such notice shall include:

(1) disclosure to the person that the person may request the organization not to send any such future unsolicited advertisements to the person's telephone facsimile machine;

(2) the domestic address and facsimile machine number for the person to transmit such a request to the organization; and

(3) the requirement that any such request to the organization shall be sent in written form to the organization's domestic address or sent by return facsimile transmission to the organization's facsimile number, in order to be effective.

A request by a person to a nonprofit organization that the organization not send future unsolicited advertisements to the person's telephone facsimile machine shall comply with the requirements of this subsection and with the requirements of subsection c. of this section, as applicable. Failure of a nonprofit organization to honor a valid request, in written form or by fac-

simile transmission, from a person not to send future unsolicited advertisements pursuant to the requirements of this subsection and the requirements of subsection c. of this section, as applicable, shall constitute a violation of P.L.2005, c.114 (C.56:8-157 et seq.).

2. This act shall take effect immediately.

Approved May 4, 2007.

CHAPTER 86

AN ACT concerning reduced cigarette ignition propensity and supplementing Title 54 of the Revised Statutes.

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

C.54:40A-54 Short title.

1. This act shall be known and may be cited as the “The Reduced Cigarette Ignition Propensity and Firefighter Protection Act.”

C.54:40A-55 Findings, declarations relative to reduced cigarette ignition propensity.

2. The Legislature finds and declares that:

a. Cigarettes are the leading cause of fire deaths in this State and the nation;

b. Each year in the United States, 1,000 persons are killed due to cigarette fires and 3,000 are injured in fires ignited by cigarettes, while in this State 1,885 residential fires and 19 fatalities were attributable to cigarettes in 2004 and 2005;

c. A high proportion of the victims of cigarette fires are non-smokers, including senior citizens and young children;

d. Cigarette-caused fires result in billions of dollars of property losses and damage in the United States and millions of dollars in this State;

e. Cigarette fires unnecessarily jeopardize firefighters and result in avoidable emergency response costs for municipalities;

f. In 2004, New York State implemented a cigarette fire safety regulation requiring cigarettes sold in that state to meet a fire safety performance standard; in 2005, Vermont and California enacted cigarette fire safety laws directly incorporating New York’s regulation into statute; and, in 2006, Illi-

nois, New Hampshire, and Massachusetts joined these states in enacting such laws;

g. In 2005, Canada implemented the New York State fire safety standard, becoming the first nation to have a cigarette fire safety standard;

h. New York State's cigarette fire safety standard is based upon decades of research by the National Institute of Standards and Technology, Congressional research groups and private industry;

i. This cigarette fire safety standard minimizes costs to the State and minimally burdens cigarette manufacturers, distributors and retail sellers, and, therefore, should become law in this State; and

j. It is therefore fitting and proper for this State to adopt the cigarette fire safety standard that is in effect in New York State to reduce the likelihood that cigarettes will cause fires and result in deaths, injuries and property damage.

C.54:40A-56 Definitions relative to reduced cigarette ignition propensity.

3. For the purposes of this act:

"Agent" shall mean any person authorized by the State to purchase and affix tax stamps on packages of cigarettes.

"Cigarette" shall mean any roll for smoking whether made wholly or in part of tobacco or any other substance, irrespective of size or shape and whether the tobacco or substance is flavored, adulterated or mixed with any other ingredient, the wrapper or cover of which is made of paper or any other substance or material except tobacco.

"Director" shall mean the Director of the Division of Fire Safety in the Department of Community Affairs.

"Manufacturer" shall mean:

a. any entity which manufactures or otherwise produces cigarettes or causes cigarettes to be manufactured or produced anywhere that such manufacturer intends to be sold in this State, including cigarettes intended to be sold in the United States through an importer; or

b. the first purchaser anywhere that intends to resell in the United States cigarettes manufactured anywhere that the original manufacturer or maker does not intend to be sold in the United States; or

c. any entity that becomes a successor of an entity described in subsection a. or b.

"Quality control and quality assurance program" shall mean the laboratory procedures implemented to ensure that operator bias, systematic and nonsystematic methodological errors, and equipment-related problems do not affect the results of the testing. Such a program ensures that the testing

repeatability remains within the required repeatability values stated in paragraph (6) of subsection a. of section 4 of this act for all test trials used to certify cigarettes in accordance with this act.

“Repeatability” shall mean the range of values within which the repeat results of cigarette test trials from a single laboratory will fall 95 percent of the time.

“Retail dealer” shall mean any person other than a manufacturer or wholesale dealer engaged in selling cigarettes or tobacco products.

“Sale” shall mean any transfer of title or possession or both, exchange or barter, conditional or otherwise, in any manner or by any means whatever or any such agreement. In addition to cash and credit sales, the giving of cigarettes as samples, prizes or gifts, and the exchanging of cigarettes for any consideration other than money are considered sales.

“Sell” shall mean to sell, or to offer or agree to do the same.

“Wholesale dealer” shall mean any person who sells cigarettes or tobacco products to retail dealers or other persons for purposes of resale, and any person who owns, operates or maintains one or more cigarette or tobacco product vending machines in, at or upon premises owned or occupied by any other person.

C.54:40A-57 Testing, certification required for sale of cigarettes; exceptions.

4. a. Except as provided in subsection g. of this section, no cigarettes may be sold or offered for sale in this State or offered for sale or sold to persons located in this State unless the cigarettes have been tested in accordance with the test method and meet the performance standard specified in this section, a written certification has been filed by the manufacturer with the director in accordance with section 5 of this act, and the cigarettes have been marked in accordance with section 6 of this act.

(1) Testing of cigarettes shall be conducted in accordance with the American Society of Testing and Materials (“ASTM”) standard E2187-04 “Standard Test Method for Measuring the Ignition Strength of Cigarettes.”

(2) Testing shall be conducted on 10 layers of filter paper.

(3) No more than 25 percent of the cigarettes tested in a test trial in accordance with this section shall exhibit full-length burns. Forty replicate tests shall comprise a complete test trial for each cigarette tested.

(4) The performance standard required by this section shall only be applied to a complete test trial.

(5) Written certifications shall be based upon testing conducted by a laboratory that has been accredited pursuant to Standard ISO/IEC 17025 of

the International Organization for Standardization, or other comparable accreditation standard required by the director.

(6) Laboratories conducting testing in accordance with this section shall implement a quality control and quality assurance program that includes a procedure to determine the repeatability of the testing results. The repeatability value shall be no greater than 0.19.

(7) This section does not require additional testing if cigarettes are tested consistent with this act for any other purpose.

(8) Testing performed or sponsored by the director to determine a cigarette's compliance with the performance standard required in this section shall be conducted in accordance with this section.

b. Each cigarette listed in a certification submitted pursuant to section 5 of this act that uses lowered permeability bands in the cigarette paper to achieve compliance with the performance standard set forth in this section shall have at least two nominally identical bands on the paper surrounding the tobacco column. At least one complete band shall be located at least 15 millimeters from the lighting end of the cigarette. For cigarettes on which the bands are positioned by design, there shall be at least two bands fully located at least 15 millimeters from the lighting end and 10 millimeters from the filter end of the tobacco column, or 10 millimeters from the labeled end of the tobacco column for a non-filtered cigarette.

c. A manufacturer of a cigarette that the director determines cannot be tested in accordance with the test method prescribed in subsection a. of this section shall propose a test method and performance standard for the cigarette to the director. Upon approval of the proposed test method and a determination by the director that the performance standard proposed by the manufacturer is equivalent to the performance standard prescribed in subsection a. of this section, the manufacturer may employ the test method and performance standard to certify the cigarette pursuant to section 5 of this act. If the director determines that another state has enacted reduced cigarette ignition propensity standards that include a test method and performance standard that is the same as those contained in this act, and the director finds that the officials responsible for implementing those requirements have approved the proposed alternative test method and performance standard for a particular cigarette proposed by a manufacturer as meeting the fire safety standards of that state's law or regulation under a legal provision comparable to this section, then the director shall authorize that manufacturer to employ the alternative test method and performance standard to certify that cigarette for sale in this State, unless the director demonstrates a reasonable basis why the alternative test should not be accepted under this

act. All other applicable requirements of this section shall apply to the manufacturer.

d. Each manufacturer shall maintain copies of the reports of all tests conducted on all cigarettes offered for sale for a period of three years, and shall make copies of these reports available to the director and the Attorney General upon written request. Any manufacturer who fails to make copies of these reports available within sixty days of receiving a written request shall be subject to a civil penalty not to exceed \$10,000 for each day after the sixtieth day that the manufacturer does not make such copies available.

e. The director may adopt a subsequent ASTM Standard Test Method for measuring the Ignition Strength of Cigarettes upon a finding that such subsequent method does not result in a change in the percentage of full-length burns exhibited by any tested cigarette when compared to the percentage of full-length burns the same cigarette would exhibit when tested in accordance with ASTM Standard E2187-04 and the performance standard in subsection a. of this section.

f. The director shall review the effectiveness of this section and report, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), every three years to the Legislature his findings and, if appropriate, recommendations for legislation to improve the effectiveness of this section. The report and legislative recommendations shall be submitted no later than June 30th of each three-year period.

g. The requirements of subsection a. of this section shall not prohibit wholesale or retail dealers from selling their existing inventory of cigarettes on or after the effective date of this act if the wholesale or retailer dealer can establish that State tax stamps were affixed to the cigarettes prior to the effective date, and if the wholesale or retailer dealer can establish that the inventory was purchased prior to the effective date in comparable quantity to the inventory purchased during the same period of the prior year.

h. This act shall be implemented in accordance with the implementation and substance of the New York Fire Safety Standards for Cigarettes.

C.54:40A-58 Certification submitted to director by manufacturer; "Reduced Cigarette Ignition Propensity and Firefighter Protection Act Enforcement Fund."

5. a. Each manufacturer shall submit to the director a written certification attesting that:

(1) Each cigarette listed in the certification has been tested in accordance with section 4 of this act; and

(2) Each cigarette listed in the certification meets the performance standard set forth under section 4 of this act.

b. Each cigarette listed in the certification shall be described with the following information:

- (1) brand, or trade name on the package;
- (2) style, such as light or ultra light;
- (3) length in millimeters;
- (4) circumference in millimeters;
- (5) flavor, such as menthol or chocolate, if applicable;
- (6) filter or non-filter;
- (7) package description, such as soft pack or box;
- (8) marking approved in accordance with section 6 of this act;
- (9) the name, address, and telephone number of the laboratory, if different than the manufacturer, that conducted the test; and
- (10) the date that the testing occurred.

c. The certifications shall be made available to the Attorney General for purposes consistent with this act and the Division of Taxation in the Department of the Treasury for the purposes of ensuring compliance with this section.

d. Each cigarette certified under this section shall be re-certified every three years.

e. For each cigarette listed in a certification, a manufacturer shall pay to the director a \$250 fee. The director is authorized to annually adjust this fee to ensure it defrays the actual costs of the processing, testing, enforcement and oversight activities required by this act.

f. There is established in the State Treasury a separate, nonlapsing fund to be known as the "Reduced Cigarette Ignition Propensity and Fire-fighter Protection Act Enforcement Fund." The fund shall consist of all certification fees submitted by manufacturers, and shall, in addition to any other monies made available for such purpose, be available to the Division of Fire Safety for use solely to support processing, testing, enforcement and oversight activities under the act.

g. If a manufacturer has certified a cigarette pursuant to this section, and thereafter makes any change to the cigarette that is likely to alter its compliance with the reduced cigarette ignition propensity standards required by this act, that cigarette shall not be sold or offered for sale in this State until the manufacturer retests the cigarette in accordance with the testing standards set forth in section 4 of this act and maintains records of that retesting as required by section 4 of this act. An altered cigarette which does not meet the performance standard set forth in section 4 of this act shall not be sold in this State.

C.54:40A-59 Marking of cigarettes as certified.

6. a. Cigarettes that are certified by a manufacturer in accordance with section 5 of this act shall be marked to indicate compliance with the requirements of section 4 of this act. The marking shall be in eight point font type or larger and consist of:

(1) modification of the product UPC Code to indicate a visible mark printed at or around the area of the UPC Code. The mark may consist of alphanumeric or symbolic characters permanently stamped, engraved, embossed or printed in conjunction with the UPC; or

(2) any visible combination of alphanumeric or symbolic characters permanently stamped, engraved, or embossed upon the cigarette package or cellophane wrap; or

(3) printed, stamped, engraved or embossed text that indicates that the cigarettes meet the standards of this section.

b. A manufacturer shall use only one marking, and shall apply this marking uniformly for all packages, including, but not limited to packs, cartons, and cases, and brands marketed by that manufacturer.

c. The director shall be notified as to the marking that is selected.

d. Prior to the certification of any cigarette, a manufacturer shall present its proposed marking to the director for approval. Upon receipt of the request, the director shall approve or disapprove the marking offered, except that the director shall approve any marking in use and approved for sale in New York State pursuant to the New York Fire Safety Standards for Cigarettes. Proposed markings shall be deemed approved if the director fails to act within 10 business days of receiving a request for approval.

e. No manufacturer shall modify its approved marking unless the modification has been approved by the director in accordance with this section.

f. Manufacturers certifying cigarettes in accordance with section 5 of this act shall provide a copy of the certifications to all wholesale dealers and agents to which they sell cigarettes, and shall also provide sufficient copies of an illustration of the package marking utilized by the manufacturer pursuant to this section for each retail dealer to which the wholesale dealers or agents sell cigarettes. Wholesale dealers and agents shall provide a copy of these package markings received from manufacturers to all retail dealers to which they sell cigarettes. Wholesale dealers, agents, and retail dealers shall permit the director, the Director of the Division of Taxation, the Attorney General, their employees, or other law enforcement personnel to inspect markings of cigarette packaging marked in accordance with this section.

C.54:40A-60 Violations, penalties.

7. a. A manufacturer, wholesale dealer, agent or any other person or entity who knowingly sells or offers to sell cigarettes, other than through retail sale, in violation of section 4 of this act, for a first offense shall be liable to a civil penalty not to exceed \$10,000 per each sale of such cigarettes, and for a subsequent offense shall be liable to a civil penalty not to exceed \$25,000 per each such sale of cigarettes provided that in no case shall the penalty against any such person or entity exceed \$100,000 during a thirty-day period.

b. A retail dealer who knowingly sells cigarettes in violation of section 4 of this act shall:

(1) for a first offense be liable to a civil penalty not to exceed \$500, and for a subsequent offense be liable to a civil penalty not to exceed \$2,000, per each such sale or offer for sale of cigarettes, if the total number of cigarettes sold or offered for sale in such sale does not exceed 1,000 cigarettes; or

(2) for a first offense be liable to a civil penalty not to exceed \$1,000, and for a subsequent offense be liable to a civil penalty not to exceed \$5,000 per each such sale or offer for sale of such cigarettes, if the total number of cigarettes sold or offered for sale in such sale exceeds 1,000 cigarettes, provided that this penalty against any retail dealer shall not exceed \$25,000 during a thirty-day period.

c. In addition to any penalty prescribed by law, any corporation, partnership, sole proprietor, limited partnership or association engaged in the manufacture of cigarettes that knowingly makes a false certification pursuant to section 5 of this act shall, for a first offense, be liable to a civil penalty of at least \$75,000, and for a subsequent offense a civil penalty not to exceed \$250,000 for each such false certification.

d. Any person violating any other provision in this section shall be liable to a civil penalty for a first offense not to exceed \$1,000, and for a subsequent offense liable to a civil penalty not to exceed \$5,000 for each such violation.

e. Any cigarettes that have been sold or offered for sale that do not comply with the safety standard required by section 4 of this act shall be subject to forfeiture under the provisions of N.J.S.2C:64-1 et seq.; provided, however, that prior to the destruction of any cigarette seized pursuant to these provisions, the true holder of the trademark rights in the cigarette brand shall be permitted to inspect the cigarette.

f. In addition to any other remedy provided by law, the director or Attorney General may file an action in Superior Court for a violation of this act,

including petitioning for injunctive relief or to recover any costs or damages suffered by the State because of a violation of this section, including enforcement costs relating to the specific violation and attorney's fees. Each violation of this section or of rules or regulations adopted under this section constitutes a separate civil violation for which the director may obtain relief.

C.54:40A-61 Rules, regulations.

8. a. The director may promulgate rules and regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to effectuate the purposes of this act.

b. The Director of the Division of Taxation in the Department of the Treasury, in the regular course of conducting inspections of wholesale dealers, agents, and retail dealers as authorized under the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.), may inspect such cigarettes to determine if the cigarettes are marked as required by section 6 of this act. If the cigarettes are not marked as required, the Director of Taxation shall notify the director, notwithstanding the provisions of R.S.54:50-8.

C.54:40A-62 Procedures for enforcement.

9. To enforce the provisions of this act, the Attorney General and the director are hereby authorized to examine the books, papers, invoices and other records of any person in possession, control or occupancy of any premises where cigarettes are placed, stored, sold or offered for sale, as well as the stock of cigarettes on the premises. Every person in the possession, control or occupancy of any premises where cigarettes are placed, sold or offered for sale, is hereby directed and required to give the Attorney General and the director the means, facilities and opportunity for the examinations authorized by this section.

C.54:40A-63 "Fire Prevention and Public Safety Fund."

10. There is hereby established in the State Treasury a special fund to be known as the "Fire Prevention and Public Safety Fund." The fund shall consist of all monies recovered as penalties under section 7 of this act. The monies shall be deposited to the credit of the fund and shall, in addition to any other monies made available for such purpose, be made available to the director to support fire safety and prevention programs.

C.54:40A-64 Construction of act as to foreign sales.

11. Nothing in this act shall be construed to prohibit any person or entity from manufacturing or selling cigarettes that do not meet the requirements of section 4 of this act if the cigarettes are or will be stamped for sale

in another state or are packaged for sale outside the United States and that person or entity has taken reasonable steps to ensure that such cigarettes will not be sold or offered for sale to persons located in this State.

C.54:40A-65 Preemption by adoption of federal standard.

12. This act shall be inoperative if a federal reduced cigarette ignition propensity standard that preempts this act is adopted and becomes effective.

C.54:40A-66 Conflicting local ordinances, preemption.

13. Notwithstanding any other provision of law, local governmental units of this State shall not enact or enforce any ordinance or other local law or regulation conflicting with, or preempted by, any provision of this act or with any policy of this State expressed by this act, whether that policy be expressed by inclusion of a provision in the act or by exclusion of that subject from the act.

14. This act shall take effect on the first day of the thirteenth month after enactment.

Approved May 4, 2007.

CHAPTER 87

AN ACT authorizing the State Treasurer to sell certain surplus real property and improvements owned by the State in Burlington County.

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

1. a. The Department of the Treasury, on behalf of the Department of Law and Public Safety, is authorized to sell and convey, as surplus real property, all of the State's interest in the 3.76 ± acre parcel of land and the improvements thereon, designated as Block 501.01, Lot 1 on the tax map of the Township of Edgewater Park in Burlington County, that is the former State Police Barracks and includes a 4,576 square foot office building and a 1,824 square foot garage.

b. The sale and conveyance authorized by subsection a. of this section shall be executed in accordance with the terms and conditions approved by the State House Commission.

2. This act shall take effect immediately.

Approved May 4, 2007.

CHAPTER 88

AN ACT concerning certain deceptive practices in the advertising or conducting of certain musical performances and supplementing Title 2A of the New Jersey Statutes.

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

C.2A:32B-1 Definitions relative to deceptive practices in musical performances.

1. As used in this act:

"Performing group" means a vocal or instrumental group seeking to use the name of another group that has previously released a commercial sound recording under that name.

"Recording group" means a vocal or instrumental group, at least one of whose members has previously released a commercial sound recording under that group's name and in which the member or members have a legal right by virtue of use or operation under the group name without having abandoned the name or affiliation with the group.

"Sound recording" means a work that results from the fixation on a material object of a series of musical, spoken or other sounds regardless of the nature of the material object, such as a disk, tape or other phono-record, in which the sounds are embodied.

C.2A:32B-2 Conditions for advertising or conducting a live musical performance.

2. A person shall not advertise or conduct a live musical performance or production through the use of an affiliation, connection or association between the performing group and the recording group unless:

a. The performing group is the authorized registrant and owner of a federal service mark for the group registered in the United States Patent and Trademark Office; or

b. At least one member of the performing group was a member of the recording group and has a legal right by virtue of use or operation under the group name without having abandoned the name or affiliation of the group; or

- c. The live musical performance or production is identified in all advertising and promotion as a salute or tribute; or
- d. The advertising does not relate to a live musical performance or production taking place in this State; or
- e. The performance or production is expressly authorized by the recording group.

C.2A:32B-3 Violations, enforcement, penalties.

3. a. A person who violates the provisions of section 2 of this act shall be subject to a civil action brought by a party in the Superior Court or any other court of competent jurisdiction:

(1) for appropriate legal and equitable relief, including injunctive relief, and for treble damages, reasonable attorney's fees, filing fees, and costs for the injured party; and

(2) additionally, for a civil penalty of:

(a) not more than \$10,000 for the first offense; and

(b) not more than \$20,000 for the second and each subsequent offense.

b. The civil penalty prescribed by paragraph (2) of subsection a. of this section shall be collected and enforced by summary proceedings pursuant to the provisions of the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

c. A violation of the provisions of section 2 of this act shall also be an unlawful practice in violation of P.L.1960, c.39 (C.56:8-1 et seq.), and subject the violator to all available State or private actions, remedies, damages, and penalties under that act, including, but not limited to, the Attorney General seeking and obtaining an injunction pursuant to section 8 of P.L.1960, c.39 (C.56:8-8) and the assessment of a civil penalty pursuant to section 1 of P.L.1966, c.39 (C.56:8-13).

4. This act shall take effect immediately.

Approved May 4, 2007.

CHAPTER 89

AN ACT concerning State tax credits for neighborhood revitalization and amending P.L.2001, c.415.

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

1. Section 3 of P.L.2001, c.415 (C.52:27D-492) is amended to read as follows:

C.52:27D-492 Eligibility of business entity for certificate for neighborhood revitalization State tax credits.

3. A business entity shall be eligible for a certificate for neighborhood revitalization State tax credits if it has provided funding for a qualified project that has been approved in accordance with sections 4 and 5 of P.L.2001, c.415 (C.52:27D-493 and C.52:27D-494).

a. Credits may be granted in an amount up to 100 percent of the approved assistance provided to a nonprofit organization to implement a qualified neighborhood preservation and revitalization project.

b. The credit may be applied by the business entity receiving the certificate as credit against tax imposed on business related income, other than tax imposed under the New Jersey Gross Income Tax, including, but not limited to, business income subject to the provisions of the Corporation Business Tax Act (1945), P.L.1945, c.162 (C.54:10A-1 et al.), "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 insurers generally, pursuant to P.L.1945, c.132 (C.54:18A-1 et al.), the sewer and water utility excise tax imposed pursuant to section 6 of P.L.1940, c.5 (C.54:30A-54) and the petroleum products gross receipts tax imposed pursuant to section 3 of P.L.1990, c.42 (C.54:15B-3).

c. The credit allowed to a business entity under this section may not exceed for any taxable year \$1,000,000 or the total amount of tax otherwise payable by the business entity for the taxable year and, in addition, shall not exceed limitations placed on the amounts of credits or carryforward credits allowed, if any, under the relevant statute as enumerated in subsection b. of this section concerning the tax for which a credit is being claimed.

d. Credit shall not be allowed for activities for which the business entity is receiving credit under any other provision against any tax on business related income other than the New Jersey Gross Income Tax, including, but not limited to, the corporate business tax, corporate income tax, insurance premiums tax, petroleum products gross receipts tax, public utilities franchise tax, public utilities gross receipts tax, public utility excise tax, railroad franchise tax, and the saving institution tax.

e. The tax credit shall be awarded only for assistance provided within the same year in which the commissioner issued the certificate, or if the commissioner approved assistance for more than one year, within the year in which payment was scheduled and made. The provisions of this subsection may be waived for good cause shown.

f. The total tax credits certified for all qualified projects proposed in a fiscal year shall not exceed \$10,000,000.

2. This act shall take effect immediately.

Approved May 6, 2007.

CHAPTER 90

AN ACT concerning real property tax abatements for certain renovated property, amending P.L.1992, c.79 and supplementing P.L.1991, c.441 (C.40A:21-1 et seq.).

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. The resolution shall not become effective without the approval of the commissioner pursuant to section 6 of P.L.1992, c.79 (C.40A:12A-6), if otherwise required pursuant to that section.

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 al.).

c. (1) A municipality may adopt an ordinance declaring a renovation housing project to be an area in need of rehabilitation for the purposes of Article VIII, Section I, paragraph 6 of the New Jersey Constitution if the need for renovation resulted from conflagration.

(2) For the purposes of this subsection, "renovation housing project" means any work or undertaking to provide a decent, safe, and sanitary dwelling, to exclusively benefit a specific household, by the renovation, reconstruction, or replacement of the household's home on the same lot by either a charitable entity organized to perform home renovations or by a for-profit builder using 75% or more volunteer labor-hours to accomplish the construction for the project. The undertaking may include any buildings; demolition, clearance, or removal of buildings from land; equipment; facilities; or other personal properties or interests therein which are necessary, convenient, or desirable appurtenances of the undertaking.

C.40A:21-6.1 Adoption of ordinance granting abatement, exemption from taxation for certain improvements to residential properties.

2. A municipality may adopt an ordinance granting an abatement or exemption from taxation for improvements to a residential property resulting from a renovation housing project, as defined under subsection c. of section 14 of P.L.1992, c.79 (C.40A:12A-14) (as amended by section 1 of P.L.2007, c.90). The ordinance shall require that, in determining the value of real property, the municipality shall regard up to and including the assessor's full and true value of the improvements as not increasing the taxable

value of the property for a period of five years, notwithstanding that the market value of the property to which the improvements are made is increased thereby. During the exemption period, the assessment on the property shall not be less than the assessment thereon immediately prior to the conflagration affecting the value of the property, unless there is damage to the structure through action of the elements sufficient to warrant a reduction. The ordinance may provide for a reduction of the abatement or exemption for each year of the exemption period.

3. This act shall take effect immediately.

Approved May 6, 2007.

CHAPTER 91

AN ACT concerning real property tax abatements for certain renovated property, amending P.L.1992, c.79 and supplementing P.L.1991, c.441 (C.40A:21-1 et seq.).

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. The resolution shall not become effective without the approval of the commissioner pursuant to section 6 of P.L.1992, c.79 (C.40A:12A-6), if otherwise required pursuant to that section.

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 al.).

c. (1) A municipality may adopt an ordinance declaring a renovation housing project to be an area in need of rehabilitation for the purposes of Article VIII, Section I, paragraph 6 of the New Jersey Constitution if the need for renovation resulted from conflagration.

(2) For the purposes of this subsection, “renovation housing project” means any work or undertaking to provide a decent, safe, and sanitary dwelling, to exclusively benefit a specific household, by the renovation, reconstruction, or replacement of the household’s home on the same lot by either a charitable entity organized to perform home renovations or by a for-profit builder using 75% or more volunteer labor-hours to accomplish the construction for the project. The undertaking may include any buildings; demolition, clearance, or removal of buildings from land; equipment; facilities; or other personal properties or interests therein which are necessary, convenient, or desirable appurtenances of the undertaking.

d. (1) A municipality may adopt an ordinance declaring a renovation housing project to be an area in need of rehabilitation for the purposes of Article VIII, Section I, paragraph 6 of the New Jersey Constitution if at least half of the number of people occupying the dwelling as their primary residence qualify for a federal income tax credit pursuant to 26 U.S.C. s.22 as a result of being permanently and totally disabled and the improvements to be made to the dwelling are made substantially to accommodate those disabilities.

(2) For the purposes of this subsection, “renovation housing project” means any work or undertaking to provide a decent, safe, and sanitary sin-

gle-family dwelling, to exclusively benefit at least half of the number of people occupying a dwelling as their primary residence, by the renovation, reconstruction, or replacement of that dwelling on the same lot by either a charitable entity organized to perform home renovations or by a for-profit builder using 75% or more volunteer labor-hours to accomplish the construction for the project. The undertaking may include any buildings; demolition, clearance, or removal of buildings from land; equipment; facilities; or other personal properties or interests therein which are necessary, convenient, or desirable appurtenances of the undertaking.

C.40A:21-6.2 Tax exemption, abatement for certain housing improvements to accommodate certain disabled persons.

2. A municipality may adopt an ordinance granting an abatement or exemption from taxation for improvements to a residential property that is a single family dwelling, resulting from a renovation housing project, as defined under subsection d. of section 14 of P.L.1992, c.79 (C.40A:12A-14). The ordinance shall require that, in determining the value of real property, the municipality shall regard up to and including the assessor's full and true value of the improvements as not increasing the taxable value of the property for a period of five years, notwithstanding that the value of the property to which the improvements are made is increased thereby. During the exemption period, the assessment on the property shall not be less than the assessment thereon immediately prior to the improvements. The ordinance may provide for a reduction of the abatement or exemption for each year of the exemption period.

3. This act shall take effect immediately.

Approved May 6, 2007.

CHAPTER 92

AN ACT implementing various recommendations of the Joint Legislative Committee on Public Employee Benefits Reform concerning benefits and certain terms and conditions of public office and employment and amending and supplementing various parts of the statutory law.

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

C.43:15C-1 Defined Contribution Retirement Program; terms defined.

1. There is hereby established in the Department of the Treasury a Defined Contribution Retirement Program. The program design shall be one that is permitted for governmental plans under the federal Internal Revenue Code as determined by the State Treasurer. The retirement program is deemed to be a pension fund or retirement system for purposes of P.L.1968, c.23 (C.43:3C-1 et seq.). For the purposes of the Defined Contribution Retirement Program:

“Base salary” means a participant’s regular base salary. It shall exclude overtime or other forms of extra compensation, including but not limited to, longevity lump sum payments, lump sum terminal sick leave or vacation pay, the value of maintenance, individual pay adjustments made within or at the conclusion of the participant’s final year of service, retroactive salary adjustments or other pay adjustments made in the participant’s final year of service unless the adjustment was made as a result of a general pay adjustment for all personnel of the public office or agency in which the participant is employed, or any unscheduled individual adjustment made in the final year to place the participant at the maximum salary level within salary range.

“Employer” means the State or a political subdivision thereof, or an agency, board, commission, authority or instrumentality of the State or a subdivision, that pays the base salary of a participant for services rendered by the participant.

“Retirement program” means the Defined Contribution Retirement Program established by this section.

C.43:15C-2 Eligibility for participation in the Defined Contribution Retirement Program.

2. a. The following persons shall be eligible and shall participate in the Defined Contribution Retirement Program.

(1) A person who commences service on or after the effective date of this section of P.L.2007, c.92 (C.43:15C-2) in an elective public office of this State or of a political subdivision thereof, except that it shall not include a person who holds elective public office on the effective date of this section and is enrolled in the Public Employees’ Retirement System while that person continues to hold that elective public office without a break in service. Service in the Legislature shall be considered a single elective public office.

(2) A person who commences service on or after the effective date of this section in an employment, office or position of the State or of a political subdivision thereof, or an agency, board, commission, authority or instrumentality of the State or of a subdivision, pursuant to an appointment

by the Governor that requires the advice and consent of the Senate, or pursuant to an appointment by the Governor to serve at the pleasure of the Governor only during his or her term of office. This paragraph shall not be deemed to include a person otherwise eligible for membership in the State Police Retirement System or the Judicial Retirement System.

(3) A person who commences service on or after the effective date of this section in an employment, office or position in a political subdivision of the State, or an agency, board, commission, authority or instrumentality of a subdivision, pursuant to an appointment by an elected public official or elected governing body, that requires the specific consent or approval of the elected governing body of the political subdivision that is substantially similar in nature to the advice and consent of the Senate for appointments by the Governor of the State as that similarity is determined by the elected governing body and set forth in an adopted ordinance or resolution, pursuant to guidelines or policy that shall be established by the Local Finance Board in the Department of Community Affairs or the Department of Education, as appropriate to the elected governing body. This paragraph shall not be deemed to include a person otherwise eligible for membership in the Teachers' Pension and Annuity Fund or the Police and Firemen's Retirement System, or a person who is employed or appointed in the regular or normal course of employment or appointment procedures and consented to or approved in a general or routine manner appropriate for and followed by the political subdivision, or the agency, board, commission, authority or instrumentality of a subdivision, or a person who holds a professional license or certificate to perform and is performing as a certified health officer, tax assessor, tax collector, municipal planner, chief financial officer, registered municipal clerk, construction code official, licensed uniform subcode inspector, qualified purchasing agent, or certified public works manager.

(4) A person who is granted a pension or retirement allowance under any pension fund or retirement system established under the laws of this State and elects to participate pursuant to section 1 of P.L.1977, c.171 (C.43:3C-3) upon being elected to public office.

b. No person shall be eligible to participate in the retirement program with respect to any public employment, office, or position if:

(1) the base salary for that employment, office, or position is less than \$1,500 per year;

(2) the person is, on the basis of service in that employment, office, or position, eligible for membership or enrolled as a member of another State or locally-administered pension fund or retirement system established under the laws of this State including the Alternate Benefit Program, except as

otherwise specifically provided in subsection a. of this section;

(3) the person is receiving a benefit as a retiree from any other State or locally-administered pension fund or retirement system established under the laws of this State, except as provided in section 1 of P.L.1977, c.171 (C.43:3C-3); or

(4) the person is an officer or employee of a political subdivision of this State or of a board of education, or of any agency, authority or instrumentality thereof, who is ineligible for membership in the Public Employees' Retirement System pursuant to section 20 of P.L.2007, c.92 (C.43:15A-7.2).

c. A person eligible and required to participate in the retirement program whose base salary is less than \$5,000 may at the commencement of service in an employment, office or position irrevocably elect to waive participation with regard to that employment, office, or position by filing, at the time and on a form required by the division, a written waiver with the Division of Pensions and Benefits that waives all rights and benefits that would otherwise be provided by the retirement program.

d. Service credited to a participant in the Defined Contribution Retirement Program shall not be recognized as service credit to determine eligibility for employer-paid health care benefits in retirement pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.), N.J.S.40A:10-16 et seq., P.L.1979, c.391 (C.18A:16-12 et al.) or any other law, rule or regulation.

C.43:15C-3 Employee, employer contributions.

3. a. The employer shall reduce the compensation of each participant in the Defined Contribution Retirement Program and pay over to the plan provider for the benefit of the participant an employee contribution for the retirement benefit contract or contracts equal to 5% of the participant's base salary. At the option and request of a participant, the employer shall reduce the compensation of the participant for additional contributions as permitted by the federal Internal Revenue Code. The intervals for reductions and payments shall be determined by the Division of Pensions and Benefits.

All participant contributions shall be made in accordance with section 414(h) of the federal Internal Revenue Code (26 U.S.C. s.414(h)).

b. The employer shall make payment of the employer contributions to the program at a rate equal to 3% of the employee's base salary, which moneys shall be paid to the designated provider for the benefit of each participant. Additionally, employers shall pay their share of the administrative costs of the program. The intervals for all payments and the allocation of administrative costs shall be determined by the Division of Pensions and Benefits including due dates and penalties for noncompliance.

c. No employer contributions shall be vested in a participant until after the participant commences the second year of employment unless the participant, at the time of initial employment, either (1) participates in a program substantially similar to the retirement program, or (2) is a member of another State-administered pension fund or retirement system.

C.43:15C-4 Defined Contribution Retirement Program Board.

4. There is established in, but not of, the Division of Pensions and Benefits in the Department of the Treasury the Defined Contribution Retirement Program Board, that shall consist of the Director of the Division of Pensions and Benefits or a designee; the Director of the Division of Investment or a designee; the Commissioner of the Department of Banking and Insurance or a designee; the Director of the Office of Management and Budget or a designee; and a person appointed by the Director of the Division of Pensions and Benefits who is an active participant or retiree of the Defined Contribution Retirement Program.

In order to expedite implementation of the Defined Contribution Retirement Program, the current third party administrator for the New Jersey State Employees Deferred Compensation Program selected through a competitive bidding process may be utilized as the initial provider for a period not to exceed the term of the contract in effect on the effective date of this section of P.L.2007, c.92 (C.43:15C-4) including extensions, to administer this program. Subsequent to the initial contract, the Defined Contribution Retirement Program Board shall select through a competitive bidding process a provider licensed or otherwise authorized to transact business in New Jersey. This provider shall be selected by competitive bidding in accordance with all applicable State laws and regulations.

C.43:15C-5 Allocation of contributions by participants.

5. Participants in the Defined Contribution Retirement Program shall be allowed to allocate their own contributions and the contributions of their employer into investment alternatives as determined by the Defined Contribution Retirement Program Board, including, but not limited, to mutual funds, subject to such rules and regulations as the Division of Pensions and Benefits may adopt, in accordance with all Internal Revenue Code rules and regulations. All moneys which are deferred and deducted in accordance with the provisions of sections 1 through 19 of P.L.2007, c.92 (C.43:15C-1 through C.43:15C-15, C.43:3C-9, C.43:15A-7, C.43:15A-75 and C.43:15A-135) and the program shall remain assets of the State and shall be invested in accordance with the provisions of this act and the program. The obligation of the State to participat-

ing employees and contractors shall be contractual only and no preferred or special interest in the deferred moneys shall accrue to such employees or contractors, except that all assets and income of the program shall be held in trust for the exclusive benefit of participating employees and their beneficiaries.

C.43:15C-6 Provision of insurance by retirement program.

6. a. The retirement program shall, under a group contract or contracts, provide life insurance and provide the option of obtaining disability insurance benefits for all participants in the retirement program on a basis to be determined by the State Treasurer. The State Treasurer is authorized to promulgate appropriate rules and regulations and perform other duties as necessary for the implementation and operation of the program.

b. The State Treasurer is hereby authorized to purchase from one or more insurance companies, as the State Treasurer shall determine, group life insurance and disability benefit coverage to provide for the death benefits and disability benefits in the amounts specified in this act. Such group life insurance and disability benefit coverage may be provided under one or more policies issued to the State Treasurer specifically for this purpose or, in the discretion of the State Treasurer, under one or more policies issued to the State Treasurer which provide group life insurance coverage for members of one or more pension funds or retirement systems of the State of New Jersey. Any dividend or retrospective rate credit allowed by an insurance company attributable to the retirement program shall be credited to the funds available to meet the State's obligations under the retirement program.

Premiums for such group insurance coverage shall be paid from a special fund, hereby created, called the "Defined Contribution Retirement Program Group Insurance Premium Fund." The State Treasurer shall estimate annually the amount that will be required for premiums for such benefits for the ensuing fiscal year and shall certify such amounts that shall be applied to the total State and other employer contributions due on behalf of the participants in the retirement program from the State and other employers, depositing such amounts in the premium fund. Additionally, employers shall pay their share of the administrative costs of the program. The intervals for all payments and the allocation of administrative costs shall be determined by the Division of Pensions and Benefits including due dates and penalties for noncompliance.

During the period such group insurance policy or policies are in effect with respect to participants in the retirement program, the State Treasurer shall not commingle moneys in this fund with any funds established under the retirement program.

c. A life insurance company shall meet the following requirements in order to provide coverage under this section:

(1) be licensed under the laws of the State of New Jersey to transact life and accidental death insurance, and the amount of its group life insurance in the State of New Jersey shall, at the time the insurance is to be purchased, equal at least 1% of the total amount of such group life insurance in the State of New Jersey in all life insurance companies; or

(2) come within the exceptions provided in P.L.1968, c.234 (C.17:32-16 et seq.).

C.43:15C-7 Insurance benefits under group contract.

7. The benefit under a group contract or contracts providing life insurance shall be in an amount equal to one and one-half the base annual salary of the participant in the retirement program, except that in the event of death after retirement, the amount payable shall equal 3/16 of the participant's base annual salary. "Base annual salary" means the base salary upon which contributions by the participant and the participant's employer to the retirement program were based during the last year of creditable service.

For purposes of this section, a participant shall be deemed to be in service and covered by the group life insurance for a period of official leave of absence without pay when such leave is due to illness or any reason other than illness, with such period to be determined by the Division of Pensions and Benefits, if satisfactory evidence is presented to the division of such official leave of absence. A participant shall be deemed to be on an official leave of absence only if the leave is formally approved by the employer prior to the time the leave commenced and timely notice is filed by the employer with the division. If timely notice is not filed, the employer shall be responsible for the payment of any benefits pursuant to this section if the participant was otherwise eligible for such benefits.

In the event of the death of a participant in active service in the first year of participation as a result of an accident met in the actual performance of duty at some definite time and place, the death benefit payable pursuant to this section shall be computed at the annual rate of base salary.

No beneficiary of a retired participant shall be entitled to receive the death benefits payable in the event of death after retirement pursuant to this section unless the participant either: had at least 25 years of credited participation in the retirement program established pursuant to this act; or had at least 10 years of such credited participation and had attained 60 years of age and was an actively employed participant in the program in the year immediately preceding initial receipt of a retirement annuity.

C.43:15C-8 Conversion privilege provided through group life insurance policies.

8. Any group life insurance policy or policies shall include, with respect to any insurance terminating or reducing because the participant has ceased to be in service or has retired, the conversion privilege available upon termination of employment as prescribed by the law relating to group life insurance, and shall also include, with respect to life insurance terminating because of termination of the group policy, the conversion privilege available upon termination of the group policy as prescribed by such law. Any such group policy or policies shall also provide that if the participant dies within the 31-day period during which the participant would be entitled to exercise the conversion privilege, the amount of life insurance with respect to which the participant could have exercised the conversion privilege shall be paid as a claim under the group policy. When benefits payable upon the death of a participant following retirement are determined as though the participant had not retired, the death benefits payable under the group policy or policies, together with the amount of life insurance paid under any individual policy obtained under the conversion privilege, shall in no event exceed the amount of insurance for which the participant was insured under the group policy or policies immediately prior to the date the right of conversion arose. If a participant who has exercised the conversion privilege under the group policy or policies while on leave of absence or upon termination of employment again becomes a participant of the retirement program and the individual policy obtained pursuant to the conversion privilege is still in force, the participant shall not again be eligible for any of the group life insurance provided under such policy or policies without furnishing satisfactory evidence of insurability.

C.43:15C-9 Payment of death benefits.

9. Death benefits under the group life insurance policy or policies shall be paid by the insurance company to such person, if living, as the participant shall have nominated by written designation duly executed and filed with the insurance company through the policyholder, otherwise to the executors or administrators of the participant's estate. A participant may file with the insurance company through the policyholder and alter from time to time during life, as desired, a duly attested written nomination of the payee for the death benefit.

C.43:15C-10 Method of payment of death benefits.

10. Any group life insurance policy or policies shall provide that payment of any death benefits payable by the insurance company may be made in one sum directly to the beneficiary as hereinafter provided, in equal installments over a period of years or as a life annuity or in such other manner

as may be made available by the insurance company. A participant may make such arrangements for settlement, and may alter from time to time during life any arrangement previously made, by making written request to the insurance company through the policyholder. Upon the death of the participant, a beneficiary to whom a benefit is payable in one sum by the insurance company may likewise arrange for a settlement as described above.

C.43:15C-11 Facts requiring evidence of insurability.

11. Any person entitled to become a participant in the retirement program shall not be allowed any of the group life insurance and disability benefits if on the date of filing an application for participation the person is 60 or more years of age, or if the person makes application for participation in the retirement program beyond the year after first becoming eligible for participation, regardless of age, unless the participant furnishes satisfactory evidence of insurability and on the effective date of participation is actively at work and performing all regular duties at the customary place of employment.

The effective date of coverage for such benefits shall be the first day of the month which immediately follows the date when such evidence is determined to be satisfactory.

Such evidence of insurability shall not be required of any person enrolling in the retirement program upon transfer from another State-administered retirement system, if such retirement system provided a benefit of a similar nature and the transferring person was covered by such a benefit at the time of the transfer. If such transferring person was not covered by such a benefit at the time of the transfer, the person may be allowed the benefit under the group policy or policies; however, any such person shall furnish satisfactory evidence of insurability if he had been unable or failed to give such evidence as a member of the retirement system from which the person transferred.

Any person who must furnish satisfactory evidence of insurability under the provisions of this section and who ceases to be a participant in the retirement program without such evidence having been given shall continue to be subject to the same requirement if the person subsequently becomes a participant.

C.43:15C-12 Designation of death benefit beneficiary.

12. The designation of a death benefit beneficiary by a participant or retiree shall be made in writing on a form satisfactory to the Division of Pensions and Benefits and filed with the division. The participant or retiree may, from time to time and without the consent of the designee, change the

beneficiary by filing a written notice of the change on a satisfactory form. The new nomination shall be effective on the date the notice, in proper form, is received and any prior nomination shall thereupon become void.

If more than one beneficiary is nominated and in such nomination the participant or retiree has failed to specify their respective interests, the beneficiaries shall share equally. If any beneficiary predeceases the participant or retiree, the interest of that beneficiary shall terminate and shall be shared equally by such of the beneficiaries as survive the participant or retiree, unless the participant or retiree has made written request to the contrary in the beneficiary nomination.

Any amounts due for which there is no beneficiary at the death of a participant, retiree or beneficiary shall be payable to the estate of the participant, retiree or beneficiary.

Except with regard to the payment of the group life insurance death benefit upon the death of a retiree, a participant may elect, by making written request, that the whole or any part of the participant's group life insurance death benefits be made payable to the beneficiary either as a life annuity or in equal installments over a period of years specified in such election, and may alter such election from time to time during the participant's lifetime by again making such written request. In the event of a change of beneficiary, any previous arrangement by the participant or retiree under this paragraph shall be void. The election set forth in this paragraph shall not apply or be available when the beneficiary is an estate, or a corporation, partnership, association, institution, trustee, or any fiduciary.

If, at the participant's death, an amount of group life insurance death benefit would be payable to the beneficiary in a single sum, any election with regard to such amount that was available to the participant immediately prior to death in accordance with the preceding paragraph shall then be available to such beneficiary for the benefit of the beneficiary.

With respect to any death benefits payable on the basis of the individual retirement annuity contract or contracts, all settlement options shall be made available to the participant, retiree or beneficiary as are allowed by the insurer or insurers.

The provisions of this section shall be construed separately with respect to each of the death benefits for which a beneficiary is designated by the participant or retiree.

C.43:15C-13 Disability benefit coverage.

13. The disability benefit coverage provided under a group policy or policies shall provide a monthly income if the participant becomes totally

disabled from occupational or nonoccupational causes for a period of at least six consecutive months following the effective date of the coverage. The monthly disability benefit may be paid by the insurance company so long as the participant remains disabled up to the seventieth birthday, provided the disability commenced prior to the sixtieth birthday. The benefit shall terminate when the participant is no longer considered totally disabled or begins to receive retirement benefits.

The participant shall be considered totally disabled if the participant is unable to perform each duty of the participant's occupation and is under the regular care of a physician. After the 24 months following the commencement of such disability benefit payments, the participant shall be unable to engage in any gainful occupation for which the participant is reasonably fitted by education, training or experience. Total disability shall not be considered to exist if the participant is gainfully employed. Following an agreement with the insurance company and the policyholder, the participant may continue to receive disability benefits for a limited time while performing some type of work. During the period of rehabilitation, the monthly benefit shall be the regular payment less 80% of the participant's earnings from such rehabilitative position.

A participant shall be deemed to be in service and covered by the disability benefit insurance provisions for a period of no more than six months while on official leave of absence without pay if satisfactory evidence is presented to the Division of Pensions and Benefits that such leave of absence without pay is due to illness and that the participant was not actively engaged in any gainful occupation during such period of leave of absence without pay.

Disability benefit insurance provisions of the group policy or policies shall not cover disability resulting from or contributed to by pregnancy, act of war, intentionally self-inflicted injury, or attempted suicide whether or not sane. For purposes of such disability benefit coverage, the participant shall not be considered to be disabled while the participant is imprisoned or while outside the United States, its territories or possessions, or Canada.

If the participant has recovered from the disability for which the member had received benefits and again becomes totally disabled while insured, the later disability shall be regarded as a continuation of the prior one unless the participant has returned to full-time covered employment for at least six months. If the later absence is due to an unrelated cause and the participant had returned to full-time work, it shall be considered a new disability. The disability benefit insurance cannot be converted to an individual policy.

No participant shall be covered by the disability benefit provision of the group policy or policies except upon the completion of one year of full-time continuous employment in a position eligible for participation in the Defined Contribution Retirement Program.

C.43:15C-14 Amount of disability benefits; "Defined Contribution Retirement Program Disability Premium Fund."

14. The disability benefit provided under a group policy or policies shall be in an amount equal to 60% of the participant's base monthly salary, reduced by periodic benefits to which the participant may be entitled during the period of total disability.

The periodic benefit by which the monthly disability benefit may be reduced shall include salary or wages, retirement benefits or benefits from any source for which the State or other public employer has paid any part of the cost or made payroll deductions, Social Security disability or other benefits, including dependents' benefits, and benefits paid by Social Security at the option of the participant before the age of 65, but not including any increase in Social Security benefits enacted after the disability benefit under such group policy or policies has commenced, and any other periodic benefits provided by law except on account of military service.

When a participant begins to receive a disability benefit under such group policy or policies, the insurance company shall pay an amount equal to the employee contribution which would have been required of the participant and deducted from the participant's base salary in order to meet the participant's obligation for the program. Such amount shall be paid by the insurance company without reduction by any other periodic benefit which the participant is eligible to receive. Such amount shall be paid by the insurance company to the insurer or insurers for the participant's retirement annuity.

Premiums for such disability coverage shall be paid from a special fund, hereby created, called the "Defined Contribution Retirement Program Disability Premium Fund." The State Treasurer shall estimate annually the amount that will be required for premiums for such benefits for the ensuing fiscal year and shall certify such amounts that shall be applied to the total State and other employer contributions due on behalf of the participants in the retirement program from the State and other employers, depositing such amounts in the premium fund. Additionally, employers will pay their share of the administrative costs of the program. The intervals for all payments and the allocation of administrative costs shall be determined by the Division of Pensions and Benefits including due dates and penalties for non-compliance.

C.43:15C-15 Credit offered to policyholder by insurance company; additional coverage; health care coverage.

15. Notwithstanding any other provision of law, an insurance company or companies issuing such policy or policies may credit the policyholder either directly or in the form of reduced premiums, with savings by the company or companies in the event that no brokerage commission or commissions are paid by the company or companies on the issuance of such policy or policies.

No employer obligations shall be paid when the participant is on a leave of absence without pay or when the participant no longer is enrolled in the retirement program.

The group disability insurance policy or policies shall provide a participant with an opportunity to purchase additional coverage.

A participant who is disabled and receiving a benefit shall remain eligible for employer-provided healthcare benefits coverage in the same manner as such coverage is provided by the employer to retirees of the retirement system.

16. Section 1 of P.L.1986, c.188 (C.43:3C-9) is amended to read as follows:

C.43:3C-9 Employer pickup of employee contributions.

1. The mandatory contributions by members or participants to the Teachers' Pension and Annuity Fund required by N.J.S.18A:66-31, to alternate benefit providers under the alternate benefit program required by section 8 of P.L.1969, c.242 (C.18A:66-174), to the Judicial Retirement System required by section 26 of P.L.1981, c.470 (C.43:6A-34.1), to the Prison Officers' Pension Fund required by section 7 of P.L.1941, c.220 (C.43:7-13), to the Public Employees' Retirement System required by section 25 of P.L.1954, c.84 (C.43:15A-25), to the Defined Contribution Retirement Program required by section 3 of P.L.2007, c.92 (C.43:15C-3), to the Consolidated Police and Firemen's Pension Fund required by R.S.43:16-5, to the Police and Firemen's Retirement System required by section 15 of P.L.1944, c.255 (C.43:16A-15), and to the State Police Retirement System required by section 38 of P.L.1965, c.89 (C.53:5A-38), shall be picked up by their employers and shall be treated as employer contributions as provided by section 414(h) of the United States Internal Revenue Code. The amount of contributions on behalf of each member shall continue to be included as regular compensation for all other purposes, except that the amount shall not be included in the computation of federal income taxes

withheld from the member's compensation.

17. Section 7 of P.L.1954, c.84 (C.43:15A-7) is amended to read as follows:

C.43:15A-7 Public Employees' Retirement System, established; membership.

7. There is hereby established the Public Employees' Retirement System of New Jersey in the Division of Pensions and Benefits of the Department of the Treasury. The membership of the retirement system shall include:

a. The members of the former "State Employees' Retirement System of New Jersey" enrolled as such as of December 30, 1954, who shall not have claimed for refund their accumulated deductions in said system as provided in this section;

b. Any person becoming an employee of the State or other employer after January 2, 1955 and every veteran, other than a retired member who returns to service pursuant to subsection b. of section 27 of P.L.1966, c.217 (C.43:15A-57.2) and other than those whose appointments are seasonal, becoming an employee of the State or other employer after such date, including a temporary employee with at least one year's continuous service. The membership of the retirement system shall not include those persons appointed to serve as described in paragraphs (2) and (3) of subsection a. of section 2 of P.L.2007, c.92 (C.43:15C-2), except a person who was a member of the retirement system prior to the effective date of sections 1 through 19 of P.L.2007, c.92 (C.43:15C-1 through C.43:15C-15, C.43:3C-9, C.43:15A-7, C.43:15A-75 and C.43:15A-135) and continuously thereafter; and

c. Every employee veteran in the employ of the State or other employer on January 2, 1955, who is not a member of any retirement system supported wholly or partly by the State.

d. Membership in the retirement system shall be optional for elected officials other than veterans, and for school crossing guards, who having become eligible for benefits under other pension systems are so employed on a part-time basis. Elected officials commencing service on or after the effective date of sections 1 through 19 of P.L.2007, c.92 (C.43:15C-1 through C.43:15C-15, C.43:3C-9, C.43:15A-7, C.43:15A-75 and C.43:15A-135) shall not be eligible for membership in the retirement system based on service in the elective public office, except that an elected official enrolled in the retirement system as of that effective date who continues to hold that elective public office without a break in service shall be eligible to continue membership in the retirement system under the terms and conditions of en-

rollment. Service in the Legislature shall be considered a single elective public office. Any part-time school crossing guard who is eligible for benefits under any other pension system and who was hired as a part-time school crossing guard prior to March 4, 1976, may at any time terminate his membership in the retirement system by making an application in writing to the board of trustees of the retirement system. Upon receiving such application, the board of trustees shall terminate his enrollment in the system and direct the employer to cease accepting contributions from the member or deducting from the compensation paid to the member. State employees who become members of any other retirement system supported wholly or partly by the State as a condition of employment shall not be eligible for membership in this retirement system. Notwithstanding any other law to the contrary, all other persons accepting employment in the service of the State shall be required to enroll in the retirement system as a condition of their employment, regardless of age. No person in employment, office or position, for which the annual salary or remuneration is fixed at less than \$1,500.00, shall be eligible to become a member of the retirement system.

e. Membership of any person in the retirement system shall cease if he shall discontinue his service for more than two consecutive years.

f. The accumulated deductions of the members of the former "State Employees' Retirement System" which have been set aside in a trust fund designated as Fund A as provided in section 5 of this act and which have not been claimed for refund prior to February 1, 1955 shall be transferred from said Fund A to the Annuity Savings Fund of the Retirement System, provided for in section 25 of this act. Each member whose accumulated deductions are so transferred shall receive the same prior service credit, pension credit, and membership credit in the retirement system as he previously had in the former "State Employees' Retirement System" and shall have such accumulated deductions credited to his individual account in the Annuity Savings Fund. Any outstanding obligations of such member shall be continued.

g. Any school crossing guard electing to terminate his membership in the retirement system pursuant to subsection d. of this section shall, upon his request, receive a refund of his accumulated deductions as of the date of his appointment to the position of school crossing guard. Such refund of contributions shall serve as a waiver of all benefits payable to the employee, to his dependent or dependents, or to any of his beneficiaries under the retirement system.

h. A temporary employee who is employed under the federal Workforce Investment Act shall not be eligible for membership in the system. Membership for temporary employees employed under the federal Job

Training Partnership Act, Pub.L. 97-300 (29 U.S.C. s.1501) who are in the system on September 19, 1986 shall be terminated, and affected employees shall receive a refund of their accumulated deductions as of the date of commencement of employment in a federal Job Training Partnership Act program. Such refund of contributions shall serve as a waiver of all benefits payable to the employee, to his dependent or dependents, or to any of his beneficiaries under the retirement system.

i. Membership in the retirement system shall be optional for a special service employee who is employed under the federal Older American Community Service Employment Act, Pub.L.94-135 (42 U.S.C. s.3056). Any special service employee employed under the federal Older American Community Service Employment Act, Pub.L.94-135 (42 U.S.C. s.3056), who is in the retirement system on the effective date of P.L.1996, c.139 may terminate membership in the retirement system by making an application in writing to the board of trustees of the retirement system. Upon receiving the application, the board shall terminate enrollment in the system and the member shall receive a refund of accumulated deductions as of the date of commencement of employment in a federal Older American Community Service Employment Act program. This refund of contributions shall serve as a waiver of all benefits payable to the employee, to any dependent or dependents, or to any beneficiary under the retirement system.

j. An employee of the South Jersey Port Corporation who was employed by the South Jersey Port Corporation as of the effective date of P.L.1997, c.150 (C.34:1B-144 et al.) and who shall be re-employed within 365 days of such effective date by a subsidiary corporation or other corporation, which has been established by the Delaware River Port Authority pursuant to subdivision (m) of Article I of the compact creating the Delaware River Port Authority (R.S.32:3-2), as defined in section 3 of P.L.1997, c.150 (C.34:1B-146), shall be eligible to continue membership while an employee of such subsidiary or other corporation.

18. Section 75 of P.L.1954, c.84 (C.43:15A-75) is amended to read as follows:

C.43:15A-75 Local employee membership.

75. (a) If this act is so adopted it shall become effective in the county or municipality adopting it on June 30 of the following year. Membership in the Public Employees' Retirement System shall be optional with the employees of the county, board of education or municipality in the service on the day the act becomes effective or on June 30, 1966, whichever is earlier,

in such county, board of education or municipality except in the case of public employee veterans who on such date are members. An employee who elects to become a member within one year after this act so takes effect shall be entitled to prior service covering service rendered to the county, board of education or municipality prior to July 1, 1966 or prior to the date this act so becomes effective, whichever is earlier. Membership shall be compulsory for all employees entering the service of the county, board of education or municipality on July 1, 1966 or after the date this act becomes effective, whichever is earlier. Where any such employee entering the service of the county, board of education or municipality after the date this act so becomes effective has had prior service for which evidence satisfactory to the retirement system is presented, as an employee in such county, board of education or municipality before the date upon which this act so becomes effective, or July 1, 1966, whichever is earlier, such employee shall be entitled to prior service covering service rendered to the county, board of education or municipality prior to the date this act so becomes effective, or July 1, 1966, whichever is earlier.

(b) Notwithstanding the provisions of section 74 of this act and subsection (a) of this section, every person, other than a non-veteran elected official, becoming an employee of a county, board of education, municipality or school district after June 30, 1966, who is not eligible to become a member of another retirement system, shall be required to become a member of the Public Employees' Retirement System. Notwithstanding the provisions of section 74 of this act and subsection (a) of this section, membership in the retirement system shall be optional with any elected official who is not a veteran, regardless of the date he assumes office, and with any other person in the employ of any county, board of education, municipality or school district on June 30, 1966, provided such elected official or other person is not then a member and is not required to be a member of the retirement system pursuant to another provision of this act, and provided further that such person is not eligible to be a member of another retirement system. Elected officials commencing service on or after the effective date of sections 1 through 19 of P.L.2007, c.92 (C.43:15C-1 through C.43:15C-15, C.43:3C-9, C.43:15A-7, C.43:15A-75 and C.43:15A-135) shall not be eligible for membership in the retirement system based on service in the elective public office, except that an elected official enrolled in the retirement system as of that effective date who continues to hold that elective public office without a break in service shall be eligible to continue membership in the retirement system under the terms and conditions of enrollment.

The provisions of this subsection shall not apply to any person whose position is temporary or seasonal, nor to any person in office, position or employment for which the annual salary or remuneration is fixed at less than \$1,500.00, nor to any person whose position is not covered by the old age and survivors' insurance provisions of the federal Social Security Act. No credit shall be allowed to any person becoming a member of the retirement system pursuant to this subsection for service rendered to the employer prior to July 1, 1966, until the provisions of section 74 of this act have been complied with, in which event such credit shall be allowed in accordance with the provisions of subsection (a) of this section; except that the governing body of any county, board of education or municipality may, by resolution, consent to the allowance of such credit and file a certified copy of such resolution with the board of trustees of the Public Employees' Retirement System.

19. Section 1 of P.L.1972, c.167 (C.43:15A-135) is amended to read as follows:

C.43:15A-135 Members of Legislature; membership in retirement system, service dates.

1. Members of the Legislature commencing service on or after the effective date of sections 1 through 19 of P.L.2007, c.92 (C.43:15C-1 through C.43:15C-15, C.43:3C-9, C.43:15A-7, C.43:15A-75 and C.43:15A-135) shall not be eligible for membership in the retirement system based on service in that elective office. A member of the Legislature enrolled in the retirement system as of that effective date who continues to hold office as a member of the Legislature without a break in service shall be eligible to continue membership in the retirement system under the terms and conditions of the member's enrollment.

C.43:15A-7.2 Ineligibility for PERS under professional services contract.

20. a. A person who performs professional services for a political subdivision of this State or a board of education, or any agency, authority or instrumentality thereof, under a professional services contract awarded in accordance with section 5 of P.L.1971, c.198 (C.40A:11-5), N.J.S.18A:18A-5 or section 5 of P.L.1982, c.189 (C.18A:64A-25.5), on the basis of performance of the contract, shall not be eligible for membership in the Public Employees' Retirement System. A person who is a member of the retirement system as of the effective date of P.L.2007, c.92 (C.43:15C-1 et al.) shall not accrue service credit on the basis of that performance following the expira-

tion of an agreement or contract in effect on the effective date. Nothing contained in this subsection shall be construed as affecting the provisions of any agreement or contract in effect on the effective date of P.L.2007, c.92 (C.43:15C-1 et al.), whether or not the agreement or contract specifically provides by its terms for membership in the retirement system. No renewal, extension, modification, or other agreement or action to continue any professional services contract in effect on the effective date of P.L.2007, c.92 (C.43:15C-1 et al.) beyond its current term shall have the effect of continuing the membership of a person in the retirement system or continuing the accrual of service credit on the basis of performance of the contract.

b. A person who performs professional services for a political subdivision of this State or a board of education, or any agency, authority or instrumentality thereof, shall not be eligible, on the basis of performance of those professional services, for membership in the Public Employees' Retirement System, if the person meets the definition of independent contractor as set forth in regulation or policy of the federal Internal Revenue Service for the purposes of the Internal Revenue Code. Such a person who is a member of the retirement system on the effective date of P.L.2007, c.92 (C.43:15C-1 et al.) shall not accrue service credit on the basis of that performance following the expiration of an agreement or contract in effect on the effective date.

Nothing contained in this subsection shall be construed as affecting the provisions of any agreement or contract of employment in effect on the effective date of P.L.2007, c.92 (C.43:15C-1 et al.), whether or not the agreement or contract specifically provides by its terms for membership in the retirement system. No renewal, extension, modification, or other agreement or action to continue any such agreement or contract in effect on the effective date of P.L.2007, c.92 (C.43:15C-1 et al.) beyond its current term shall have the effect of continuing the membership of a person in the retirement system or continuing the accrual of service credit on the basis of performance of the agreement or contract.

As used in this subsection, the term "professional services" shall have the meaning set forth in section 2 of P.L.1971, c.198 (C.40A:11-2).

C.43:3C-12 Investigation of certain increases in annual compensation for members of retirement systems.

21. a. With respect to all claims for benefits under the Teachers' Pension and Annuity Fund, the Public Employees' Retirement System, the Judicial Retirement System, the Police and Firemen's Retirement System, or the State Police Retirement System submitted on or after the effective date of P.L.2007, c.92 (C.43:15C-1 et al.), the Division of Pensions and Benefits

shall investigate increases in compensation reported for credit that exceed reasonably anticipated annual compensation increases for members of the retirement system based upon consideration of the Consumer Price Index for the time period of the increases, the table of assumed salary increases recommended by the system's actuary and adopted by the board of trustees of the retirement system, and the annual percentage increases of salaries as indicated in data from the Public Employment Relations Commission established pursuant to P.L.1941, c.100 (C.34:13A-1 et seq.) or through other reliable industry sources of information regarding average annual salary increases.

b. Those cases in which a violation of the relevant statute or regulation is suspected shall be referred to the board of trustees of the relevant retirement system for further action.

22. Section 2 of P.L.2001, c.259 (C.43:15A-143) is amended to read as follows:

C.43:15A-143 Membership in Workers Compensation Judges Part; service dates.

2. Notwithstanding the provisions of any other law, workers compensation judges shall be members of the Workers Compensation Judges Part, established pursuant to this act, P.L.2001, c.259 (C.43:15A-142 et seq.), of the Public Employees' Retirement System, established pursuant to P.L.1954, c.84 (C.43:15A-1 et seq.), if enrolled in the part prior to the effective date of P.L.2007, c.92 (C.43:15C-1 et al.) and shall be subject to the same membership and benefit provisions as State employees, except as provided by P.L.2001, c.259. Membership in the retirement system shall be a condition of employment for service as a judge of compensation for a judge enrolled in the part prior to the effective date of P.L.2007, c.92 (C.43:15C-1 et al.).

A workers compensation judge who becomes a member of the retirement system on or after the effective date of P.L.2007, c.92 (C.43:15C-1 et al.) shall not be a member of the Workers Compensation Judges Part and the provisions of P.L.2001, c.259 (C.43:15A-142 et seq.) shall not apply to such judge or the judge's survivors.

23. 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 (1) 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) and (2) the unfunded accrued liability for the full credit toward benefits under the retirement system for service credited in the Public Employees' Retirement System and transferred pursuant to section 1 of P.L.1993, c.247 (C.43:16A-3.8) and the reimbursement of the cost of any credit purchase pursuant to section 3 of P.L.1993, c.247 (C.43:16A-3.10) provided under section 1 of P.L.2001, c.201 (C.43:16A-3.14).

"Excess valuation assets" means, with respect to the valuation assets allocated to the State, the valuation assets allocated to the State for a valua-

tion 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, and less the present value of the expected additional normal cost contributions attributable to the provisions of P.L.2003, c.108 as amending section 16 of P.L.1964, c.241 (C.43:16A-11.1) 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, and less the present value of the expected additional normal cost contributions attributable to the provisions of P.L.2003, c.108 as amending section 16 of P.L.1964, c.241 (C.43:16A-11.1) 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 June 30, 2003 through June 30, 2007, 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.

As of the valuation report in which the funded level is in excess of 104%, an amount equal to the present value of the future normal contributions for the benefits provided by P.L.2003, c.108 as amending section 16 of P.L.1964, c.241 (C.43:16A-11.1), shall be credited to the benefit enhancement fund. If there are excess valuation assets after reductions in normal contributions as authorized in the preceding paragraphs, for a valuation period beginning with the valuation period in which the benefits provided by section 16 of P.L.1964, c.241 (C.43:16A-11.1), as amended by P.L.2003,

c.108 apply, 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 and accrued liability contributions attributable to the provisions of section 16 of P.L.1964, c.241 (C.43:16A-11.1), as amended by P.L.2003, c.108, 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.

The normal and accrued liability contributions for the increased benefits for active employees under section 16 of P.L.1964, c.241 (C.43:16A-11.1), as amended by P.L.2003, c.108, shall be paid from the benefit enhancement fund. If assets in the benefit enhancement fund are insufficient to pay the normal and accrued liability contributions for the increased benefits for a valuation period, the retirement system shall pay the amount of normal and accrued liability contributions for the increased benefits not covered by assets from the benefit enhancement fund.

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.

Notwithstanding the preceding sentence, the normal and accrued liability contributions to be included in the budget of and paid by the employer other than the State shall be as follows: for the payment due in the State fiscal year ending on June 30, 2004, 20% of the amount certified by the retirement system; for the payment due in the State fiscal year ending on June 30, 2005, a percentage of the amount certified by the retirement system as the State Treasurer shall determine but not more than 40%; for the payment due in the State fiscal year ending on June 30, 2006, a percentage of the amount certified by the retirement system as the State Treasurer shall determine but not more than 60%; and for the payment due in the State fiscal year ending on June 30, 2007, a percentage of the amount certified by the retirement system as the State Treasurer shall determine but not more than 80%.

(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.

24. 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 deter-

mine, 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 March 31, 2004 through June 30, 2007, 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, through calendar year 2007, 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.

25. Section 33 of P.L.1973, c.140 (C.43:6A-33) is amended to read as follows:

C.43:6A-33 Computation of contributions; valuation of assets; contingent reserve fund.

33. a. Upon the basis of the tables recommended by the actuary which the commission adopts and regular interest, the actuary shall compute annually, beginning as of June 30, 1992, the amount of the 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 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 June 30, 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.

"Excess valuation assets" means the valuation assets for a valuation period less the actuarial accrued liability for the valuation period, if the sum is greater than zero. If there are excess valuation assets for the valuation period ending June 30, 1996, the normal contributions for the valuation periods ending June 30, 1996 and June 30, 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*. If there are excess valuation assets for a valuation period ending after June 30, 1996, the State Treasurer may reduce the normal contribution payable for the next valuation period as follows:

- (1) for valuation periods ending June 30, 1997 through June 30, 2001, to the extent possible by up to 100% of the excess valuation assets;
- (2) for the valuation period ending June 30, 2002, to the extent possible by up to 84% of the excess valuation assets;
- (3) for the valuation period ending June 30, 2003, to the extent possible by up to 68% of the excess valuation assets; and
- (4) for valuation periods ending June 30, 2004 through June 30, 2007, to the extent possible by up to 50% of the excess valuation assets.

c. The actuary 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 cash death benefits, payable as the result of contribution by the State under the provisions of this act upon the death of a member in active service and after retirement, shall be paid from the contingent reserve fund.

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

26. 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 March 31, 2004 through June 30, 2007, 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, through calendar year 2007, 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 Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the

amount certified annually by the retirement system, which percentage shall be: for payments due in the State fiscal year ending June 30, 2005, 20%; for payments due in the State fiscal year ending June 30, 2006, not more than 40%; for payments due in the State fiscal year ending June 30, 2007, not more than 60%; and for payments due in the State fiscal year ending June 30, 2008, not more than 80%.

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.

27. Section 34 of P.L.1965, c.89 (C.53:5A-34) is amended to read as follows:

C.53:5A-34 Contingent reserve fund.

34. The Contingent Reserve Fund shall be the fund in which shall be credited contributions made by the State.

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 June 30, 1992, the amount of the 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 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 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, 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.

"Excess valuation assets" means the valuation assets for a valuation period less the actuarial accrued liability for the valuation period, if the sum is greater than zero. If there are excess valuation assets for the valuation period ending June 30, 1996, the normal contributions for the valuation periods ending June 30, 1996 and June 30, 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*. If there are excess valuation assets for a

valuation period ending after June 30, 1996, the State Treasurer may reduce the normal contribution payable for the next valuation period as follows:

(1) for valuation periods ending June 30, 1997 through June 30, 2001, to the extent possible by up to 100% of the excess valuation assets;

(2) for the valuation period ending June 30, 2002, to the extent possible by up to 84% of the excess valuation assets;

(3) for the valuation period ending June 30, 2003, to the extent possible by up to 68% of the excess valuation assets; and

(4) for valuation periods ending June 30, 2004 through June 30, 2007, to the extent possible by up to 50% of the excess valuation assets.

c. The actuary 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 certified. In the event the amount certified to be paid by the State includes amounts due for services rendered by members to specific instrumentalities or authorities the total amounts so certified shall be paid to the retirement system by the State; provided, however, the full cost attributable to such services rendered to such instrumentalities and authorities shall be computed separately by the actuary and the State shall be reimbursed for such amounts by such instrumentalities or authorities.

The cash death benefits, payable as the result of contribution by the State under the provisions of this act upon the death of a member in active service and after retirement shall be paid from the Contingent Reserve Fund.

C.43:3C-13 Use of actuarial standards for retirement systems; disclosure, certain.

28. The Teachers' Pension and Annuity Fund, the Judicial Retirement System, the Prison Officers' Pension Fund, the Public Employees' Retirement System, the Consolidated Police and Firemen's Pension Fund, the Police and Firemen's Retirement System, and the State Police Retirement System shall use consistent and generally-accepted actuarial standards, as established by the Governmental Accounting Standards Board or its successor, for the purpose of determining fund or system asset values, obligations and annual employer contributions. Any modification of the assumptions or actuarial methodology at the direction of the State that changes asset values, obligations or annual contributions shall require public disclosure prior to adoption, including a financial impact analysis.

29. Section 8 of P.L. 1961, c. 49 (C.52:14-17.32) is amended to read as follows:

C.52:14-17.32 Health benefits for retirees.

8. a. The basic coverage and the major medical coverage of any employee, and the employee's dependents, if any, shall cease upon the discontinuance of the term of office or employment or upon cessation of active full-time employment subject to such regulations as may be prescribed by the commission for limited continuance of basic coverage and major medical coverage during disability, part-time employment, leave of absence or lay off, and for continuance of basic coverage and major medical coverage after retirement, any such continuance after retirement to be provided at such rates and under such conditions as shall be prescribed by the commission, subject, however, to the requirements hereinafter set forth in this section. Notwithstanding the provisions of any law to the contrary, for law enforcement officers employed by the State for whom there is a majority representative for collective negotiation purposes, and for nonaligned sworn members of the Division of State Police who retire after July 1, 2005, the coverage options available to such employees in retirement shall be limited to those options that were available to the employee on the employee's last day of employment. The commission may also establish regulations prescribing an extension of coverage when an employee or dependent is totally disabled at termination of coverage.

b. Rates payable by retired employees for themselves and their dependents, by active employees for dependents covered by medicare benefits, and by the State or other employer for an active employee alone covered by medicare benefits, shall be determined on the basis of utilization experience according to classifications determined by the commission, provided, however, that the total rate payable by such retired employee for the employee and the employee's dependents, or by such active employee for the employee's dependents and the State or other employer for such active employee alone, for coverage hereunder and for Part B of medicare, shall not exceed by more than 25%, as determined by the commission, the total amount which would have been required to have been paid by the employee and by the State or other employer for the coverage maintained had the employee continued in office or active employment and the employee and the employee's dependents were not eligible for medicare benefits. "Medicare" as used in this act means the coverage provided under Title XVIII of the Social Security Act as amended in 1965, or its successor plan or plans.

c. (1) From funds appropriated therefor, the State shall pay the premium or periodic charges for the benefits provided to a retired State employee and the employee's dependents covered under the program, but not including survivors, if such employee retired from one or more State or locally-

administered retirement systems on a benefit or benefits based in the aggregate on 25 years or more of nonconcurrent service credited in the retirement systems, excluding service credited under the Defined Contribution Retirement Program established pursuant to P.L.2007, c.92 (C.43:15C-1 et al.), and excepting the employee who elected deferred retirement, but including the employee who retired on a disability pension based on fewer years of service credited in the retirement systems and shall also reimburse such retired employee for the premium charges under Part B of the federal medicare program covering the retired employee and the employee's spouse. In the case of full-time employees of the Rutgers University Cooperative Extension Service, service credited in the federal Civil Service Retirement System (5 U.S.C.s.8331 et seq.) which was earned as a result of full-time employment at Rutgers University, may be considered alone or in combination with service credited in one or more State or locally-administered retirement systems for the purposes of establishing the minimum 25-year service requirement to qualify for the benefits provided in this section. Any full-time employee of the Rutgers University Cooperative Extension Service who meets the eligibility requirements set forth in this amendatory act shall be eligible for the benefits provided in this section, provided that at the time of retirement such employee was covered by the State Health Benefits Program and elected to continue such coverage into retirement.

(2) Notwithstanding the provisions of this section to the contrary, from funds appropriated therefor, the State shall pay the premium or periodic charges for the benefits provided to a retired State employee and the employee's dependents covered under the program, but not including survivors, if: (a) the employee retires on or after the effective date of this 1987 amendatory act; (b) the employee was employed by Rutgers University prior to January 2, 1955 and remained in continuous service with Rutgers University until retirement even though the employee (i) did not join a State-administered retirement system, or, (ii) became a member of a State-administered retirement system, but accumulated less than 25 years of credited service; and (c) the employee is covered by the program at the time of retirement.

(3) Notwithstanding the provisions of this section to the contrary, in the case of an employee of a State college, as described in chapter 64 of Title 18A of the New Jersey Statutes, or of a county college, as defined in N.J.S.18A:64A-1, service credited in a private defined contribution retirement plan which was earned as an employee of an auxiliary organization, as defined in section 2 of P.L.1982, c.16 (C.18A:64-27), at a State or county college shall be considered in combination with service credited in a State-administered retirement system for the purposes of establishing the mini-

num 25-year service requirement to qualify for the benefits provided in this section, provided that the employee is covered by the program at the time of retirement.

(4) Notwithstanding the provisions of this section to the contrary, from funds appropriated therefor, the State shall pay the premium or periodic charges for the benefits provided to a retired State employee and any dependents covered under the program, but not including survivors, if the employee: (a) retired prior to the effective date of this act, P.L.1997, c.335 (C.52:14-17.32), under the State Police Retirement System, established pursuant to P.L.1965, c.89 (C.53:5A-1 et seq.), with more than 20 but less than 25 years of service credit in the retirement system; (b) was subsequently employed by the State in another position or positions not covered by the State Police Retirement System; (c) has, in the aggregate, at least 30 years of full-time employment with the State; and (d) is covered by the program at the time of terminating full-time employment with the State.

30. Section 7 of P.L.1964, c.125 (C.52:14-17.38) is amended to read as follows:

C.52:14-17.38 Certification of premium rates, charges; Medicare premiums; employer obligations.

7. a. The Division of Pensions and Benefits shall certify to the certifying agent of each employer electing participation under the program the premium rates and periodic charges applicable to the coverage provided for employees and dependents. The participating employer shall remit to the division all contributions to premiums and periodic charges in advance of their due dates, subject to the rules and regulations of the commission.

Notwithstanding the provisions of any other law to the contrary, the obligations of a participating employer other than the State to pay the premium or periodic charges for health benefits coverage provided under P.L.1961, c.49 (C.52:14-17.25 et seq.) may be determined by means of a binding collective negotiations agreement. With respect to employees for whom there is no majority representative for collective negotiations purposes, the employer may, in its sole discretion, modify the respective payment obligations set forth in law for the employer and such employees in a manner consistent with the terms of any collective negotiations agreement binding on the employer.

b. (1) From funds allocated therefor, the employer other than the State, upon the adoption and submission to the division of an appropriate resolution prescribed by the commission, may pay the premium or periodic

charges for the benefits provided to a retired employee and the employee's dependents covered under the program, if the employee retired from a State or locally-administered retirement system, excepting the employee who elected deferred retirement, and may also reimburse the retired employee for the employee's premium charges under Part B of Medicare covering the retired employee and the employee's spouse if the employee:

(a) retired on a disability pension; or

(b) retired after 25 or more years of nonconcurrent service credit in one or more State or locally-administered retirement systems, excluding service credited under the Defined Contribution Retirement Program established pursuant to P.L.2007, c.92 (C.43:15C-1 et al.), and a period of service of up to 25 years with the employer at the time of retirement, such period of service to be determined by the employer and set forth in an ordinance or resolution as appropriate; or

(c) retired and reached the age of 65 years or older with 25 years or more of nonconcurrent service credit in one or more State or locally-administered retirement systems, excluding service credited under the Defined Contribution Retirement Program, and a period of service of up to 25 years with the employer at the time of retirement, such period of service to be determined by the employer and set forth in an ordinance or resolution as appropriate; or

(d) retired and reached the age of 62 years or older with at least 15 years of service with the employer, excluding service credited under the Defined Contribution Retirement Program.

"Retired employee and the employee's dependents" may, upon adoption of an appropriate resolution therefor by the participating employer, also include otherwise eligible employees, and their dependents, who retired from one or more State or locally-administered retirement systems prior to the date that the employer became a participating employer in the New Jersey State Health Benefits Program or who did not elect to continue coverage in the program during such time after the employer became a participating employer that the employer did not pay premium or periodic charges for benefits to retired employees and their dependents pursuant to this section. Eligibility and enrollment of such employees and dependents shall be in accordance with such rules and regulations as may be adopted by the State Health Benefits Commission.

The employer other than the State may, by resolution, pay the premium or periodic charges for the benefits provided to the surviving spouse of a retired employee and the employee's dependents covered under the program as provided in this section.

(2) Notwithstanding the provisions of any other law to the contrary, the obligations of an employer other than the State, except an independent State authority, board, commission, corporation, agency, or organization deemed to be covered by section 6 of P.L.1996, c.8 (C.52:14-17.28b) and except school boards whose employees are covered by section 3 of P.L.1987, c.384 (C.52:14-17.32f), section 2 of P.L.1992, c.126 (C.52:14-17.32f1) and section 1 of P.L.1995, c.357 (C.52:14-17.32f2), to pay the premium or periodic charges for health benefits coverage under the provisions of paragraph (1) may be determined by means of a binding collective negotiations agreement, including any agreement in force at the time of the adoption of this act, P.L.1999, c.48. With respect to employees for whom there is no majority representative for collective negotiations purposes, the employer may, in its sole discretion, determine the payment obligations for the employer and the employees, except that if there are collective negotiations agreements binding upon the employer for employees who are within the same community of interest as employees in a collective negotiations unit but are excluded from participation in the unit by the "New Jersey Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1 et seq.), the payment obligations shall be determined in a manner consistent with the terms of any collective negotiations agreement applicable to the collective negotiations unit.

c. Notwithstanding the provisions of any other law to the contrary, the payment obligations of an employee of an employer other than the State, except an independent State authority, board, commission, corporation, agency, or organization, for health benefits coverage under subsection b. shall be the payment obligations applicable to the employee on the date the employee retires on a disability pension or the date the employee meets the service credit and service requirements for the employer payment for the coverage, as the case may be.

C.52:14-17.29I Disease and chronic care management plan.

31. The State Health Benefits Commission shall ensure that every contract purchased by the commission on or after the effective date of P.L.2007, c.92 (C.43:15C-1 et al.) to provide benefits under the State managed care plans includes a disease and chronic care management plan for specified conditions meeting nationally recognized accreditation standards and including specified outcome measures and objectives for disease and chronic care management.

32. N.J.S.18A:66-35 is amended to read as follows:

Loans, interest rates, administrative fees.

18A:66-35. Any member who has at least 3 years of service to his credit for which he has contributed as a member may borrow from the retirement system, an amount equal to not more than 50% of the amount of his accumulated deductions, but not less than \$50.00; provided, that the amount so borrowed, together with interest thereon, can be repaid by additional deductions from compensation, not in excess of 25% of the member's compensation, made at the same time compensation is paid to the member. The amount so borrowed, together with interest on any unpaid balance thereof, shall be repaid to the retirement system in equal installments by deduction from the compensation of the member at the time the compensation is paid or in such lump sum amount to repay the balance of the loan but such installment shall be at least equal to the member's rate of contribution to the retirement system and at least sufficient to repay the amount borrowed with interest thereon. Not more than two loans may be granted to any member in any calendar year. Notwithstanding any other law affecting the salary or compensation of any person or persons to whom this article applies or shall apply, the additional deductions required to repay the loan shall be made.

The rate of interest for a loan requested by a member prior to the effective date of P.L.2007, c.92 (C.43:15C-1 et al.) shall be 4% per annum on any unpaid balance thereof. For a loan requested after the effective date of that act, the rate of interest per annum shall be a commercially reasonable rate as required by the Internal Revenue Code to be determined by the State Treasurer on that effective date, and on January 1 of each calendar year thereafter. An administrative fee in an amount set by the State Treasurer for each calendar year may be charged for any loan requested after the effective date of P.L.2007, c.92 (C.43:15C-1 et al.). Loans shall be made to a member from his accumulated deductions. The interest earned on such loans shall be treated in the same manner as interest earned from investments of the retirement system.

33. Section 2 of P.L.1981, c.212 (C.18A:66-35.1) is amended to read as follows:

C.18A:66-35.1 Repayment of loans after retirement of members of TPAF.

2. In the case of any member who retires without paying the full amount so borrowed, the Division of Pensions and Benefits shall deduct from the retirement benefit payments the same monthly amount which was deducted from the compensation of the member immediately preceding

retirement until the balance of the amount borrowed together with the interest is repaid. In the case of a pensioner who dies before the outstanding balance of the loan and interest thereon has been recovered, the remaining balance shall be repaid from the proceeds of any other benefit payable on the account of the pensioner either in the form of monthly payments due to his beneficiaries or in the form of lump sum payments payable for pension or group life insurance.

34. Section 1 of P.L.1997, c.25 (C.43:6A-34.3) is amended to read as follows:

C.43:6A-34.3 Borrowing by members from retirement system, interest rates.

1. Notwithstanding any provision to the contrary, any member who has at least three years of service to the member's credit for which the member has contributed as a member may borrow from the retirement system, an amount equal to not more than 50% of the amount of the member's accumulated deductions, but not less than \$50.00; provided, that the amount so borrowed, together with interest thereon, can be repaid by additional deductions from compensation, not in excess of 25% of the member's compensation, made at the same time compensation is paid to the member. The amount so borrowed, together with interest on any unpaid balance thereof, shall be repaid to the retirement system in equal installments by deduction from the compensation of the member at the time the compensation is paid or in such lump sum amount to repay the balance of the loan but such installments shall be at least equal to the member's rate of contribution to the retirement system and at least sufficient to repay the amount borrowed with interest thereon. Not more than two loans may be granted to any member in any calendar year. Notwithstanding any other law affecting the salary or compensation of any person or persons to whom this act applies or shall apply, the additional deductions required to repay the loan shall be made.

The rate of interest for a loan requested by a member prior to the effective date of P.L.2007, c.92 (C.43:15C-1 et al.) shall be 4% per annum on any unpaid balance thereof. For a loan requested after the effective date of that act, the rate of interest per annum shall be a commercially reasonable rate as required by the Internal Revenue Code to be determined by the State Treasurer on that effective date, and on January 1 of each calendar year thereafter. An administrative fee in an amount set by the State Treasurer for each calendar year may be charged for any loan requested after the effective date of P.L.2007, c.92 (C.43:15C-1 et al.).

Loans shall be made to a member from the member's accumulated deductions. The interest earned on such loans shall be treated in the same manner as interest earned from investments of the retirement system.

35. Section 2 of P.L.1997, c.25 (C.43:6A-34.4) is amended to read as follows:

C.43:6A-34.4 Repayment of loans after retirement of members of JRS.

2. In the case of any member who retires without repaying the full amount so borrowed, the Division of Pensions and Benefits shall deduct from the retirement benefit payments the same monthly amount which was deducted from the compensation of the member immediately preceding retirement until the balance of the amount borrowed together with the interest is repaid. In the case of a pensioner who dies before the outstanding balance of the loan and interest thereon has been recovered, the remaining balance shall be repaid from the proceeds of any other benefits payable on the account of the pensioner either in the form of monthly payments due to the pensioner's beneficiaries or in the form of lump sum payments payable for pension or group life insurance.

36. Section 34 of P.L.1954, c.84 (C.43:15A-34) is amended to read as follows:

C.43:15A-34 Borrowing from fund by members, interest rates.

34. Any member who has at least 3 years of service to his credit for which he has contributed as a member may borrow from the retirement system, an amount equal to not more than 50% of the amount of his accumulated deductions, but not less than \$50.00; provided, that the amount so borrowed, together with interest thereon, can be repaid by additional deductions from compensation, not in excess of 25% of the member's compensation, made at the same time compensation is paid to the member. The amount so borrowed, together with interest on any unpaid balance thereof, shall be repaid to the retirement system in equal installments by deduction from the compensation of the member at the time the compensation is paid or in such lump sum amount to repay the balance of the loan but such installments shall be at least equal to the member's rate of contribution to the retirement system and at least sufficient to repay the amount borrowed with interest thereon. Not more than two loans may be granted to any member in any calendar year. Notwithstanding any other law affecting the salary or compensation of any person or persons to whom this act applies or shall apply, the additional deductions required to repay the loan shall be made.

The rate of interest for a loan requested by a member prior to the effective date of P.L.2007, c.92 (C.43:15C-1 et al.) shall be 4% per annum on any unpaid balance thereof. For a loan requested after the effective date of that act, the rate of interest per annum shall be a commercially reasonable rate as required by the Internal Revenue Code to be determined by the State Treasurer on that effective date, and on January 1 of each calendar year thereafter. An administrative fee in an amount set by the State Treasurer for each calendar year may be charged for any loan requested after the effective date of P.L.2007, c.92 (C.43:15C-1 et al.).

Loans shall be made to a member from his accumulated deductions. The interest earned on such loans shall be treated in the same manner as interest earned from investments of the retirement system.

37. Section 2 of P.L.1981, c.55 (C.43:15A-34.1) is amended to read as follows:

C.43:15A-34.1 Repayment of loans after retirement of members of PERS.

2. In the case of any member who retires without repaying the full amount so borrowed, the Division of Pensions and Benefits shall deduct from the retirement benefit payments the same monthly amount which was deducted from the compensation of the member immediately preceding retirement until the balance of the amount borrowed together with the interest is repaid. In the case of a pensioner who dies before the outstanding balance of the loan and interest thereon has been recovered, the remaining balance shall be repaid from the proceeds of any other benefits payable on the account of the pensioner either in the form of monthly payments due to his beneficiaries or in the form of lump sum payments payable for pension or group life insurance.

38. Section 18 of P.L.1964, c.241 (C.43:16A-16.1) is amended to read as follows:

C.43:16A-16.1 Loan to members, interest rates, repayment.

18. Any member who has at least 3 years of service to his credit for which he has contributed as a member may borrow from the retirement system, an amount equal to not more than 50% of the amount of his aggregate contributions, but not less than \$50.00; provided that the amount so borrowed, together with interest thereon, can be repaid by additional deductions from salary, not in excess of 25% of the member's salary, made at the time the salary is paid to the member. The amount so borrowed, together

with interest on any unpaid balance thereof, shall be repaid to the retirement system in equal installments by deductions from the salary of the member at the time the salary is paid or in such lump sum amount to repay the balance of the loan but such installments shall be at least equal to the member's rate of contribution to the retirement system and at least sufficient to repay the amount borrowed with interest thereon. Not more than two loans may be granted to any member in any calendar year. Notwithstanding any other law affecting the salary or compensation of any person or persons to whom this act applies or shall apply, the additional deductions required to repay the loan shall be made.

The rate of interest for a loan requested by a member prior to the effective date of P.L.2007, c.92 (C.43:15C-1 et al.) shall be 4% per annum on any unpaid balance thereof. For a loan requested after the effective date of that act, the rate of interest per annum shall be a commercially reasonable rate as required by the Internal Revenue Code to be determined by the State Treasurer on that effective date, and on January 1 of each calendar year thereafter. An administrative fee in an amount set by the State Treasurer for each calendar year may be charged for any loan requested after the effective date of P.L.2007, c.92 (C.43:15C-1 et al.).

Loans shall be made to a member from his aggregate contributions. The interest earned on such loans shall be treated in the same manner as interest earned from investments of the retirement system.

39. Section 2 of P.L.1981, c.370 (C.43:16A-16.2) is amended to read as follows:

C.43:16A-16.2 Repayment of loans after retirement of member of PFRS.

2. In the case of any member who retires without repaying the full amount so borrowed, the Division of Pensions and Benefits shall deduct from the retirement benefit payments the same monthly amount which was deducted from the compensation of the member immediately preceding retirement until the balance of the amount borrowed together with the interest is repaid. In the case of a pensioner who dies before the outstanding balance of the loan and interest thereon has been recovered, the remaining balance shall be repaid from the proceeds of any other benefits payable on the account of the pensioner either in the form of monthly payments due to his beneficiaries or in the form of lump sum payments payable for pension or group life insurance.

40. Section 29 of P.L.1965, c.89 (C.53:5A-29) is amended to read as follows:

C.53:5A-29 Loan terms; repayment after retirement of member of SPRS.

29. Any member who has at least three years of service to the member's credit for which the member has contributed as a member may borrow from the retirement system, an amount equal to not more than 50% of the amount of the member's aggregate contributions, but not less than \$50.00; provided, that the amount so borrowed, together with interest thereon, can be repaid by additional deductions from salary, not in excess of 25% of the member's salary, made at the time the salary is paid to the member. The amount so borrowed, together with interest on any unpaid balance thereof, shall be repaid to the retirement system in equal installments by deductions from the salary of the member at the time the salary is paid or in such lump sum amount to repay the balance of the loan but such installments shall be at least equal to the member's rate of contribution to the retirement system and at least sufficient to repay the amount borrowed with interest thereon. Not more than two loans may be granted to any member in any calendar year. Notwithstanding any other law affecting the salary or compensation of any person or persons to whom this act applies or shall apply, the additional deductions required to repay the loan shall be made.

The rate of interest for a loan requested by a member prior to the effective date of P.L.2007, c.92 (C.43:15C-1 et al.) shall be 4% per annum on any unpaid balance thereof. For a loan requested after the effective date of that act, the rate of interest per annum shall be a commercially reasonable rate as required by the Internal Revenue Code to be determined by the State Treasurer on that effective date, and on January 1 of each calendar year thereafter. An administrative fee in an amount set by the State Treasurer for each calendar year may be charged for any loan requested after the effective date of P.L.2007, c.92 (C.43:15C-1 et al.).

Loans shall be made to a member from the member's aggregate contributions. The interest earned on such loans shall be treated in the same manner as interest earned from investments of the retirement system.

In the case of any member who retires without repaying the full amount so borrowed, the Division of Pensions and Benefits shall deduct from the retirement allowance payments the same monthly amount which was deducted from the salary of the member immediately preceding retirement until the balance of the amount borrowed together with the interest is repaid. In the case of a retirant who dies before the outstanding balance of the loan and interest thereon has been recovered, the remaining balance shall be repaid from the proceeds of any other benefits payable on the account of the retirant either in the form of monthly payments due to the reti-

rant's beneficiaries or in the form of lump sum payments payable for pension or group life insurance.

C.43:3C-9.6 Accrued benefits, rights of members.

41. a. Upon the termination of the Teachers' Pension and Annuity Fund, the Public Employees' Retirement System, the Judicial Retirement System, the Police and Firemen's Retirement System, the State Police Retirement System, the Prison Officers' Pension Fund, or the Consolidated Police and Firemen's Fund, or upon complete discontinuance of contributions to any of the retirement systems, the rights of all members of such retirement system to benefits accrued to the date of such termination or discontinuance, to the extent then funded, are non-forfeitable.

b. Notwithstanding any law, rule or regulation to the contrary, the form and timing of all distributions from the Teachers' Pension and Annuity Fund, the Public Employees' Retirement System, the Judicial Retirement System, the Police and Firemen's Retirement System, the State Police Retirement System, the Prison Officers' Pension Fund, or the Consolidated Police and Firemen's Fund, to a member, or to the beneficiary of a member if the member dies before the member's entire interest has been distributed, shall conform to the required distribution provisions of section 401(a)(9) of the federal Internal Revenue Code and the regulations issued by the United States Department of the Treasury under that Code section, including the incidental death benefit requirements of section 401(a)(9)(G) of the federal Internal Revenue Code. In addition, in no event shall payments under any of the retirement systems commence to be paid to a member later than the member's required beginning date, without regard to whether the member has filed application therefor. For this purpose, a member's required beginning date is the April 1 of the calendar year following the later of (1) the calendar year in which the member attains age 70 ½ or (2) the calendar year in which the member retires. The actuarial adjustment described in section 401(a)(9)(C)(iii) of the federal Internal Revenue Code shall not apply.

C.11A:6-19.1 Payment of accumulated sick leave by political subdivision under civil service.

42. Notwithstanding any law, rule or regulation to the contrary, a political subdivision of the State, or an agency, authority or instrumentality thereof, that has adopted the provisions of Title 11A of the New Jersey Statutes, shall not pay supplemental compensation to any officer or employee for accumulated unused sick leave in an amount in excess of \$15,000, except that an officer or employee who:

(1) on the effective date of P.L.2007, c.92 (C.43:15C-1 et al.), or upon the expiration of a collective negotiations agreement or contract of employment applicable to that officer or employee in effect on that date has accrued supplemental compensation based upon accumulated unused sick leave shall, upon retirement, be eligible to receive for any unused leave not more than the amount so accumulated or not more than \$15,000, whichever is greater; or

(2) becomes an officer or employee after the effective date of P.L.2007, c.92 (C.43:15C-1 et al.) and has previously accrued supplemental compensation based upon accumulated unused sick leave shall, upon retirement, be eligible to receive for any unused leave not more than the amount so previously accumulated or not more than \$15,000, whichever is greater.

Supplemental compensation shall be payable only at the time of retirement from a State-administered or locally-administered retirement system based on the leave credited on the date of retirement.

As used in this section, "officer or employee" means an elected official; or a person appointed by the Governor with the advice and consent of the Senate, or appointed by the Governor to serve at the pleasure of the Governor only during his or her term of office; or a person appointed by an elected public official or elected governing body of a political subdivision of the State, with the specific consent or approval of the elected governing body of the political subdivision that is substantially similar in nature to the advice and consent of the Senate for appointments by the Governor of the State as that similarity is determined by the elected governing body and set forth in an adopted ordinance or resolution, pursuant to guidelines or policy that shall be established by the Local Finance Board in the Department of Community Affairs, but not including a person who is employed or appointed in the regular or normal course of employment or appointment procedures and consented to or approved in a general or routine manner appropriate for and followed by the political subdivision, or the agency, authority or instrumentality of a subdivision, or a person who holds a professional license or certificate to perform and is performing as a certified health officer, tax assessor, tax collector, municipal planner, chief financial officer, registered municipal clerk, construction code official, licensed uniform subcode inspector, qualified purchasing agent, or certified public works manager.

C.40A:9-10.2 Payment for accumulated sick leave by political subdivision, noncivil service.

43. Notwithstanding any law, rule or regulation to the contrary, a political subdivision of the State, or an agency, authority or instrumentality

thereof, that has not adopted the provisions of Title 11A of the New Jersey Statutes, shall not pay supplemental compensation to any officer or employee for accumulated unused sick leave in an amount in excess of \$15,000, except that an officer or employee who:

(1) on the effective date of P.L.2007, c.92 (C.43:15C-1 et al.), or upon the expiration of a collective negotiations agreement or contract of employment applicable to that officer or employee in effect on that date has accrued supplemental compensation based upon accumulated unused sick leave shall, upon retirement, be eligible to receive for any unused leave not more than the amount so accumulated or not more than \$15,000, whichever is greater; or

(2) becomes an officer or employee after the effective date of P.L.2007, c.92 (C.43:15C-1 et al.) and has previously accrued supplemental compensation based upon accumulated unused sick leave shall, upon retirement, be eligible to receive for any unused leave not more than the amount so previously accumulated or not more than \$15,000, whichever is greater.

Supplemental compensation shall be payable only at the time of retirement from a State-administered or locally-administered retirement system based on the leave credited on the date of retirement.

As used in this section, "officer or employee" means an elected official; or a person appointed by the Governor with the advice and consent of the Senate, or appointed by the Governor to serve at the pleasure of the Governor only during his or her term of office; or a person appointed by an elected public official or elected governing body of a political subdivision of the State, with the specific consent or approval of the elected governing body of the political subdivision that is substantially similar in nature to the advice and consent of the Senate for appointments by the Governor of the State as that similarity is determined by the elected governing body and set forth in an adopted ordinance or resolution, pursuant to guidelines or policy that shall be established by the Local Finance Board in the Department of Community Affairs, but not including a person who is employed or appointed in the regular or normal course of employment or appointment procedures and consented to or approved in a general or routine manner appropriate for and followed by the political subdivision, or the agency, authority or instrumentality of a subdivision, or a person who holds a professional license or certificate to perform and is performing as a certified health officer, tax assessor, tax collector, municipal planner, chief financial officer, registered municipal clerk, construction code official, licensed uniform subcode inspector, qualified purchasing agent, or certified public works manager.

C.18A:30-3.5 Payment for accumulated sick leave by board of education.

44. Notwithstanding any law, rule or regulation to the contrary, a board of education, or an agency or instrumentality thereof, shall not pay supplemental compensation to any officer or employee for accumulated unused sick leave in an amount in excess of \$15,000, except that an officer or employee who:

(1) on the effective date of P.L.2007, c.92 (C.43:15C-1 et al.), or upon the expiration of a collective negotiations agreement or contract of employment applicable to that officer or employee in effect on that date has accrued supplemental compensation based upon accumulated unused sick leave shall, upon retirement, be eligible to receive for any unused leave not more than the amount so accumulated or not more than \$15,000, whichever is greater; or

(2) becomes an officer or employee after the effective date of P.L.2007, c.92 (C.43:15C-1 et al.) and has previously accrued supplemental compensation based upon accumulated unused sick leave shall, upon retirement, be eligible to receive for any unused leave not more than the amount so previously accumulated or not more than \$15,000, whichever is greater.

Supplemental compensation shall be payable only at the time of retirement from a State-administered or locally-administered retirement system based on the leave credited on the date of retirement.

As used in this section, "officer or employee" means an elected official; or a person appointed by the Governor with the advice and consent of the Senate, or appointed by the Governor to serve at the pleasure of the Governor only during his or her term of office; or a person appointed by an elected public official or elected governing body of the political subdivision, with the specific consent or approval of the elected governing body of the political subdivision that is substantially similar in nature to the advice and consent of the Senate for appointments by the Governor of the State as that similarity is determined by the elected governing body and set forth in an adopted resolution, pursuant to guidelines or policy that shall be established by the Department of Education, but not including a person who is employed or appointed in the regular or normal course of employment or appointment procedures and consented to or approved in a general or routine manner appropriate for and followed by the political subdivision, or the agency or instrumentality thereof.

C.40A:9-10.3 Payment for accumulated vacation leave by political subdivision, non-civil service.

45. Notwithstanding any law or any rule or regulation to the contrary, an officer or employee of a political subdivision of the State, or an agency,

authority, or instrumentality of a subdivision, that has not adopted the provisions of Title 11A, Civil Service, of the New Jersey Statutes, who does not take vacation leave that accrues on or after the effective date of P.L.2007, c.92 (C.43:15C-1 et al.), or on or after the date on which the person becomes an officer or employee, in a given year because of business demands shall be granted that accrued leave only during the next succeeding year.

However, vacation leave not taken in a given year because of duties directly related to a state of emergency declared by the Governor may accumulate at the discretion of the appointing authority until, pursuant to a plan established by the officer or employee's appointing authority, the leave is used or the employee or officer is compensated for that leave, which shall not be subject to collective negotiation or collective bargaining.

A person who (1) is an officer or employee on the effective date of P.L.2007, c.92 (C.43:15C-1 et al.), or (2) becomes an officer or employee after that effective date, and has previously accrued vacation leave shall be eligible and shall be permitted to retain and use that accrued vacation leave.

As used in this section, "officer or employee" means an elected official; or a person appointed by the Governor with the advice and consent of the Senate, or appointed by the Governor to serve at the pleasure of the Governor only during his or her term of office; or a person appointed by an elected public official or elected governing body of a political subdivision of the State, with the specific consent or approval of the elected governing body of the political subdivision that is substantially similar in nature to the advice and consent of the Senate for appointments by the Governor of the State as that similarity is determined by the elected governing body and set forth in an adopted ordinance or resolution, pursuant to guidelines or policy that shall be established by the Local Finance Board in the Department of Community Affairs, but not including a person who is employed or appointed in the regular or normal course of employment or appointment procedures and consented to or approved in a general or routine manner appropriate for and followed by the political subdivision, or the agency, authority or instrumentality of a subdivision, or a person who holds a professional license or certificate to perform and is performing as a certified health officer, tax assessor, tax collector, municipal planner, chief financial officer, registered municipal clerk, construction code official, licensed uniform subcode inspector, qualified purchasing agent, or certified public works manager.

C.18A:30-9 Payment for accumulated vacation leave by board of education.

46. Notwithstanding any law, rule or regulation to the contrary, an officer or employee of a board of education, or an agency or instrumentality

thereof, who does not take vacation leave that accrues on or after the effective date of P.L.2007, c.92 (C.43:15C-1 et al.), or on or after the date on which the person becomes an officer or employee, in a given year because of business demands shall be granted that accrued leave only during the next succeeding year.

However, vacation leave not taken in a given year because of duties directly related to a state of emergency declared by the Governor may accumulate at the discretion of the appointing authority until, pursuant to a plan established by the officer or employee's appointing authority, the leave is used or the employee or officer is compensated for that leave, which shall not be subject to collective negotiation or collective bargaining.

A person who (1) is an officer or employee on the effective date of P.L.2007, c.92 (C.43:15C-1 et al.), or (2) becomes an officer or employee after that effective date, and has previously accrued vacation leave shall be eligible and shall be permitted to retain and use that accrued vacation leave.

As used in this section, "officer or employee" means an elected official; or a person appointed by the Governor with the advice and consent of the Senate, or appointed by the Governor to serve at the pleasure of the Governor only during his or her term of office; or a person appointed by an elected public official or elected governing body of the political subdivision, with the specific consent or approval of the elected governing body of the political subdivision that is substantially similar in nature to the advice and consent of the Senate for appointments by the Governor of the State as that similarity is determined by the elected governing body and set forth in an adopted resolution, pursuant to guidelines or policy that shall be established by the Department of Education, but not including a person who is employed or appointed in the regular or normal course of employment or appointment procedures and consented to or approved in a general or routine manner appropriate for and followed by the political subdivision, or the agency or instrumentality thereof.

47. Nothing contained in sections 42 through 46 of P.L.2007, c.92 (C.11A:6-19.1, C.40A:9-10.2, C.18A:30-3.5, C.40A:9-10.3 and C.18A:30-9) shall be construed as affecting the provisions of any collective bargaining agreement or individual contract of employment in effect on that act's effective date.

48. Section 36 of P.L.1995, c.259 (C.52:14-17.31a) is amended to read as follows:

C.52:14-17.31a Employee permitted to waive benefits coverage under SHBP.

36. Notwithstanding the provisions of any other law to the contrary, an employer other than the State 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 other health care coverage to waive coverage under the State Health Benefits Program to which the employee is entitled by virtue of employment with the employer. 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 employer 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 employer the amount of any premium previously paid by the employer with respect to any period of coverage which followed the filing date. In consideration of filing such a waiver, an employer may pay to the employee annually an amount, to be established in the sole discretion of the employer, which shall not exceed 50% of the amount saved by the employer 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 eligible for other health care coverage 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 employer 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 employer 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 an employer 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.

49. This act shall take effect on the 30th day after the date of enactment, except that sections 1 through 19 shall take effect on July 1, 2007 and section 20 shall take effect January 1, 2008, but the State may take such anticipatory administrative action in advance thereof as shall be necessary for the implementation of this act.

Approved May 9, 2007.

CHAPTER 93

AN ACT concerning principal and income guidelines for trusts and estates and amending P.L.2001, c.212.

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

1. Section 4 of P.L.2001, c.212 (C.3B:19B-4) is amended to read as follows:

C.3B:19B-4 Trustee's power to adjust.

4. Trustee's Power to Adjust.

a. A trustee may adjust between principal and income if the terms of the trust describe the amount that may or shall be distributed to a beneficiary by referring to the trust's income and the trustee determines, after applying the rules in subsection a. of section 3 of this act, that the trustee is unable to comply with subsection b. of section 3 of this act. A decision by a trustee to adjust the distribution to the income beneficiary or beneficiaries in any accounting period to an amount not less than three percent nor more than five percent, or in accordance with such other percentages as may be approved for trust distribution adjustment purposes from time to time by the United States Department of the Treasury or the Internal Revenue Service, of the net fair market value of the trust assets on the first business day of that accounting period shall be presumed to be fair and reasonable to all of the beneficiaries. Any adjustment by a trustee between income and principal with respect to any accounting period shall be made during that accounting period or within 65 days after the end of that period.

This subsection shall apply to a trust that is administered in New Jersey under New Jersey law unless contrary to the provisions of the governing instrument.

b. In deciding whether and to what extent to exercise the power conferred by subsection a. of this section, a trustee shall consider all factors relevant to the trust and its beneficiaries, including the following factors to the extent they are relevant:

- (1) the nature, purpose and expected duration of the trust;
- (2) the intent of the settlor;
- (3) the identity and circumstances of the beneficiaries;
- (4) the needs for liquidity, regularity of income and preservation and appreciation of capital;

(5) the assets held in the trust; the extent to which they consist of financial assets, interests in closely held enterprises, tangible and intangible personal property or real property; the extent to which an asset is used by a beneficiary; and whether an asset was purchased by the trustee or received from the settlor;

(6) the net amount allocated to income under the other sections of this act and the increase or decrease in the value of the principal assets, which the trustee may estimate as to assets for which market values are not readily available;

(7) whether and to what extent the terms of the trust give the trustee the power to invade principal or accumulate income or prohibit the trustee from invading principal or accumulating income, and the extent to which the trustee has exercised a power from time to time to invade principal or accumulate income;

(8) the actual and anticipated effect of economic conditions on principal and income and effects of inflation and deflation;

(9) the shifting of economic interests or tax benefits between income beneficiaries and remainder beneficiaries that arise from elections and decisions regarding tax matters, the imposition of an income or other tax on the fiduciary or a beneficiary as a result of a transaction involving a distribution from the estate or trust, or the ownership of an interest in an entity whose taxable income, whether or not distributed, is includable in the taxable income of the estate, trust or a beneficiary; and

(10) the anticipated tax consequences of an adjustment.

c. A trustee shall not make an adjustment:

(1) that diminishes the income interest in a trust that requires all of the income to be paid at least annually to a spouse and for which an estate tax or gift tax marital deduction would be allowed, in whole or in part, if the trustee did not have the power to make the adjustment;

(2) that reduces the actuarial value of the income interest in a trust to which a person transfers property with the intent to qualify for a gift tax exclusion;

(3) that changes the amount payable to a beneficiary as a fixed annuity or a fixed fraction of the value of the trust assets;

(4) from any amount that is permanently set aside for charitable purposes under a will or the terms of a trust unless both income and principal are so set aside;

(5) if possessing or exercising the power to make an adjustment causes an individual to be treated as the owner of all or part of the trust for income tax purposes, and the individual would not be treated as the owner if the trustee did not possess the power to make an adjustment;

(6) if possessing or exercising the power to make an adjustment causes all or part of the trust assets to be included for estate tax purposes in the estate of an individual who has the power to remove a trustee or appoint a trustee, or both, and the assets would not be included in the estate of the individual if the trustee did not possess the power to make an adjustment; .

(7) if the trustee is a beneficiary of the trust; or

(8) that satisfies the trustee's obligation of support or other legal obligation.

d. If paragraph (5), (6), (7) or (8) of subsection c. of this section applies to a trustee and there is more than one trustee, a co-trustee to whom the provision does not apply may make the adjustment unless the exercise of the power by the remaining trustee or trustees is not permitted by the terms of the trust.

e. A trustee may release the entire power conferred by subsection a. of this section or may release only the power to adjust from income to principal or the power to adjust from principal to income if the trustee is uncertain about whether possessing or exercising the power will cause a result described in paragraphs (1) through (6) or (8) of subsection c. of this section, or if the trustee determines that possessing or exercising the power will or may deprive the trust of a tax benefit or impose a tax burden not described in subsection c. of this section. The release may be permanent or for a specified period, including a period measured by the life of an individual.

f. Terms of a trust that limit the power of a trustee to make an adjustment between principal and income do not affect the application of this section unless it is clear from the terms of the trust that the terms are intended to deny the trustee the power of adjustment conferred by subsection a. of this section.

2. This act shall take effect immediately.

Approved May 9, 2007.

CHAPTER 94

AN ACT concerning certain taxes and energy charges of certain manufacturing facilities, and amending and supplementing P.L.1997, c.162 and supplementing Title 48 of the Revised Statutes.

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

1. Section 33 of P.L.1997, c.162 (C.54:32B-8.47) is amended to read as follows:

C.54:32B-8.47 Energy and utility service, certain, exempt sales, refunds.

33. a. Receipts from the sale or use of energy and utility service to or by a utility corporation or person that was subject to the provisions of P.L.1940, c.4 (C.54:30A-16 et seq.), as of April 1, 1997, or currently or formerly subject to taxation pursuant to P.L.1940, c.5 (C.54:30A-49 et seq.), for their own use and consumption, are exempt from the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

b. Receipts from the sale or use of energy and utility service made pursuant to a contract described in section 59 of P.L.1997, c.162 (C.48:2-21.31) shall be exempt from the tax imposed under the "Sales and Use Tax Act."

c. (1) As used in this subsection, "manufacturing facility" means a facility:

(a) with respect to which the owner of the facility shall have entered into an off-tariff rate agreement with an electric public utility, pursuant to the provisions of P.L.1995, c.180 (C.48:2-21.24 et seq.);

(b) that manufactures products made from using "postconsumer material," as that term is defined in 40 C.F.R. s.247.3, and other recovered material feedstocks that meet the requirements of the Comprehensive Procurement Guideline For Products Containing Recovered Materials as promulgated by the United States Environmental Protection Agency in 40 C.F.R. s.247.1 et seq., pursuant to the "Resource Conservation and Recovery Act," Pub.L.94-580 (42 U.S.C. s.6901 et seq.) and Executive Order No. 13101, issued by the President of the United States on September 14, 1998, provided that at least 75 percent of the manufacturing facility's total annual sales dollar volume of such products that are produced in New Jersey meet the recycled content standards within such guidelines;

(c) for which a "comprehensive energy audit," as that term is defined in section 2 of P.L.1995, c.180 (C.48:2-21.25), shall have been undertaken within 90 days after the effective date of P.L.2007, c.94 (C.48:2-21.36 et al.), which audit shall have evaluated cost-effective energy efficiency and conservation measures as part of the efforts to reduce energy costs;

(d) that has been in operation in this State for at least 25 years as of the effective date of P.L.2007, c.94 (C.48:2-21.36 et al.); and

(e) at which at least 800 employees are employed on the first business or work day after the expiration of such off-tariff rate agreement.

(2) For a period of seven years commencing on the first day after the expiration of an off-tariff rate agreement, entered into or negotiated pursuant to the provisions of P.L.1995, c.180 (C.48:2-21.24 et seq.), receipts from the sale to or use by a manufacturing facility of energy and utility service for use or consumption directly and primarily in the production of tangible personal property, other than energy, shall be exempt from the tax imposed under the "Sales and Use Tax Act."

(3) Notwithstanding the provisions of the exemption provided in this section, a seller of energy and utility service shall charge and collect the tax from the owner of the manufacturing facility and the owner shall be refunded the tax paid by the filing, within 30 days following the close of a calendar quarter in which the exemption applies, of a claim with the New Jersey Division of Taxation for a refund of sales and use taxes paid for energy and utility service, which refund shall be paid within 30 days of the refund claim being filed. Proof of claim for refund shall be made by the submission of such records and other documentation as the Director of the Division of Taxation may require.

d. If the owner of the manufacturing facility at any time during the sales and use tax exemption period relocates the manufacturing facility to a location outside of this State, the owner shall pay to the Director of the Division of Taxation the amount of sales and use tax for which an exemption shall have been allowed and refund obtained under this section. The State Treasurer shall notify the director of the relocation of a manufacturing facility to a location outside of this State, and the director shall issue a tax assessment for the recapture of tax, equal to the amount of sales and use tax for which an exemption shall have been allowed and refund obtained under this section. The recapture of tax shall be a State tax subject to the State Uniform Tax Procedure Law, R.S.54:48-1 et seq., and shall be deposited in the General Fund.

2. Section 67 of P.L.1997, c.162 (C.48:2-21.34) is amended to read as follows:

C.48:2-21.34 Definitions relative to phase out schedule of transitional energy facility assessment unit rate surcharges; formulas; adjustments to rates.

67. a. As used in this section:

"Base rates" means the rates, including minimum bills, charged for utility commodities or service subject to the board's jurisdiction, other than the

rates charged under a utility's levelized energy adjustment clause, hereinafter "LEAC," or levelized gas adjustment clause, hereinafter "LGAC," or equivalent rate provision;

"Base year" means the calendar year 1996;

"Board" means the Board of Public Utilities;

"Manufacturing facility" means a facility:

(1) with respect to which the owner of the facility shall have entered into an off-tariff rate agreement with an electric public utility, pursuant to the provisions of P.L.1995, c.180 (C.48:2-21.24 et seq.);

(2) that manufactures products made from using "postconsumer material," as that term is defined in 40 C.F.R. s.247.3, and other recovered material feedstocks that meet the requirements of the Comprehensive Procurement Guideline For Products Containing Recovered Materials as promulgated by the United States Environmental Protection Agency in 40 C.F.R. s.247.1 et seq., pursuant to the "Resource Conservation and Recovery Act," Pub.L.94-580 (42 U.S.C. s.6901 et seq.) and Executive Order No. 13101, issued by the President of the United States on September 14, 1998, provided that at least 75 percent of the manufacturing facility's total annual sales dollar volume of such products that are produced in New Jersey meet the recycled content standards within such guidelines;

(3) for which a "comprehensive energy audit," as that term is defined in section 2 of P.L.1995, c.180 (C.48:2-21.25), shall have been undertaken within 90 days after the effective date of P.L.2007, c.94 (C.48:2-21.36 et al.), which audit shall have evaluated cost-effective energy efficiency and conservation measures as part of the efforts to reduce energy costs;

(4) that has been in operation in this State for at least 25 years as of the effective date of P.L.2007, c.94 (C.48:2-21.36 et al.); and

(5) at which at least 800 employees are employed on the first business or work day after the expiration of such off-tariff rate agreement.

"Sales and use tax" means the sales and use tax liability computed on sales and use of energy and utility service as defined in section 2 of P.L.1966, c.30 (C.54:32B-2);

"Utility" means a public utility subject to regulation by the board pursuant to Title 48 of the Revised Statutes; and

"Utility service" means the supply, transmission, distribution or transportation of electricity, natural gas or telecommunications services or any combination of such commodities, processes or services.

b. No later than 60 days after the date this act is enacted, each electric, gas and telecommunications utility subject to the provisions of this act shall file with the board, and shall simultaneously provide copies to the Director

of the Division of the Ratepayer Advocate, revised tariffs and such other supporting schedules, narrative and documentation required by this act, as set forth in this section, to reflect in the utility's rates the changes in tax liability effected pursuant to this act. No later than 90 days after the date of the utility's filing, and after determining that the filing and the rate changes provided for therein are in compliance with the provisions of this act, the board shall approve the utility's filing and associated rates for billing to the utility's customers, effective for utility service rendered on and after January 1, 1998. If the board determines that the utility's filing and the associated rate changes provided for therein are not in compliance with the provisions of this act, the board shall require the utility to amend or otherwise modify its filing to render it in compliance. The board may also permit the rates provided for in the utility's filing to be implemented on an interim basis pending the board's final determination in the event the board, in its discretion, determines that due to the filing's complexity, or for other valid reasons, including but not limited to the enactment of this act after June 30, 1997, additional time is needed for the board to complete its review of the filing. If the rates approved by the board upon its final determination are less than the rates implemented on an interim basis, the difference shall be refunded to the utility's customers with interest computed in accordance with N.J.A.C.14:3-7.5(c). The rate adjustments implemented pursuant to this act shall not constitute a fixing of rates pursuant to R.S.48:2-21 and shall not be subject to the hearing requirements set forth in that section.

c. As of the effective date of the rate changes implemented pursuant to this act, and except for rates applicable to sales that were or are currently exempt from the unit-based energy taxes formerly imposed pursuant to P.L.1940, c.5 (C.54:30A-49 et seq.) and rates applicable to sales to which section 59 of P.L.1997, c.162 (C.48:2-21.31) applies, the board shall remove from the base rates of each electric public utility and gas public utility the unit tax rates included therein for the recovery of those unit-based energy taxes, and include therein provision for the recovery of corporation business tax imposed pursuant to P.L.1945, c.162 (C.54:10A-1 et seq.), and additionally shall authorize the collection of the sales and use tax imposed pursuant to P.L.1966, c.30 (C.54:32B-1 et seq.), as follows:

(1) The base rates of each gas and electric utility shall be reduced by the amount of the unit-based energy taxes per kilowatthour or per therm included therein.

(2) The provision for corporation business tax initially included in the base rates of each gas and electric utility shall be based on the utility's after-tax net income earned in the base year as booked, unless the board deter-

mines, in its discretion, that such income as booked is unusually high or low or otherwise unrepresentative of the utility's prospective net income, in which case the utility's base year net income shall be adjusted as determined by the board.

To permit the board to make this determination, in addition to including in its filing schedules showing its net income earned in the base year as booked, the utility shall include adjustments to such booked income to eliminate the effect of revenues, expenses and extraordinary or other charges that are non-recurring, atypical, or both, including, but not limited to an adjustment to eliminate the effect of unusually hot or cold weather, and that would otherwise make the utility's base year net income unusually high or low or otherwise unrepresentative of the utility's prospective net income. If the adjustment is being made to eliminate the effect of unusually hot or cold weather, associated revenue and expense adjustments shall also be made. Subject to the board's approval, such adjusted income shall be the basis for the calculation of the initial provision for corporation business tax to be included in the utility's base rates.

The utility shall also include a calculation of its rate of return on common equity achieved in the base year, both as booked and as adjusted in accordance with the foregoing. The calculation shall be made employing the methodology set forth in N.J.A.C.14:12-4.2(b)1, and shall separately show the effect of reflecting adjustments to the calculation, if any, that may have been employed historically in establishing the utility's rate of return on common equity allowed for ratemaking purposes. The utility's filing shall also include copies of its audited financial statements for the base year and associated quarterly and other reports filed with the Securities and Exchange Commission.

To reflect the provision for corporation business tax in base rates, the demand charges, or charges per kilowatt, decatherm or million cubic feet; the energy charges, or charges per kilowatthour or per therm; and the customer charges, or charges other than demand and energy charges, set forth in each base rate schedule, and the floor price employed in parity rate schedules, included in the utility's tariff filed with and approved by the board shall be increased by amounts determined by multiplying such charges by the adjustment factor, "A e, g" derived below:

$$A e, g = \frac{((I e, g) \times [Rs/(1-Re)])}{(Br e, g)}$$

where:

"A e, g" means the adjustment factor applicable to electric base rates (e), gas base rates (g), or both, other than rates applicable to sales that were exempt from unit-based energy taxes formerly imposed pursuant to P.L.1940, c.5 (C.54:30A-49 et seq.) or to which section 59 of P.L.1997, c.162 (C.48:2-21.31) applies;

"I e, g" means the utility's base year after-tax net income from electric or gas sales, or both, and transportation service subject to the board's jurisdiction and other operating revenue if such revenue is reflected in the utility's cost of service for ratemaking purposes, adjusted as approved by the board;

"Br e, g" means the utility's base year revenue from base rates applicable to electric or gas sales, or both, and transportation service subject to the board's jurisdiction, but excluding sales that were exempt from unit-based energy taxes formerly imposed pursuant to P.L.1940, c.5 (C.54:30A-49 et seq.) or to which section 59 of P.L.1997, c.162 (C.48:2-21.31) applies;

"Rs" means the corporation business tax rate, expressed as a decimal;

"Rf" means the applicable federal corporation income tax rate expressed as a decimal; and

"Re" equals $Rs + Rf(1-Rs)$.

The utility shall account for the changes in tax liability provided for by this act effective January 1, 1998. Such accounting shall include the recording on the utility's income statement and balance sheet of deferred corporation business tax defined, for book accounting purposes, as differences in corporation business tax expense arising from timing differences in the recognition of revenue and expenses for book and tax purposes.

(3) When billed to the utility's customers, the adjusted base rate charges determined pursuant to paragraphs (1), (2), and (4) of this subsection, and the charges determined pursuant to the utility's levelized energy adjustment clause, levelized gas adjustment clause, or both, as determined both upon the effective date of the rate changes authorized by this act and as revised prospectively in accordance with the utility's tariff filed with and approved by the board, and the transitional energy facility assessment unit rate surcharges, hereinafter, "TEFA unit rate surcharges," determined in accordance with subsection d. of this section, shall be increased by an amount determined by multiplying such charges by the sales and use tax rate imposed under P.L.1966, c.30 (C.54:32B-1 et seq.). In addition to the utility's rates for service included in its tariff, for informational purposes the tariff shall include such rates after application of the sales and use tax authorized by this section.

(4) The utility's filing with the board to implement the rate changes provided for by this act shall include an analysis, description, and quantification of the effect of the changes in rates and tax payments implemented pursuant to this act on the utility's requirement for cash working capital, and if such requirement is less than the cash working capital allowed for the collection and payment of unit-based energy taxes formerly imposed pursuant to P.L.1940, c.5 (C.54:30A-49 et seq.) in determining the utility's base rates in effect prior to the rate changes implemented pursuant to this act, and to the extent the working capital reduction is not offset by a reduction in net deferred taxes as provided for below, such base rates shall be reduced by the reduction in the utility's revenue requirement associated with the remaining reduction in the working capital requirement not so offset, if any. The reduction in working capital shall be determined by using the same methodology employed in establishing the working capital allowance related to unit-based energy taxes reflected in the utility's base rates in effect prior to the rate changes implemented pursuant to this act. The reduction in the utility's revenue requirement associated with the reduced working capital requirement shall be calculated using the utility's last overall rate of return allowed by the board, including provision for federal income taxes and the corporation business tax implemented pursuant to this act payable on the equity portion of the return, and shall be implemented on the effective date of the rate changes provided for, and in the manner set forth in paragraph (2) of this subsection.

If the utility's requirement for cash working capital is increased as a result of the changes in rates and tax payments implemented pursuant to this act, the utility may accrue carrying costs, calculated at its last overall rate of return allowed by the board and applied on a simple annual interest basis without compounding, on the increased working capital requirement and request recovery of such carrying costs in a rate proceeding before the board.

The working capital-related base rate changes and carrying cost accruals shall be subject to the board's approval, and shall not be included in the determination of the TEFA unit tax surcharges provided for in subsection d. of this section.

The utility's filing with the board to implement the rate changes provided for by this act shall also include an analysis, description and quantification of net deferred taxes. For the purposes of this section, "net deferred taxes" means deferred corporation business taxes, net of federal deferred income taxes, associated with the tax and rate changes implemented pursuant to this act, including deferred corporation business tax recorded in accordance with section 4 of P.L.1945, c.162 (C.54:10A-4), projected for the

calendar year in which this act takes effect and for each year of the tax life of the asset giving rise to the deferred corporation business taxes pursuant to section 4 of P.L.1945, c.162 (C.54:10A-4).

If the change in such net deferred taxes projected for the calendar year in which the rate changes implemented pursuant to this act take effect is negative and if the utility's requirement for working capital is reduced as a result of the changes in rates and tax payments implemented pursuant to this act, the working capital-related rate reduction that otherwise would have been implemented pursuant to this subsection shall be treated as set forth in subparagraph (a) or (b) of this paragraph. For the purposes of this act, a change in net deferred taxes is considered negative when it reduces an existing deferred tax liability or creates a deferred tax asset on the utility's balance sheet. An appropriate rate adjustment for the working capital impacts of this act, reflecting all relevant facts and circumstances at the time of the adjustment, shall be made in the year when the earlier of the following events occur:

(a) The year in which the reduction in carrying costs assumed for the rate reduction for working capital that would have been made but for this paragraph is no longer required to offset, on a present value basis, the annual carrying costs calculated on the accumulated balance of negative net deferred taxes projected to be recorded by the utility, its successors and assigns, over the tax life of the single asset account giving rise to such net deferred taxes pursuant to section 4 of P.L.1945, c.162 (C.54:10A-4). For the purposes of this subparagraph (a):

(i) Carrying costs and present values are to be computed using the weighted average after-tax rate of return approved by the board in the utility's last base rate proceeding.

(ii) The accumulated balance of such negative net deferred taxes shall include net deferred taxes associated with all assets and liabilities originally placed in service by the utility and held by the utility or a company affiliated with the utility regardless of whether or not such assets continue to be subject to regulation by the New Jersey Board of Public Utilities.

(b) The year in which both an appropriate working capital adjustment and the accumulated balance of negative deferred taxes, as described in (ii) of subparagraph (a) of this paragraph (4), are reflected in the utility's rate base in a rate proceeding before the board. It is the intent of this section to fully compensate utilities on a present value basis, for the carrying costs associated with negative net deferred taxes arising as a result of this act, and to remit to ratepayers any credit due them as a result of any overcompensation as may have occurred due to the treatment of working capital and

deferred taxes as set forth herein or in subparagraph (a) of this paragraph (4). At the time the above base rate adjustment is made, an analysis shall be made to determine if such carrying costs have been or will be fully recovered pursuant to the intent of this provision and any additional credit or charge to ratepayers to adjust for ratepayer overpayments or underpayments, if any shall be addressed.

If the change in net deferred taxes is positive, the increase shall be added to, or increase, the reduction in the utility's requirement for working capital if the requirement is reduced as a result of the rate and tax payment changes implemented pursuant to this act, or subtracted from the working capital requirement if it is increased, and the resultant net working capital requirement shall be reflected in rates or accrue carrying costs in the same manner as prescribed for changes in the utility's requirement for working capital above.

The deferred tax-related rate changes or carrying cost accruals shall be subject to the board's approval and shall not be included in the determination of the TEFA unit rate surcharges provided for in subsection d. of this section.

d. (1) Electric and gas utilities shall file, for the board's review and approval, initial TEFA unit rate surcharges determined by deducting from each unit-based energy tax unit tax rate effective January 1, 1997 the following:

(a) An amount per kilowatthour or per therm determined by multiplying the total revenue received in the base year from sales to which that unit tax rate would have been applicable by the factor $R_u/(1 + R_u)$, where R_u is the sales and use tax rate imposed under P.L.1966, c.30 (C.54:32B-1 et seq.) expressed as a decimal, and dividing the result by the kilowatthours or therms billed in that unit tax rate class in the base year; and

(b) An amount per kilowatthour or per therm determined by dividing the revenue that would have been received in the base year from the inclusion, in the manner prescribed in paragraph (2) of subsection c. of this section, of the corporation business tax in the rates applicable to sales billed in that unit tax rate class by the kilowatthours or therms billed in that rate class. In each case, the determination shall reflect the effect of adjustments that affect the level of sales and revenue, if any, as provided in subsection c. of this section. Of the resultant rate per kilowatthour or per therm, the portion for recovery of the utility's transitional energy facilities assessment liability shall be determined by multiplying such rate by the factor $(1 - R_s)$, where R_s is the corporation business tax rate expressed as a decimal.

The TEFA unit rate surcharges shall constitute non-bypassable wires and/or mains charges of the utility, and shall be applied to all sales within the customer classes to which they apply, regardless of whether such customers are purchasing bundled or unbundled services from the utility, but shall not be applied to sales:

(i) that were or are currently exempt from unit-based energy taxes formerly imposed pursuant to P.L.1940, c.5 (C.54:30A-49 et seq.) or to which section 59 of P.L.1997, c.162 (C.48:2-21.31) applies, and

(ii) for a period of seven years commencing on the first day after the expiration of an off-tariff rate agreement, entered into or negotiated pursuant to the provisions of P.L.1995, c.180 (C.48:2-21.24 et seq.), to a manufacturing facility for use or consumption directly and primarily in the production of tangible personal property, other than energy.

Notwithstanding the provisions of the exemption provided in this subparagraph (ii) of subparagraph (b) of paragraph (1) of subsection d. of this section, the TEFA unit rate surcharge shall be applied to the sales to the owner of the manufacturing facility and the owner shall be refunded an amount equal to the TEFA unit rate surcharge paid by the filing, within 30 days following the close of a calendar quarter in which the exemption applies, of a claim with the New Jersey Division of Taxation for a refund of the TEFA unit rate surcharge paid, which refund shall be paid within 30 days of the refund claim being filed. Proof of claim for refund shall be made by the submission of such records and other documentation as the Director of the Division of Taxation may require. If the owner of the manufacturing facility at any time during the exemption period relocates the manufacturing facility to a location outside of this State, the owner shall pay to the Director of the Division of Taxation the amount of TEFA unit rate surcharge for which an exemption shall have been allowed and refund obtained under this section. The State Treasurer shall notify the director of the relocation of a manufacturing facility to a location outside of this State, and the director shall issue a tax assessment for the recapture of tax, equal to the amount of TEFA unit rate surcharge for which an exemption shall have been allowed and refund obtained under this section. The recapture of tax shall be a State tax subject to the State Uniform Tax Procedure Law, R.S.54:48-1 et seq., and shall be deposited in the General Fund.

If, following the effective date of this act, a customer taking bundled service from the utility shall elect to obtain its requirements from another supplier and take transportation or wheeling service from the utility, the TEFA unit rate surcharge applicable to the bundled service shall continue to apply to the transportation or wheeling service. The TEFA components of

the unit rate surcharges determined pursuant to this subsection (the components of the surcharges remaining after deducting the provision for corporation business tax included therein) shall be used to determine the transitional energy facility assessment liability pursuant to sections 36 through 49 of P.L.1997, c.162 (C.54:30A-100 through C.54:30A-113).

(2) Unless reduced pursuant to paragraphs (3) and (4) of this subsection, the initial TEFA unit rate surcharges are to be reduced annually on January 1, 1999 through January 1, 2001 by the following percentages:

January 1, 1999,	20%
January 1, 2000,	40%
January 1, 2001,	60%

(3) For each year beginning with calendar year 1998 and ending with calendar year 2001, the TEFA surcharge adjustment shall be determined as the difference between:

(a) The sum of the estimated, or actual when known, (i) TEFA liabilities, as defined in section 43 of P.L.1997, c.162 (C.54:30A-107), and sales and use taxes collected and corporation business taxes booked for the year 1998 by the gas and electric utilities and other entities subject to the TEFA provisions of this act (the year 1998 liability), and (ii) the TEFA liabilities of those utilities and entities in all years following the year 1998 through the year in which a determination is being made pursuant to this subsection (the determination year); and

(b) The sum of (i) the total of each remitter's base year liability, as defined in section 37 of P.L.1997, c.162 (C.54:30A-101), and (ii) the cumulative TEFA obligation, defined as the sum through the determination year of the amounts calculated by multiplying, for the applicable year, the percentage in the second column of the following table:

Determination Year	% of Year 1998 TEFA
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1999	80%
2000	60%

by the Year 1998 TEFA,

where the Year 1998 TEFA is calculated as the total of each remitter's base year liability less the sales and use taxes collected and the corporation business taxes booked for the privilege period ending in calendar year 1998 by

the gas and electric utilities and other entities subject to the TEFA provisions of this act. For purposes of this subsection, the amounts assumed for the determination year, including the year 1998 liability when first determined for the purposes of this subsection, shall be estimates based on nine months of actual data through and including the month of September, and three months of data forecast for the months of October through December.

(4) If the TEFA surcharge adjustment determined for the determination year is positive (that is, if the amount determined pursuant to subparagraph (a) of paragraph (3) of this subsection is greater than the amount determined pursuant to subparagraph (b) of paragraph (3) of this subsection), no reduction shall be made in the reduction in the TEFA unit rate surcharges provided for in paragraph (2) of this subsection for the year following the determination year. If the TEFA surcharge adjustment is negative, the reduction in the TEFA unit rate surcharges that otherwise would have been implemented on January 1 of the year following the determination year pursuant to paragraph (2) of this subsection shall be reduced by an amount (by percentage points) equal to the percentage the TEFA surcharge adjustment is of the total of the base year transitional energy facility assessment of all remitters, as defined in section 37 of P.L.1997, c.162 (C.54:30A-101), provided however, that such reduction in the reduction in the TEFA unit rate surcharges shall not exceed the percentage shown in paragraph (2) of this subsection for that year; and provided further that in the first two years, that such reduction shall not exceed 10 percentage points for each year.

(5) (a) The TEFA unit rate surcharges for calendar years 2002 through 2008 shall be the same as the TEFA unit rate surcharges in effect for calendar year 2001.

(b) The TEFA unit rate surcharges in effect for calendar year 2008 shall be reduced on January 1, 2009 and January 1, 2010 by the following percentages:

January 1, 2009	25%
January 1, 2010	50%

e. The utility's filing with the board to implement the rate changes provided for by this act shall include proof of revenue schedules that show for each rate schedule included in the utility's tariff, aggregated by unit-based energy tax unit tax classes, the number of customers billed under the rate schedule, the billing determinants of such customers (i.e. the kilowatts of billing demand and kilowatthours of electric energy consumed, and the million cubic feet/decatherm subject to gas capacity-related charges and decatherm of gas consumed) and the associated revenue, both as booked in

the base year and on a pro forma basis reflecting the rate changes implemented pursuant to this act. The proof of revenue shall additionally show the amount of unit-based energy taxes included in the base year revenue as booked, the unit-based energy taxes that would have been collected at the unit-based energy tax unit tax rates effective January 1, 1997, if different, as well as the corporation business tax, sales and use tax and transitional energy facility assessment revenue that would have been collected or received on a pro forma basis if the rates implemented pursuant to this act had been in effect in the base year.

f. The board may, in its discretion, permit the rate changes provided for in this act to be implemented as part of a pending base rate case or other proceeding in which the utility's rates are to be changed, provided that the effective date of the changes is not delayed beyond the date on which the changes would have been implemented under subsection c. of this section. The board may also, pursuant to its powers provided by law, permit or require further modifications in the implementation of this section to address unforeseen consequences arising out of the implementation of this act.

g. Customers of the utility who are exempt from the sales and use tax imposed on sales of gas and/or electricity or as a result of rate changes occurring prior to the effective date of this act or for other valid reasons are due a refund of sales or use tax inadvertently imposed on such customers as a result of implementing the rate changes provided for by this act shall file with the State Treasurer to obtain such refunds. The State Treasurer shall promptly notify the utility of customers granted refunds under this provision in order to prevent additional collections of the sales and use tax from such customers.

h. Public utilities providing telecommunications service regulated by the board shall file for the board's review and approval revised tariffs that eliminate from the rates applicable to such service the excise tax liability included therein pursuant to P.L.1940, c.4 (C.54:30A-16 et seq.), and shall include therein the corporation business tax calculated using the methodology used in calculating the adjustment factor set forth in paragraph (2) of subsection c. of this section. Subsection d. of this section shall not apply to telecommunication utilities, and telecommunication utilities subject to a plan of regulation other than rate base/rate of return shall additionally not be required to file the rate of return information required by paragraph (2) of subsection c. Such utilities shall, however, include a narrative and/or other documentation as required by the board to support the reasonableness of the after-tax income, which may be adjusted to eliminate the effect of non-recurring or other atypical events, on which the corporate business tax

inclusion in rates is based. Telecommunications utilities shall comply with all other applicable provisions of this section.

i. (1) The board shall not adjust the rates of a public utility, as provided in subsections c. and d. of this section, for a purchase by a cogenerator of natural gas and the transportation of that gas, that is exempt from sales and use tax pursuant to paragraph (2) of subsection b. of section 26 of P.L.1997, c.162 (C.54:32B-8.46). The board shall not allocate, in any future rate case, any sales and use tax, corporation business tax, or transitional energy facility assessment to rates for this purpose.

(2) The board shall adjust the rates, as provided in subsection c. of this section, for a purchase by a cogenerator of any quantity of natural gas and the transportation of that gas that is not exempt from sales and use tax pursuant to paragraph (2) of subsection b. of section 26 of P.L.1997, c.162 (C.54:32B-8.46).

(3) For the purposes of this section, "cogenerator" means a person or business entity that owns or operates a cogeneration facility in the State of New Jersey, which facility is a plant, installation or other structure whose primary purpose is the sequential production of electricity and steam or other forms of useful energy which are used for industrial, commercial, heating or cooling purposes, and which is designated by the Federal Energy Regulatory Commission, or its successor, as a "qualifying facility" pursuant to the provisions of the "Public Utility Regulatory Policies Act of 1978," Pub.L.95-617.

C.48:2-21.36 Definitions relative to a manufacturing facility; electricity, natural gas agreements.

3. a. As used in this section, "manufacturing facility" means a facility:

(1) with respect to which the owner of the facility shall have entered into an off-tariff rate agreement with an electric public utility, pursuant to the provisions of P.L.1995, c.180 (C.48:2-21.24 et seq.);

(2) that manufactures products made from using "postconsumer material," as that term is defined in 40 C.F.R. s.247.3, and other recovered material feedstocks that meet the requirements of the Comprehensive Procurement Guideline For Products Containing Recovered Materials as promulgated by the United States Environmental Protection Agency in 40 C.F.R. s.247.1 et seq., pursuant to the "Resource Conservation and Recovery Act," Pub.L.94-580 (42 U.S.C. s.6901 et seq.) and Executive Order No. 13101, issued by the President of the United States on September 14, 1998, provided that at least 75 percent of the manufacturing facility's total annual sales dollar volume of such products that are produced in New Jersey meet the recycled content standards within such guidelines;

(3) for which a “comprehensive energy audit,” as that term is defined in section 2 of P.L.1995, c.180 (C.48:2-21.25), shall have been undertaken within 90 days after the effective date of P.L.2007, c.94 (C.48:2-21.36 et al.), which audit shall have evaluated cost-effective energy efficiency and conservation measures as part of the efforts to reduce energy costs;

(4) that has been in operation in this State for at least 25 years as of the effective date of P.L.2007, c.94 (C.48:2-21.36 et al.); and

(5) at which at least 800 employees are employed on the first business or work day after the expiration of such off-tariff rate agreement.

b. An electric public utility or a gas public utility may enter into an agreement with the owner of a manufacturing facility that establishes a price for the transmission or distribution of electricity or natural gas, as appropriate, to that manufacturing facility that is different from, but in no case higher than, that specified in the electric public utility's or gas public utility's current cost-of-service based tariff rate for transmission or distribution service otherwise applicable to the manufacturing facility.

c. The board shall approve the agreement if such agreement meets all of the following conditions:

(1) The agreement shall be filed with the board and the Division of Rate Counsel in the Department of the Public Advocate;

(2) The agreement shall contain a provision that the owner of the manufacturing facility would have relocated the facility outside of the State to a location where electric power or natural gas supply could be obtained at a lower cost, had it not entered into the agreement;

(3) There shall be no retroactive recovery by the electric public utility or gas public utility, as appropriate, from its general ratepayer base of any revenue erosion that occurs prior to the conclusion of the utility's next base rate case. Subsequent to the conclusion of the utility's next base rate case, any such recovery shall be prospective only. The board may require the utility to provide proof that there shall be no such retroactive recovery;

(4) There shall be no undue transfer of cost allocation or revenue recovery responsibility by the electric public utility or gas public utility, as appropriate, from the utility to its general ratepayer base. The utility agrees to be subject to an independent audit or such accounting and reporting systems the board may deem as necessary to ensure that costs are allocated properly and that revenue recovery responsibility is not transferred; and

(5) The term of the rate agreement shall begin within one year of the effective date of P.L.2007, c.94 (C.48:2-21.36 et al.) and shall not exceed seven years in duration.

C.54:32B-8.47a Annual review of financial records of certain manufacturing facilities.

4. The Division of Taxation in the Department of the Treasury shall annually review the financial records of a manufacturing facility that is eligible for a sales and use tax exemption pursuant to section 33 of P.L.1997, c.162 (C.54:32B-8.47) as amended by section 1 of P.L.2007, c.94 and that is eligible for a TEFA unit rate surcharge exemption pursuant to section 67 of P.L.1997, c.162 (C.48:2-21.34) as amended by section 2 of P.L.2007, c.94), in order to determine whether it is economically feasible for the State to continue to allow such manufacturing facility to receive such exemptions. Upon the completion of the review required by this section, the division shall prepare and submit a report to the Legislature containing the division's recommendation as to whether the sales and use tax exemption and TEFA unit rate surcharge exemption should be continued or whether the exemptions should be altered or repealed. The first such report shall be submitted to the Legislature within 90 days following the date of enactment of P.L.2007, c.94 (C.48:2-21.36 et al.) and shall review the period beginning with the first day after the expiration of an off-tariff rate agreement entered into or negotiated by a manufacturing facility and extending to the last day of the month in which P.L.2007, c.94 (C.48:2-21.36 et al.) is enacted. Thereafter, subsequent reports shall be submitted within 90 days following the expiration of each successive one-year period for the duration of the seven-year period prescribed by section 33 of P.L.1997, c.162 (C.54:32B-8.47) and section 67 of P.L.1997, c.162 (C.48:2-21.34) as amended respectively by sections 1 and 2 of P.L.2007, c.94 or until such time as the exemptions have been repealed, and such reports shall review the financial records of such a manufacturing facility for the preceding one-year period. As a condition of receiving the sales and use tax exemption and TEFA unit rate surcharge exemption, the manufacturing facility shall make its financial records available to the division and shall provide such other information as may be needed by the division to complete its review and assessment pursuant to this section.

5. This act shall take effect immediately.

Filed May 10, 2007.

CHAPTER 95

AN ACT concerning victims of crime and amending, supplementing and repealing various parts of the statutory law.

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

1. Section 2 of P.L.1971, c.317 (C.52:4B-2) is amended to read as follows:

C.52:4B-2 Definitions.

2. As used in P.L.1971, c.317:

"Agency" means the Victims of Crime Compensation Agency;

"Review Board" or "board" means the Victims of Crime Compensation Review Board established by section 2 of P.L.2007, c.95 (C.52:4B-3.2);

"Child" means an unmarried person who is under 21 years of age and includes a stepchild or an adopted child;

"Dependents" means such relatives of a deceased victim as were wholly or partially dependent upon his income at the time of his death and shall include the child of such victim born after his death;

"Personal injury" means actual bodily harm and includes pregnancy and mental or nervous shock;

"Relative" of any person means his spouse, parent, grandparent, stepfather, stepmother, child, grandchild, brother, sister, half brother, half sister, or spouse's parents;

"Victim" means a person who is injured or killed by any act or omission of any other person which is within the description of any of the offenses specified in section 11 of P.L.1971, c.317.

C.52:4B-3.2 Victims of Crime Compensation Agency; executive director; review board.

2. a. There is hereby established in the Department of the Treasury the Victims of Crime Compensation Agency.

b. The chief executive officer of the Victims of Crime Compensation Agency shall be the executive director, who shall be appointed by the Governor, with the advice and consent of the Senate. The executive director shall serve at the pleasure of the Governor. The Governor may appoint an acting executive director to serve as chief executive officer of the Victims of Crime Compensation Agency, who may be the person serving as chairman of the Victims of Crime Compensation Board on the effective date of P.L.2007, c.95 (C.52:4B-3.2 et al.), and who shall serve as the executive director of the Victims of Crime Compensation Agency until his successor is appointed and qualifies. The executive director shall, in consultation with the Review Board established pursuant to subsection c. of this section, develop, establish and supervise all practices and procedures of the agency.

c. There is hereby established in the Victims of Crime Compensation Agency the Victims of Crime Compensation Review Board which shall be composed of five citizens, to be appointed by the Governor, with the advice and consent of the Senate, one of whom shall be designated chairman by, and serve as such at the pleasure of, the Governor. At least one member of the board shall be an attorney admitted to the practice of law in the State of New Jersey and who shall have practiced law in the courts of New Jersey for a minimum of five years. The purpose of the Victims of Crime Compensation Review Board shall be:

(1) to hear appeals of decisions of the Victims of Crime Compensation Agency involving issues of victim compensation;

(2) to consult with the executive director in developing, establishing and supervising all practices and procedures of the agency;

(3) to review individual and supplemental awards to a victim or a victim's family in excess of \$10,000 in the aggregate, and awards of attorney fees for legal representation to victims;

(4) to review, on at least a bi-monthly basis, information detailing the aggregate claims received and paid by the agency, and the operations of the agency; and

(5) to review and, if appropriate, approve any rules and regulations, standards, and maximum rates and service limitations for reimbursement proposed by the agency.

d. All the functions of the Violent Crimes Compensation Board and the Victims of Crime Compensation Board are continued in the Victims of Crime Compensation Agency and the Victims of Crime Compensation Review Board. Whenever in any law, rule, regulation, judicial or administrative procedure or otherwise, reference is made to the Violent Crimes Compensation Board or to the Victims of Crime Compensation Board, the same shall mean and refer to the Victims of Crime Compensation Agency or the Victims of Crime Compensation Review Board, as the case may be.

C.52:4B-3.3 Violent Crimes Compensation Board abolished.

3. The Violent Crimes Compensation Board established pursuant to section 3 of P.L.1971, c.317 (C.52:4B-3) is abolished and the terms of the persons serving as members of that board on the effective date of P.L.2007, c.95 (C.52:4B-3.2 et al.) shall cease and determine as of that effective date.

C.52:4B-3.4 Victims of Crime Compensation Review Board, members, terms, no compensation.

4. The term of office of each member of the Victims of Crime Compensation Review Board shall be three years and until the member's succes-

sor is appointed and qualifies, except that of the members first appointed one shall be appointed for a term of one year, two for terms of two years and two for terms of three years. All vacancies, except through the expiration of term, shall be filled for the unexpired term only.

Each member of the board shall be eligible for reappointment and any member of the board may be removed by the Governor for inefficiency, neglect of duty or malfeasance in office.

The members of the board shall serve without compensation.

5. Section 5 of P.L.1971, c.317 (C.52:4B-5) is amended to read as follows:

C.52:4B-5 Employment of experts, assistants and employees.

5. The agency is authorized to appoint and fix the duties and compensation of such officers, examiners, and other experts as may be necessary for carrying out its functions under this act, and the agency may, subject to Title 11A of the New Jersey Statutes, "Civil Service," appoint and fix the duties and compensation of such other assistants and employees as are necessary. The compensation fixed pursuant to this section shall be within the limits of the funds appropriated or otherwise made available to the agency for that purpose.

6. Section 11 of P.L.1995, c.135 (C.52:4B-5.1) is amended to read as follows:

C.52:4B-5.1 Access to criminal history records.

11. The Victims of Crime Compensation Agency is authorized to obtain direct access to criminal history records maintained by the State Bureau of Identification in the Division of the State Police and is hereby designated a criminal justice agency for that purpose.

7. Section 6 of P.L.1971, c.317 (C.52:4B-6) is amended to read as follows:

C.52:4B-6 Principal office; place of conduct of affairs.

6. The principal office of the agency shall be in Trenton, New Jersey, but the agency may sit and conduct its affairs in any place.

8. Section 7 of P.L.1971, c.317 (C.52:4B-7) is amended to read as follows:

C.52:4B-7 Hearings by review board.

7. Hearings on appeals from decisions of the Victims of Crime Compensation Agency involving issues of victim compensation shall be conducted by the Victims of Crime Compensation Review Board in the following manner:

a. Upon an application made to the board under the provisions of P.L.1971, c.317, the board shall fix a time and place for a hearing on such application and shall cause notice thereof to be given to the applicant.

b. For the purpose of carrying out the provisions of P.L.1971, c.317, the board, or any member thereof, may hold such hearings, sit and act at such times and places, and take such testimony as the board or such member may deem advisable. Any member of the board may administer oaths or affirmations to witnesses. The board shall have full powers of subpoena and compulsion of attendance of witnesses and production of documents, except that no subpoena shall be issued except under the signature of a member of the board, and application to any court for aid in enforcing such subpoena may be made in the name of the board by any member thereof. Subpoenas shall be served by any person designated by the board.

c. In any case in which the person entitled to make an application is a child, the application may be made on his behalf by his parent, guardian, or advocate. In any case in which the person entitled to make an application is mentally incompetent, the application may be made on his behalf by his guardian, advocate, or such other individual authorized to administer his estate.

d. Any person having a substantial interest in a proceeding may appear, produce evidence and cross-examine witnesses in person or by his attorney.

e. The board may receive in evidence any statement, document, information, or matter that may in the opinion of the board contribute to its functions under P.L.1971, c.317, but the board shall not be bound by the rules of evidence.

f. If any person has been convicted of any offense with respect to an act or omission on which a claim under P.L.1971, c.317 is based, proof of that conviction shall be taken as conclusive evidence that the offense has been committed, unless an appeal or any proceeding with regard thereto is pending.

9. Section 8 of P.L.1971, c.317 (C.52:4B-8) is amended to read as follows:

C.52:4B-8 Attorney fees and costs.

8. a. (1) The agency may, as a part of any order entered under P.L.1971, c.317, determine and allow reasonable attorney fees and costs, which shall not exceed 15% of the amount awarded as compensation under section 10

of P.L.1971, c.317, to be paid in addition to the amount of such compensation, to the attorney representing the applicant. Notwithstanding the provisions of this subsection, no award for attorney fees shall be less than \$300, unless the agency determines that the attorney has not acted diligently or in good faith representing the claimant.

(2) Where the agency enters an order denying compensation, it may nevertheless allow attorney fees of \$300 to the attorney representing the claimant if the agency determines that the attorney has acted diligently or in good faith representing the claimant.

(3) It shall be unlawful for any such attorney to ask for, contract for or receive any larger sum than the amount so allowed under paragraph (1) or (2) of this subsection.

b. The agency may allow payment up to a maximum of \$1,000, at an hourly rate to be fixed by the agency, to an attorney who provides legal assistance to a victim in any legal matter, other than a decision of the Victims of Crime Compensation Agency involving victim compensation or any related appeal, arising from or related to having been the victim of an offense specified in section 11 of P.L.1971, c.317 provided that the victim is otherwise eligible to make a claim for compensation. Payment under this subsection may be made if and only to the extent that the amount of such payment does not, when combined with the amounts paid or payable to the victim under an order for compensation, exceed the \$25,000 limitation on compensation set forth in section 18 of P.L.1971, c.317 (C.52:4B-18), and requests for payment under this subsection shall be subject to the five-year time limitation set forth in section 18 of P.L.1971, c.317 (C.52:4B-18).

10. Section 19 of P.L.1991, c.329 (C.52:4B-8.1) is amended to read as follows:

C.52:4B-8.1 Development of an informational tracking system.

19. a. The Victims of Crime Compensation Agency, after consultation with the Attorney General, the Department of Corrections, and the Administrative Office of the Courts, on behalf of the county probation divisions and the municipal court clerks, shall continue to develop the existing uniform system for recording all information necessary to ensure proper identification, tracking, collection and disposition of moneys owed for:

(1) assessments imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1);

(2) fines and restitutions imposed in accordance with provisions of Title 2C of the New Jersey Statutes;

- (3) fees imposed pursuant to N.J.S.2C:35-20;
- (4) penalties imposed pursuant to N.J.S.2C:35-15.

b. The Victims of Crime Compensation Agency shall use the moneys deposited in the Criminal Disposition and Revenue Collection Fund to defray the costs incurred by the agency in developing, implementing, operating and improving the agency's component of the uniform system for tracking and collecting revenues described in subsection a. of this section.

c. The Juvenile Justice Commission established pursuant to section 2 of P.L.1995, c.284 (C.52:17B-170), the Department of Corrections, and the Administrative Office of the Courts, on behalf of the county probation divisions and the municipal court clerks, shall file such reports with the Victims of Crime Compensation Agency as required for the operation of the uniform system described in subsection a. of this section.

d. The Victims of Crime Compensation Agency shall report annually to the Governor, the Attorney General, the Administrative Director of the Administrative Office of the Courts, the Commissioner of the Department of Corrections, the Juvenile Justice Commission and the Legislature on the development, implementation, improvement and effectiveness of the uniform system and on moneys received, deposited and identified as receivable.

11. Section 9 of P.L.1971, c.317 (C.52:4B-9) is amended to read as follows:

C.52:4B-9 Rules and regulations; determination of compensation.

9. In the performance of its functions, the agency is authorized to make rules and regulations prescribing the procedures to be followed in the filing of applications and the proceedings under P.L.1971, c.317, and such other matters as the agency deems appropriate.

In determining the amounts of compensation payable pursuant to P.L.1971, c.317, the agency shall insofar as practicable formulate standards for uniform application of this act and shall take into consideration rates and amounts of compensation payable for injuries and death under other laws of this State and of the United States and the availability of funds appropriated for the purposes of P.L.1971, c.317.

The agency shall establish maximum rates and service limitations for reimbursement for medical and medical related expenses, including counseling. In establishing these rates, the agency shall reflect the medical fee schedules for health care providers established by the Commissioner of Banking and Insurance pursuant to the provisions of section 10 of P.L.1988, c.119 (C.39:6A-4.6). A medical service provider who accepts payment

from the agency for a service shall accept the agency's rates as payment in full and shall not accept any payment on account of the service from any other source if the total of payments accepted would exceed the maximum rate set by the agency for that service.

All standards formulated and maximum rates and service limitations for reimbursement established by the agency shall be subject to the prior review and approval of the Review Board.

12. Section 10 of P.L.1971, c.317 (C.52:4B-10) is amended to read as follows:

C.52:4B-10 Persons entitled to compensation; order.

10. In any case in which a person is injured or killed by any act or omission of any other person which is within the description of the offenses listed in section 11 of P.L.1971, c.317, the agency may, upon application, order the payment of compensation in accordance with the provisions of P.L.1971, c.317:

- a. to or on behalf of the victim,
- b. in the case of the personal injury of the victim, where the compensation is for pecuniary loss suffered or expenses incurred by any person responsible for the maintenance of the victim, to that person, or
- c. in the case of the death of the victim, to or for the benefit of the dependents of the deceased victim, or any one or more of such dependents.

In determining whether to make an order under this section, the agency may consider any circumstances it determines to be relevant, including provocation, consent or the behavior of the victim which directly or indirectly contributed to his injury or death, the prior case history, if any, of the victim and any other relevant matters.

An order may be made under this section whether or not any person is prosecuted or convicted of any offense arising out of such act or omission. Upon application made by an appropriate prosecuting authority, the agency may suspend proceedings under P.L.1971, c.317 for such period as it deems appropriate on the ground that a prosecution for an offense arising out of such act or omission has been commenced or is imminent.

For the purposes of P.L.1971, c.317, a person shall be deemed to have intended an act or omission notwithstanding that by reason of age, insanity or otherwise, he was legally incapable of forming a criminal intent.

13. Section 1 of P.L.1981, c.258 (C.52:4B-10.1) is amended to read as follows:

C.52:4B-10.1 Emergency award.

1. a. The Victims of Crime Compensation Agency may make one or more emergency awards to any applicant for compensation pending final determination of a case, when it determines that compensation is likely to be provided and that the applicant will suffer undue hardship if funds are not made immediately available. The amount of any one emergency award shall not exceed \$2,500 with the total amount of each such award made to an individual applicant not to exceed \$5,000. Any emergency awards made to an applicant shall be deducted from the final amount of compensation provided to an applicant by the agency. If the amount of compensation made by the agency to an applicant is less than the sum provided to the applicant through emergency grants, the applicant shall pay to the agency an amount of money equal to the difference. If the agency determines that an applicant who has received emergency awards shall receive no compensation, the applicant shall repay to the agency the total amount of all emergency awards which he received.

b. In addition to any emergency award made pursuant to the provisions of subsection a. of this section, the Victims of Crime Compensation Agency may make an emergency award in an amount not to exceed \$200.00 for compensation for funds stolen from a victim in connection with any of the incidents specified in section 11 of P.L.1971, c.317 (C.52:4B-11) except paragraph 11 of subsection b. of section 11 of P.L.1971, c.317 (C.52:4B-11), burglary, whether or not the victim suffered personal injury, under the following circumstances:

(1) The victim is 60 years of age or older or is disabled as defined pursuant to the federal Social Security Act, 42 U.S.C. s. 416(i);

(2) The victim's income does not exceed the limits adopted by the State Department of Human Services as the standard of need for the General Assistance Program;

(3) The funds stolen exceed \$50.00;

(4) The victim establishes:

(a) that the victim has filed a police report indicating, among other things, the amount stolen;

(b) that the victim has cooperated with investigative and prosecuting authorities; and

(c) the source of the funds stolen; and

(5) The agency is satisfied that there are no other sources available to provide the victim with funds necessary to cover immediate costs of essential shelter, food or medical expenses, and that, but for the victim's loss, the victim would otherwise have had the funds to pay such costs.

c. The agency shall direct that any funds awarded pursuant to this act be expended solely to cover the costs established pursuant to paragraph (5) of subsection b. of this section.

d. (Deleted by amendment, P.L.2007, c.95).

14. Section 3 of P.L.1995, c.135 (C.52:4B-10.2) is amended to read as follows:

C.52:4B-10.2 Additional compensation.

3. In addition to ordering the payment of compensation for personal injury or death which resulted from the incidents specified in section 11 of P.L.1971, c.317 (C.52:4B-11), the Victims of Crime Compensation Agency may order the payment of compensation for funds in connection with those incidents to compensate certain victims, whether or not those victims suffered personal injury, as specified in paragraphs (1) through (5) of subsection b. of section 1 of P.L.1981, c.258 (C.52:4B-10.1), in an amount not to exceed \$200.

15. Section 11 of P.L.1971, c.317 (C.52:4B-11) is amended to read as follows:

C.52:4B-11 Victim compensation.

11. The agency may order the payment of compensation in accordance with the provisions of P.L.1971, c.317 for personal injury or death which resulted from:

a. an attempt to prevent the commission of crime or to arrest a suspected criminal or in aiding or attempting to aid a police officer so to do; or
b. the commission or attempt to commit any of the following offenses:

- (1) aggravated assault;
- (2) (Deleted by amendment, P.L.1995, c.135).
- (3) threats to do bodily harm;
- (4) lewd, indecent, or obscene acts;
- (5) indecent acts with children;
- (6) kidnapping;
- (7) murder;
- (8) manslaughter;
- (9) aggravated sexual assault, sexual assault, aggravated criminal sexual contact, criminal sexual contact;
- (10) any other crime involving violence including domestic violence as defined by section 3 of P.L.1981, c.426 (C.2C:25-3) or section 3 of P.L.1991, c.261 (C.2C:25-19);

- (11) burglary;
- (12) tampering with a cosmetic, drug or food product;
- (13) a violation of human trafficking, section 1 of P.L.2005, c.77 (C.2C:13-8); or
- c. the commission of a violation of R.S.39:4-50, section 5 of P.L.1990, c.103 (C.39:3-10.13), section 19 of P.L.1954, c.236 (C.12:7-34.19) or section 3 of P.L.1952, c.157 (C.12:7-46); or
- d. theft of an automobile pursuant to N.J.S.2C:20-2, eluding a law enforcement officer pursuant to subsection b. of N.J.S.2C:29-2 or unlawful taking of a motor vehicle pursuant to subsection b., c. or d. of N.J.S.2C:20-10 where injuries to the victim occur in the course of operating an automobile in furtherance of the offense.

16. Section 12 of P.L.1971, c.317 (C.52:4B-12) is amended to read as follows:

C.52:4B-12 Losses or expenses reimbursable.

12. The agency may order the payment of compensation under this act for:

- a. expenses actually and reasonably incurred as a result of the personal injury or death of the victim, including out-of-pocket losses which shall mean unreimbursed and unreimbursable expenses or indebtedness reasonably incurred for medical care or other services necessary as a result of the injury upon which such application is based,
- b. loss of earning power as a result of total or partial incapacity of such victim,
- c. pecuniary loss to the dependents of the deceased victim, and
- d. any other pecuniary loss resulting from the personal injury or death of the victim which the agency determines to be reasonable.

17. Section 13 of P.L.1971, c.317 (C.52:4B-13) is amended to read as follows:

C.52:4B-13 Directory of impartial medical experts.

13. To assist the agency in determining the nature, extent or cause of personal injury or cause of death compensable under P.L.1971, c.317, the agency shall maintain a directory of impartial medical experts.

18. Section 18 of P.L.1971, c.317 (C.52:4B-18) is amended to read as follows:

C.52:4B-18 Compensation for criminal injuries; two-year limitation of actions.

18. No order for the payment of compensation shall be made under section 10 of P.L.1971, c.317 (C.52:4B-10) unless the application has been made within two years after the date of the personal injury or death or after that date upon determination by the agency that good cause exists for the delayed filing, and the personal injury or death was the result of an offense listed in section 11 of P.L.1971, c.317 (C.52:4B-11) which had been reported to the police or other appropriate law enforcement agency within three months after its occurrence or reasonable discovery. The agency will make its determination regarding the application within six months of acknowledgment by the agency of receipt of the completed application and any and all necessary supplemental information.

In determining the amount of an award, the agency shall determine whether, because of his conduct, the victim of such crime contributed to the infliction of his injury, and the agency shall reduce the amount of the award or reject the application altogether, in accordance with such determination; provided, however, that the agency shall not consider any conduct of the victim contributory toward his injury, if the record indicates such conduct occurred during efforts by the victim to prevent a crime or apprehend a person who had committed a crime in his presence or had in fact committed a crime.

The agency may deny or reduce an award where the victim has not paid in full any 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 for a crime.

No compensation shall be awarded if:

- a. Compensation to the victim proves to be substantial unjust enrichment to the offender or if the victim did not cooperate with the reasonable requests of law enforcement authorities unless the victim demonstrates a compelling health or safety reason for not cooperating; or
- b. (Deleted by amendment, P.L.1990, c.64.)
- c. The victim was guilty of a violation of subtitle 10 or 12 of Title 2A or subtitle 2 of Title 2C of the New Jersey Statutes, which caused or contributed to his injuries; or
- d. The victim was injured as a result of the operation of a motor vehicle, except as provided in subsection c. or d. of section 11 of P.L.1971, c.317 (C.52:4B-11), boat or airplane unless the same was used as a weapon in a deliberate attempt to run the victim down; or
- e. The victim suffered personal injury or death while an occupant of a motor vehicle or vessel where the victim knew or reasonably should have known that the driver was operating the vehicle or vessel in violation of

R.S.39:4-50, section 5 of P.L.1990, c.103 (C.39:3-10.13), section 19 of P.L.1954, c.236 (C.12:7-34.19), section 3 of P.L.1952, c.157 (C.12:7-46), subparagraph (b) of paragraph (2) of subsection b. of N.J.S.2C:20-2, subsection b. of N.J.S.2C:29-2 or subsection b., c. or d. of N.J.S.2C:20-10; or

f. The victim has been convicted of a crime and is still incarcerated; or

g. The victim sustained the injury during the period of incarceration immediately following conviction for a crime.

Except as provided herein, no compensation shall be awarded under P.L.1971, c.317 in an amount in excess of \$25,000, and all payments shall be made in a lump sum, except that in the case of death or protracted disability the award may provide for periodic payments to compensate for loss of earnings or support. Five years after the entry of an initial determination order, a claim for compensation expires and no further order is to be entered with regard to the claim except for requests for payment of specific out-of-pocket expenses received by the Victims of Crime Compensation Agency prior to the expiration of the five-year period except in those cases determined by the agency to be catastrophic in nature. No award made pursuant to P.L.1971, c.317 shall be subject to execution or attachment other than for expenses resulting from the injury which is the basis of the claim.

Compensation may be awarded in an amount not exceeding the actual cost of a rehabilitative service of the type enumerated in section 2 of P.L.1999, c.166 (C.52:4B-18.2).

The award may provide for periodic payments in the case of protracted care or rehabilitative assistance.

19. Section 3 of P.L.1982, c.192 (C.52:4B-18.1) is amended to read as follows:

C.52:4B-18.1 Increased compensation; applicability.

3. The increase in compensation to a maximum of \$25,000 provided for in P.L.1982, c.192 shall apply only to crimes committed after the effective date of P.L.1982, c.192 when personal injury or death occurs.

20. Section 2 of P.L.1999, c.166 (C.52:4B-18.2) is amended to read as follows:

C.52:4B-18.2 Supplemental awards for rehabilitative assistance to certain crime victims.

2. a. In addition to any award granted pursuant to section 18 of P.L.1971, c.317 (C.52:4B-18), the Victims of Crime Compensation Agency

may make one or more supplemental awards for the purpose of providing rehabilitative assistance to catastrophically injured crime victims or other persons entitled to compensation under section 10 of P.L.1971, c.317 (C.52:4B-10).

b. The rehabilitative assistance which the supplemental award may cover can include, but is not limited to, any of the following services not covered by the original award of compensation or by other sources provided that the agency determines that the services are reasonable and necessary:

- (1) Surgical and therapeutic procedures;
- (2) Rehabilitative physical and occupational therapy designed to restore an optimum function level;
- (3) Prescription drugs and medical supplies;
- (4) Cognitive and psychological therapy;
- (5) Home health assistance;
- (6) Vehicle modifications;
- (7) Driver training;
- (8) Wheelchair, braces, splints, crutches, walkers, shower or commode chair and any other personal adaptive equipment required to meet individual disability needs;
- (9) Structural modifications to living environment designed to provide accessibility and to maximize independence;
- (10) Dependent care as needed.

c. The Victims of Crime Compensation Agency is authorized to make rules and regulations prescribing the procedures to be followed in qualifying for a supplemental award. The agency is also authorized to establish a cap on the total amount of supplemental awards to be made in a year and a cap on the amount which a person may receive as a supplemental award, which personal cap shall not be less than \$25,000.

d. The payment of any supplemental award granted under the provisions of this section shall be approved by the agency for payment out of funds appropriated for the administration of P.L.1971, c.317 (C.52:4B-1 et seq.), the "Criminal Injuries Compensation Act of 1971."

e. A catastrophically injured crime victim who received a compensation award prior to the enactment of this section may apply for a supplemental award pursuant to the provisions of this section. A denial by the agency of an application made pursuant to the provisions of this subsection shall not be subject to appeal.

f. As used in this section, "catastrophically injured crime victim" means a person who is injured by any act or omission of another person

which is within the description of the offenses specified in section 11 of P.L.1971, c.317 (C.52:4B-11) and who has sustained a severe long term or life long personal injury.

21. Section 19 of P.L.1971, c.317 (C.52:4B-19) is amended to read as follows:

C.52:4B-19 Amounts receivable from other sources; filing of order for compensation; authorization for payment.

19. In determining the amount of compensation to be allowed by order, the agency shall take into consideration amounts received or receivable from any other source or sources by the victim or his dependents as a result of the offense or occurrence giving rise to the application.

Each order for compensation made by the agency shall be filed with the Director of the Division of Budget and Accounting and shall constitute authority for payment by the State Treasurer to the person or persons named therein of the amounts specified in such order.

22. Section 20 of P.L.1971, c.317 (C.52:4B-20) is amended to read as follows:

C.52:4B-20 Subrogation of agency to cause of action of victim against person responsible for personal injury or death; liens.

20. a. Whenever an order for the payment of compensation is or has been made for personal injury or death resulting from an act or omission constituting an offense under this act, the agency shall, upon payment of the amount of the order, be subrogated to the cause of action of the applicant against the person or persons responsible for such personal injury or death to recover such payments. With the consent of the board, the agency also shall be entitled to bring an action against such person or persons for the amount of the damage sustained by the applicant. In the event that the amount paid in satisfaction of a judgment entered pursuant to this section is more than the amount paid by reason of the order for payment of compensation, the agency shall pay the balance to the applicant.

b. If a judgment is entered in favor of the agency pursuant to subsection a. of this section to recover payments made to the applicant pursuant to order for payment of compensation, the judgment shall constitute a lien on any and all real and personal property or income in which the person or persons responsible for the personal injury or death has or may acquire an interest, including the net proceeds, after the payment of fees and costs, of

any settlement negotiated prior or subsequent to the filing of a lawsuit, any civil judgment, any civil arbitration award and any inheritance payable to the person or persons responsible for the personal injury or death. The lien shall have priority over all other levies and garnishments against the net proceeds of actions identified in this section unless otherwise provided by the Superior Court. The lien shall not have priority over levies to recover unpaid income taxes owed to the State or a judgment for child support entered pursuant to section 1 of P.L.1988, c.111 (C.2A:17-56.23a).

c. All judgments and other related papers required for the purposes of this section shall be received and recorded by the clerk of the Superior Court without payment of fees.

d. To discharge or otherwise compromise any lien or liens arising pursuant to this section, the agency shall file with the clerk of the Superior Court a duly acknowledged certificate setting forth the fact that the agency desires to discharge or amend the lien of record.

e. Any person desiring to secure immediate discharge of any lien arising pursuant to this section may deposit with the court cash in an amount sufficient to cover the amount of the lien or post a bond in an amount and with sureties approved by the court. Upon proper notice to the agency of such deposit or bond, a satisfaction of the lien shall be filed at once with the clerk of the Superior Court.

f. Any person affected in any manner, whether directly or indirectly by any lien arising under this section, and desiring to examine the validity of the lien or the facts and circumstances surrounding the entry of the lien, may do so in an action brought in the county where the lien was filed. The action shall be brought against the agency claiming the lien, and the court may proceed in the action in a summary manner and enter such judgment as it may deem appropriate.

23. Section 21 of P.L.1971, c.317 (C.52:4B-21) is amended to read as follows:

C.52:4B-21 Severability.

21. If any section or sections of P.L.1971, c.317 or any provision thereof shall be declared to be unconstitutional, invalid or inoperative in whole or in part, such section or provision shall, to the extent that it is not unconstitutional, invalid or inoperative be enforced and effectuated and no such determination shall be deemed to invalidate or make ineffectual the remaining provisions of the sections of P.L.1971, c.317.

24. Section 1 of P.L.1981, c.256 (C.52:4B-22) is amended to read as follows:

C.52:4B-22 Information booklets, pamphlets.

1. a. Every State, county, and municipal police department and hospital or other place of emergency medical care shall have available and shall post in a public place information booklets, pamphlets or other pertinent written information, to be supplied by the Victims of Crime Compensation Agency, relating to the availability of crime victims' compensation including all necessary application blanks required to be filed with the agency.

b. Included in the information supplied by the Victims of Crime Compensation Agency shall be information for victims of sexual offenses. This information shall contain the location of rape crisis centers in all geographical areas throughout the State and shall instruct victims of sexual offenses that if a rape crisis center is not available in a victim's immediate geographical area, the victim may contact the appropriate county victim-witness coordinator appointed by the Chief of the Office of Victim-Witness Advocacy established pursuant to P.L.1985, c.404 (C.52:4B-39 et seq.). Unless the victim requires immediate medical attention, this information shall be personally conveyed to the victim of a sexual offense by a representative of the hospital or place of emergency care before a medical examination of the victim is conducted, or by a representative of the police department before the victim's statement is taken, to afford the victim the opportunity to arrange to have assistance from the rape crisis center or county victim-witness coordinator during these procedures. Hospitals shall be held harmless from suits emanating from a hospital's carrying out the obligation to convey information to victims of sexual offenses.

"Rape crisis center" means an office, institution or center offering assistance to victims of sexual offenses through crisis intervention, medical and legal information and follow-up counseling.

c. Every police department shall, upon the filing of a report of a violent crime, make available to any victim information concerning crime victims' compensation.

25. Section 2 of P.L.1981, c.256 (C.52:4B-23) is amended to read as follows:

C.52:4B-23 Failure to give notice; immunity from liability; nonalteration of requirements.

2. No cause of action against the State, any county, or any municipality, or any employee thereof, shall arise out of a failure to give the notice

required by section 1 of P.L.1981, c.256 (C.52:4B-22), nor shall any such failure be deemed or construed to effect or alter any time limitation or other requirement contained in P.L.1971, c.317 for the filing or payment of a claim hereunder.

26. Section 3 of P.L.1981, c.396 (C.52:4B-24) is amended to read as follows:

C.52:4B-24 Senior citizens' public awareness program.

3. The agency shall undertake a special senior citizens' public awareness program to make brochures and applications for claim forms available to senior citizens.

27. Section 2 of P.L.1982, c.192 (C.52:4B-25) is amended to read as follows:

C.52:4B-25 Victim counseling service.

2. a. The Victims of Crime Compensation Agency shall establish a victim counseling service which shall identify and develop sources to provide counseling to victims as defined in P.L.1971, c.317. The service shall provide assistance to victims without charge, which assistance shall include information and advice relative to filing a claim with the board, emergency food and clothing, employment opportunities, referral to other social service agencies, and in obtaining legal advice or representation. The service shall be conducted at such locations within the State as the agency deems advisable.

b. The agency is authorized to appoint such personnel for the service as may be necessary to carry out its functions. Appointments made pursuant to this subsection shall be within the funds appropriated or otherwise made available to the agency for this purpose.

c. (Deleted by amendment, P.L.2007, c.95).

d. The agency may also identify and develop sources to provide mental health counseling to victims, and provide victims with such information as may be appropriate through its victim counseling service.

28. Section 1 of P.L.1989, c.322 (C.52:4B-25.1) is amended to read as follows:

C.52:4B-25.1 Child and family counseling unit.

1. a. In addition to the victim counseling service established pursuant to section 2 of P.L.1982, c.192 (C.52:4B-25), the Victims of Crimes Compensation Agency shall establish a specialized child and family counseling unit.

This unit shall be under the direction of a person appointed by the executive director whose training or experience includes the handling of child abuse cases.

b. The agency is authorized to appoint such personnel for the child and family counseling unit as may be necessary to carry out its functions. Appointments made pursuant to this subsection shall be within the limits of the funds appropriated or otherwise made available to the agency for that purpose.

c. The child and family counseling unit may be principally located in any place as the agency deems advisable, but shall be available to lend assistance to child victims in every county in this State.

29. Section 1 of P.L.1985, c.404 (C.52:4B-39) is amended to read as follows:

C.52:4B-39 Definitions.

1. As used in P.L.1985, c.404:

a. "Victim" means a person who suffers personal physical or psychological injury or death or incurs loss of or injury to personal or real property as a result of a crime committed against that person.

b. "Agency" means the Victims of Crime Compensation Agency in the Department of the Treasury.

30. Section 2 of P.L.1985, c.404 (C.52:4B-40) is amended to read as follows:

C.52:4B-40 Office of Victim-Witness Assistance.

2. There is established under the jurisdiction of the Victims of Crime Compensation Agency in the Department of the Treasury an Office of Victim-Witness Assistance under the supervision of the Director of the Office of Victim-Witness Assistance.

C.52:4B-40.1 Director of the Office of Victim-Witness Assistance.

31. The Office of Victim-Witness Assistance shall operate under the direction of the Director of the Office of Victim-Witness Assistance, who shall be appointed by the executive director of the agency. The Director of the Office of Victim-Witness Assistance shall have a minimum of five years of experience in crime victim direct services and advocacy. The appointment made pursuant to this section shall be within the limits of the funds appropriated or otherwise made available to the agency for this purpose.

32. Section 4 of P.L.1985, c.404 (C.52:4B-42) is amended to read as follows:

C.52:4B-42 Victim-witness rights information program.

4. The victim-witness rights information program shall:

a. Provide victims or their representatives with information about the availability of social and medical services, especially emergency and social services available in the victim's immediate geographical area;

b. Provide victims or their representatives with information about possible compensation under the "Criminal Injuries Compensation Act of 1971," P.L.1971, c.317 (C.52:4B-1 et seq.) and of the sentencing court's authority to order restitution under chapter 43 of Title 2C of the New Jersey Statutes;

c. Provide victims or their representatives with information about how to contact the appropriate county office of victim-witness advocacy and the appropriate county prosecutor's office;

d. Provide a 24-hour toll-free hotline telephone number for victims and witnesses to call with inquiries concerning the information and services available pursuant to this act;

e. Provide victims and witnesses with a detailed description of the rights established under the Crime Victim's Bill of Rights created by P.L.1985, c.249 (C.52:4B-34 et seq.) and Article I, paragraph 22 of the New Jersey Constitution;

f. Gather available information from victim assistance programs throughout the country and make that information available to the Office of Victim-Witness Advocacy, police agencies, hospitals, prosecutors' offices, the courts, and other agencies that provide assistance to victims of crimes;

g. Sponsor conferences to bring together personnel working in the field of victim assistance and compensation to exchange methods and procedures for improving and expanding services to victims;

h. Provide assistance to victims without charge, which assistance shall include information and advice relative to filing a claim with the board, emergency food and clothing, employment opportunities, referral to other social service agencies, and in obtaining legal advice or representation; and

i. Conduct training programs for attorneys and victim service providers.

Repealer.

33. The following sections are repealed:

Sections 3, 4, 14, 15, 16 and 17 of P.L.1971, c.317 (C.52:4B-3, 52:4B-4 and 52:4B-14 through 52:4B-17);

Section 4 of P.L.1981, c.396 (C.52:4B-4.1); and

Section 12 of P.L.1995, c.135 (C.52:4B-3.1).

34. This act shall take effect on the first day of the second month after enactment.

Approved June 28, 2007.

CHAPTER 96

AN ACT concerning tobacco manufacturer payments under the tobacco Master Settlement Agreement, amending and supplementing P.L.1999, c.148.

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

1. Section 3 of P.L.1999, c.148 (C.52:4D-3) is amended to read as follows:

C.52:4D-3 Responsibilities of tobacco product manufacturer.

3. Any tobacco product manufacturer selling cigarettes to consumers within the State, whether directly or through a distributor, retailer or similar intermediary or intermediaries, after the date of enactment of this act shall do one of the following:

a. become a participating manufacturer, as that term is defined in section II(jj) of the Master Settlement Agreement, and generally perform its financial obligations under the Master Settlement Agreement; or

b. (1) place into a qualified escrow fund by April 15 of the year following the year in question the following amounts, as such amounts are adjusted for inflation:

(a) 1999, \$.0094241 per unit sold after the date of enactment of this act;

(b) 2000, \$.0104712 per unit sold;

(c) for each of 2001 and 2002, \$.0136125 per unit sold;

(d) for each of 2003 through 2006, \$.0167539 per unit sold; and

(e) for each of 2007 and each year thereafter, \$.0188482 per unit sold.

(2) A tobacco product manufacturer that places funds into escrow pursuant to paragraph (1) of this subsection shall receive the interest or other appreciation on such funds as earned. Such funds themselves shall be released from escrow only under the following circumstances:

(a) to pay a judgment or settlement on any released claim brought against such tobacco product manufacturer by the State or any releasing

party located or residing in the State. Funds shall be released from escrow under this subparagraph: (i) in the order in which they were placed into escrow; and (ii) only to the extent and at the time necessary to make payments required under such judgment or settlement;

(b) to the extent that the tobacco product manufacturer establishes that the amount that it was required to place into escrow on account of units sold in the State in a particular year was greater than the Master Settlement Agreement payments, as determined pursuant to section IX(i) of that Agreement including after final determination of all adjustments, that such manufacturer would have been required to make on account of such units sold had it been a participating manufacturer, the excess shall be released from escrow and revert back to the tobacco product manufacturer; or

(c) to the extent not released from escrow under subparagraph (a) or (b) of this paragraph, funds shall be released from escrow and revert back to the tobacco product manufacturer 25 years after the date on which they were placed into escrow.

(3) Each tobacco product manufacturer that elects to place funds into escrow pursuant to this subsection shall annually certify to the Attorney General that it is in compliance with this subsection. The Attorney General may bring a civil action on behalf of the State against any tobacco product manufacturer that fails to place into escrow the funds required under this section. Any tobacco product manufacturer that fails in any year to place into escrow the funds required under this section shall:

(a) be required within 15 days to place such funds into escrow as shall bring it into compliance with this section. The court, upon a finding of a violation of this subsection, may impose a civil penalty, to be paid into the General Fund, in an amount not to exceed 5% of the amount improperly withheld from escrow per day of the violation and in a total amount not to exceed 100% of the original amount improperly withheld from escrow;

(b) in the case of a knowing violation, be required within 15 days to place such funds into escrow as shall bring it into compliance with this section. The court, upon a finding of a knowing violation of this subsection, may impose a civil penalty, to be paid into the General Fund, in an amount not to exceed 15% of the amount improperly withheld from escrow per day of the violation and in a total amount not to exceed 300% of the original amount improperly withheld from escrow; and

(c) in the case of a second knowing violation, be prohibited from selling cigarettes to consumers within the State, whether directly or through a distributor, retailer or similar intermediary or intermediaries, for a period not to exceed two years.

Each failure to make an annual deposit required under this section shall constitute a separate violation. A person who violates this section shall pay the State's costs and attorney's fees incurred during a successful prosecution under this paragraph (3).

C.52:4D-3.1 Effect of holding of unconstitutionality, repeal.

2. If this act, or any portion of the amendment made in section 1 of this act amending subparagraph (b) of paragraph (2) of subsection b. of section 3 of P.L.1999, c.148 (C.52:4D-3), is held by a court of competent jurisdiction to be unconstitutional, then such subparagraph (b) shall be deemed to be repealed in its entirety. If paragraph (2) of subsection b. of section 3 of P.L.1999, c.148 (C.52:4D-3) shall thereafter be held by a court of competent jurisdiction to be unconstitutional, then this act shall be deemed repealed, and subparagraph (b) of paragraph (2) of subsection b. of section 3 of P.L.1999, c.148 (C.52:4D-3) restored as if no such amendment had been made. Neither any holding of unconstitutionality nor the repeal of subparagraph (b) of paragraph (2) of subsection b. of section 3 of P.L.1999, c.148 (C.52:4D-3), shall affect, impair or invalidate any other portion of section 3 of P.L.1999, c.148 (C.52:4D-3), or the application of such section to any other person or circumstance, and such remaining portions of section 3 of P.L.1999, c.148 (C.52:4D-3) shall at all times continue in full force and effect.

C.52:4D-3.2 Annual report to Joint Budget Oversight Committee.

3. The State Treasurer shall submit an annual report to the Joint Budget Oversight Committee on or before December 31 of each year setting forth a list of the amount of payments by and refunds to Participating Manufacturers and Non-Participating Manufacturers for the previous fiscal year and a list of any payments of penalties required under section 3 of P.L.1999, c.148 (C.52:4D-3) for the previous fiscal year.

4. This act shall take effect immediately.

Approved June 28, 2007.

CHAPTER 97

AN ACT concerning the Work First New Jersey program, amending P.L.1997, c.13 and P.L.1997, c.14, supplementing P.L.1997, c.38, and repealing section 9 of P.L.1997, c.38.

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

1. Section 4 of P.L.1997, c.13 (C.44:10-37) is amended to read as follows:

C.44:10-37 Certain income disregarded in computing benefit.

4. In computing the cash assistance benefit provided to recipients, the following disregards shall be applied to the earned income of each person in the assistance unit:

a. In the case of a recipient who is employed an average of 20 hours or more a week:

(1) 100% of the earned income shall be disregarded for the first full month in which the earned income would be counted;

(2) 75% of the earned income shall be disregarded for six consecutive months of employment; and

(3) 50% of the earned income shall be disregarded for each continuous month of employment thereafter.

b. In the case of a recipient who is employed for an average of less than 20 hours a week:

(1) 100% of the earned income shall be disregarded for the first full month in which the earned income would be counted; and

(2) 50% of the earned income shall be disregarded for each continuous month of employment thereafter.

c. If an employable recipient has a documented disability, as defined by the commissioner by regulation, that limits the person from accepting more than 20 hours of employment per week, the commissioner may waive the 20 hours or more requirement in subsection a. of this section and provide that the recipient shall be entitled to the 75% earned income disregard for six consecutive months of employment, and the 50% earned income disregard for each continuous month of employment thereafter.

C.44:10-63.1 Work First New Jersey Program, failure to cooperate, sanctions.

2. In an assistance unit with a single adult or couple without dependent children or a single adult or couple with dependent children, the failure of a recipient to actively cooperate with the Work First New Jersey program, established pursuant to P.L.1997, c.38 (C.44:10-55 et seq.), or participate in work activities under the program, without good cause as determined by the commissioner, shall result in a loss of cash assistance benefits in accordance with the provisions of this section.

Prior to the imposition of a sanction, the county or municipal welfare agency shall determine whether good cause for noncompliance exists. Good cause shall include, but is not limited to, disability or other circumstances, as defined by the commissioner, which effectively impair a recipient's ability to actively cooperate with the Work First New Jersey program or participate in work activities under the program.

a. Prior to the imposition of a sanction, the county or municipal welfare agency shall ensure that, in consultation with the recipient, an assessment has been given in accordance with subsection f. of section 8 of P.L.1997, c.38 (C.44:10-62), and a determination has been made that barriers do not exist which are likely to prevent the recipient from complying with the work requirements or other activities specified in the individual responsibility plan; provided that, this prerequisite to the imposition of a sanction shall not apply if the recipient, without good cause, has refused to cooperate with the conduct of the assessment.

The county or municipal welfare agency shall determine if a sanctionable offense has occurred and whether good cause exists by:

(1) reviewing the case record to determine whether a comprehensive assessment or other information in the file indicates that good cause for noncompliance exists, and

(2) outreaching to the recipient, to attempt, in consultation with the recipient, to determine the reason for noncompliance and whether it constitutes good cause.

If good cause requires that services be provided in order for the recipient to comply, then services shall be provided prior to any reassignment of work activities, as appropriate.

The recipient shall be provided with reasonable accommodations in work activities for identified disabilities and, when necessary given the condition, deferred from participation.

The recipient shall be advised of the right to contest the sanction if he disagrees with the agency determination to impose the sanction.

b. In an assistance unit with one adult, if the adult fails to actively cooperate with the program or participate in work activities without good cause, the cash assistance benefit provided to the assistance unit shall be reduced by the pro-rata share of the noncompliant adult for one month.

(1) If the adult fails to actively cooperate with the program or participate in work activities by the end of the first-month pro-rata sanction, without good cause, the assistance unit's cash assistance case shall be suspended for one month. If the participant complies by the end of the suspension month, the suspension shall be lifted.

(2) If the adult fails to actively cooperate with the program or participate in work activities by the end of the suspension month, without good cause, the assistance unit's cash assistance case shall be closed for a minimum one-month period, and the assistance unit shall be required to reapply in order to receive further cash assistance benefits.

c. In an assistance unit with two adults, if one adult fails to actively cooperate with the program or participate in work activities without good cause, the cash assistance benefit provided to the assistance unit shall be reduced by the pro-rata share of the noncompliant adult for one month. If the adult fails to comply by the end of the sanction month, the pro-rata reduction shall continue until the recipient demonstrates an intent to comply.

If both adults fail to actively cooperate with the program or participate in work activities without good cause, the cash assistance benefit provided to the assistance unit shall be reduced by the pro-rata share of the noncompliant adults for one month. If both adults fail to actively cooperate with the program or participate in work activities by the end of the sanction month, without good cause, the assistance unit's cash assistance case shall be closed for a minimum one-month period, and the assistance unit shall be required to reapply in order to receive further cash assistance benefits.

d. If a dependent child 16 years of age or older fails to comply with the requirement for school attendance or other work activity participation, without good cause, the dependent child shall be subject to a pro-rata reduction of cash assistance benefits for one month. If the dependent child fails to comply by the end of the sanction month, the pro-rata reduction shall continue until the dependent child demonstrates an intent to comply.

e. If a cash assistance case is closed due to a sanction, and the recipient is receiving emergency assistance benefits, then the household shall continue to receive emergency assistance benefits for one month immediately following the case closure.

If the recipient comes into compliance and reapplies for cash assistance benefits, the emergency assistance benefits shall be reinstated if the emergency still exists.

f. If a recipient who is less than 18 years of age is living in a Work First New Jersey-funded appropriate living arrangement because the recipient is unable to live with a parent, guardian, or other adult relative, funding for the living arrangement shall continue for one month immediately following the case closure.

g. An adult recipient who voluntarily quits a job without good cause, as defined by regulation of the commissioner, shall render the entire assistance unit ineligible for cash assistance benefits for a period of two months

from the date the county agency or municipal welfare agency, as appropriate, makes the determination that the recipient quit the job.

3. Section 1 of P.L.1997, c.14 (C.44:10-44) is amended to read as follows:

C.44:10-44 Definitions relative to welfare reform, eligibility.

1. As used in this act:

"Applicant" means an applicant for benefits provided by the Work First New Jersey program.

"Assistance unit" means: a single person without dependent children; a couple without dependent children; dependent children only; or a person or couple with one or more dependent children who are legally or blood-related, or who is their legal guardian, and who live together as a household unit.

"Benefits" means any assistance provided to needy persons and their dependent children and needy single persons and couples without dependent children under the Work First New Jersey program.

"Commissioner" means the Commissioner of Human Services.

"County agency" means the county agency that was administering the aid to families with dependent children program at the time the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," Pub.L.104-193, was enacted and which, upon the enactment of P.L.1997, c.14 (C.44:10-44 et al.) shall also administer the Work First New Jersey program in that county.

"Dependent child" means a child:

- a. under the age of 18;
- b. under the age of 19 and a full-time student in a secondary school or an equivalent level of vocational or technical training, if, before the student attains age 19, the student may reasonably be expected to complete the student's program of secondary school or training; or
- c. under the age of 21 and enrolled in a special education program, who is living in New Jersey with the child's natural or adoptive parent or legal guardian, or with a relative designated by the commissioner in a place of residence maintained by the relative as the relative's home.

"Eligible alien" means one of the following:

- a. a qualified alien admitted to the United States prior to August 22, 1996, who is eligible for means-tested, federally funded public benefits pursuant to federal law;

b. a refugee, asylee, victim of human trafficking, or person granted withholding of deportation under federal law for the person's first five years after receiving that classification in the United States pursuant to federal law;

c. a qualified alien who is a veteran of, or on active duty in, the armed forces of the United States, or the spouse or dependent child of that person pursuant to federal law;

d. a recipient of refugee and entrant assistance activities or a Cuban or Haitian entrant pursuant to federal law;

e. a legal permanent resident alien who has worked 40 qualifying quarters of coverage as defined under Title II of the federal Social Security Act; except that, for any period after December 31, 1996, a quarter during which an individual received means-tested, federally funded public benefits shall not count toward the total number of quarters;

f. a qualified alien admitted to the United States on or after August 22, 1996, who has lived in the United States for at least five years and is eligible for means-tested, federally funded public benefits pursuant to federal law; or

g. a qualified alien who has been battered or subjected to extreme cruelty in the United States by a spouse, parent or a member of the spouse or parent's family residing in the same household as the alien, or a qualified alien whose child has been battered or subjected to extreme cruelty in the United States by a spouse or parent of the alien, without the active participation of the alien, or by a member of the spouse or parent's family residing in the same household as the alien. In either case, the spouse or parent shall have consented or acquiesced to the battery or cruelty and there shall be a substantial connection between the battery or cruelty and the need for benefits to be provided. The provisions of this subsection shall not apply to an alien during any period in which the individual responsible for the battery or cruelty resides in the same household or assistance unit as the individual subjected to the battery or cruelty. Benefits shall be provided to the extent and for the period of time that the alien or alien's child is eligible for the program.

For the purposes of this section, "qualified alien" is defined pursuant to the provisions of section 431 of Title IV of Pub.L.104-193.

"Income" means, but is not limited to, commissions, salaries, self-employed earnings, child support and alimony payments, interest and dividend earnings, wages, receipts, unemployment compensation, any legal or equitable interest or entitlement owed that was acquired by a cause of action, suit, claim or counterclaim, insurance benefits, temporary disability claims, estate income, trusts, federal income tax refunds, State income tax refunds, homestead rebates, lottery prizes, casino and racetrack winnings,

annuities, retirement benefits, veterans' benefits, union benefits, or other sources that may be defined as income by the commissioner; except that in the event that individual development accounts for recipients are established by regulation of the commissioner, any interest or dividend earnings from such an account shall not be considered income.

"Income eligibility standard" means the income eligibility threshold based on assistance unit size established by regulation of the commissioner for benefits provided within the limit of funds appropriated by the Legislature.

"Legal guardian" means a person who exercises continuing control over the person or property, or both, of a child, including any specific right of control over an aspect of the child's upbringing, pursuant to a court order.

"Non-needy caretaker" means a relative caring for a dependent child, or a legal guardian of a minor child who, in the absence of a natural or adoptive parent, assumes parental responsibility and has income which exceeds the income eligibility standard but is less than 150% of the State median income adjusted for household size.

"Recipient" means a recipient of benefits under the Work First New Jersey program.

"Resources" means all real and personal property as defined by the commissioner; except that in the event that individual development accounts for recipients are established by regulation of the commissioner, all funds in such an account, up to the limit determined by the commissioner, including any interest or dividend earnings from such an account, shall not be considered to be a resource.

"Services" means any Work First New Jersey benefits that are not provided in the form of cash assistance.

"Title IV-D" means the provisions of Title IV-D of the federal Social Security Act governing paternity establishment and child support enforcement activities and requirements.

"Work First New Jersey program" or "program" means the program established pursuant to P.L.1997, c.38 (C.44:10-55 et seq.).

Repealer.

4. Section 9 of P.L.1997, c.38 (C.44:10-63) is repealed.

5. The Commissioner of Human 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; except that, notwithstanding any provision of P.L.1968, c.410 to the contrary, the commis-

sioner 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.

6. This act shall take effect on the 45th day following enactment, but the Commissioner of Human Services may take such anticipatory administrative action in advance thereof as shall be necessary for the implementation of the act.

Approved June 28, 2007.

CHAPTER 98

AN ACT concerning burial, removal, and transit permit fees and amending R.S.26:6-17.

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

1. R.S.26:6-17 is amended to read as follows:

Fee for burial, removal or transit permit.

26:6-17. The State registrar shall be entitled to receive a fee of \$5 for each burial or removal, or transit permit issued; except that, on or after the effective date of P.L.2007, c.98 but before the first day of the thirty-seventh month following the effective date of P.L.2007, c.98, the State registrar shall be entitled to receive a fee of \$15. The State registrar shall deposit the proceeds from the fees into the New Jersey Electronic Death Registration Support Fund established pursuant to section 17 of P.L.2003, c.221 (C.26:8-24.2), and shall provide such amount from the fee, as the Commissioner of Health and Senior Services determines appropriate, to the local registrar who issued the permit.

2. This act shall take effect 30 days after the date of enactment.

Approved June 28, 2007.

CHAPTER 99

AN ACT authorizing the State Treasurer to sell certain surplus real property and improvements owned by the State.

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

1. a. The Department of the Treasury, on behalf of the Department of Law and Public Safety, is authorized to sell and convey, as surplus real property, all of the State's interest in the 3.32+ acre parcel of land and the improvements thereon that include a 3,230 square foot one-story office building and a 1,820 square foot garage located on Route 130 in the Township of East Windsor, Mercer County, designated as Block 8, Lot 11 on the tax map of East Windsor, that is a former State Police office and barracks and that has been declared surplus to the department's needs.

b. The sale and conveyance authorized by subsection a. of this section shall be executed in accordance with the terms and conditions approved by the State House Commission.

c. The proceeds from the sale shall be used only for the relief of State debt or to assist in funding capital improvement projects undertaken by the State.

2. This act shall take effect immediately.

Approved June 28, 2007.

CHAPTER 100

AN ACT concerning the enhancement of tax compliance under the State Uniform Tax Procedure Law, amending and supplementing Title 54 of the Revised Statutes.

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

1. R.S.54:49-10 is amended to read as follows:

Penalties, interest, collection costs as part of tax.

54:49-10. All penalties and interest when imposed by this or by any State tax law as well as the fee imposed for the cost of collection under section 8 of P.L.1987, c.76 (C.54:49-12.1), R.S.54:49-13, and the compensation for debt collection services under section 2 of P.L.1992, c.172 (C.54:49-12.3) shall be payable to and recoverable by the director in the same manner as if they were a part of the tax imposed.

2. Section 8 of P.L.1987, c.76 (C.54:49-12.1) is amended to read as follows:

C.54:49-12.1 Fees for cost of collection.

8. a. If any State tax is not paid within the time prescribed by law, and the director issues a certificate of debt pursuant to R.S.54:49-12, a fee for the cost of collection of the tax may be imposed by the director. In lieu of imposing the actual cost of collection as the fee, the director may impose a fee in the amount of 5% of the tax or \$100.00, whichever is greater. In the event that the State tax remains unpaid following the issuance of the certificate of debt and the director takes any further collection action including referral of the matter to the Attorney General, the fee imposed, in lieu of the actual cost of collection, may be 10% of the tax or \$200.00, whichever is greater. In the further event that the tax remains unpaid and suit is instituted for the collection of the tax, the fee imposed, in lieu of the actual cost of collection, may be 20% of the tax or \$500.00, whichever is greater. The fees imposed pursuant to this section shall be in addition to any interest or penalty, or both, otherwise provided by law. The director shall promulgate regulations for determining the cost of collection.

b. A fee for the cost of collection of 10% of the tax assessed or \$200.00, whichever is greater, shall be imposed by the director on the amount of an arbitrary assessment under R.S.54:49-5 or R.S.54:49-7 that is agreed to as final by the taxpayer.

3. Section 1 of P.L.2004, c.56 (C.54:50-37) is amended to read as follows:

C.54:50-37 Definitions relative to reporting of certain account information by financial institutions; report requirements.

1. a. For purposes of this section:

"Account" means a demand deposit account, checking or negotiable order of withdrawal account, savings account, time deposit account, or money market mutual fund account. "Account" also includes an equity securities account if permitted under federal law. "Account" does not include: an account to which a tax debtor does not have access due to the pledge of funds as security for a loan or other obligation; funds deposited to an account after the time that a financial institution initially attaches an account; an account to which a financial institution has a present right to exercise a right of set off.

"Director" means the Director of the Division of Taxation in the Department of the Treasury.

"Financial institution" means a State or federally chartered bank, savings bank, savings and loan or credit union; a benefit association; insurance company; safe deposit company; money market mutual fund; or similar entity authorized to do business in this State. "Financial institution" also includes an investment and loan corporation if permitted under federal law.

"Tax debtor" means a person liable for a State tax indebtedness, including tax, interest, penalties and related fees, that has been reduced to judgment pursuant to a Certificate of Debt filed with the Clerk of the Superior Court by the director.

b. The director may request assistance and information from financial institutions in order to collect on the judgment of a tax debtor, as follows:

(1) Not more frequently than once every calendar quarter, or as otherwise agreed to by the financial institution, the director may provide to a financial institution information in an electronic format containing the names, social security numbers or other taxpayer identification numbers and any other identifying information within the director's records, of tax debtors and request that the financial institution provide a report to the director pursuant to paragraph (2) of this subsection.

(2) Within 30 days of the request by the director, or as otherwise agreed to by the financial institution, the financial institution shall provide a report, in an electronic format prescribed by the director, containing the following information appearing in the records of the financial institution with respect to each tax debtor having an account with that financial institution: full name; address; social security or other taxpayer identification number; any other identifying information; and all account numbers and the balances in each account.

c. A financial institution that complies with a request from the director by submitting a report to the director in accordance with this section shall not be liable under State law to any person for any disclosure of information to the director, or any other action taken in good faith to comply with the requirements of this section.

d. A financial institution furnishing a report to the director under this section is prohibited from disclosing to a tax debtor that the name of the debtor has been received from or furnished to the director unless authorized in writing by the director. A violation of this subsection shall result in the imposition of a civil penalty of \$1,000 for each instance of unauthorized disclosure by a financial institution.

e. The director may institute civil proceedings to enforce the provisions of this section.

f. The procedures described in this section are in addition to any remedies available by law to the director for the collection of tax indebtedness.

g. The director may promulgate regulations concerning the administration of this section.

4. Section 3 of P.L.1995, c.161 (C.54:50-28) is amended to read as follows:

C.54:50-28 Issuance of alcoholic beverage retail licensee clearance certificate, conditions.

3. a. The Director of the Division of Taxation shall, by December 31 of each calendar year, review the records pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), the retail sales tax in fourth class cities, P.L.1947, c.71 (C.40:48-8.15 et seq.), and the tax on predominantly tourism related retail receipts pursuant to the "Tourism Improvement and Development District Act," P.L.1992, c.165 (C.40:54D-1 et seq.), as well as other State taxes to which the licensee is subject, of those alcoholic beverage retail licensees and holders of any license that confers the right to sell alcoholic beverages to consumers that are subject to review pursuant to subsection e. of this section to determine if the licensees have satisfied all requirements for filing those taxes and information returns and for paying those taxes for which they have been liable individually or as operators of current or past businesses. The same review shall be performed at any time upon request by a prospective alcoholic beverage retail licensee or prospective holder of any license that confers the right to sell alcoholic beverages to consumers subject to review pursuant to subsection e. of this section, within such time limits as the director may determine.

b. If the director determines that a licensee or prospective licensee has complied with all requirements for filing tax and information returns pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), the retail sales tax in fourth class cities, P.L.1947, c.71 (C.40:48-8.15 et seq.), and the tax on predominantly tourism related retail receipts pursuant to the "Tourism Improvement and Development District Act," P.L.1992, c.165 (C.40:54D-1 et seq.) as well as any other State tax reviewed pursuant to subsection a., and for paying or remitting those taxes, the director shall issue to the licensee or prospective licensee an alcoholic beverage retail licensee clearance certificate.

c. If the director determines that the licensee or prospective licensee has not filed all required tax and information returns or has not paid or remitted all tax, penalties, interest or fees due pursuant to the "Sales and Use Tax

Act," P.L.1966, c.30 (C.54:32B-1 et seq.), the retail sales tax in fourth class cities, P.L.1947, c.71 (C.40:48-8.15 et seq.), and the tax on predominantly tourism related retail receipts pursuant to the "Tourism Improvement and Development District Act," P.L.1992, c.165 (C.40:54D-1 et seq.), and any other State tax reviewed pursuant to subsection a., the director shall issue a notice of delinquency or deficiency listing unfiled returns or balances due. The director may require a licensee or prospective licensee to resolve all delinquencies and deficiencies before an alcoholic beverage retail licensee clearance certificate is issued, or upon review of the total circumstances, the director shall issue an interim alcoholic beverage retail licensee clearance certificate if the director determines to the director's satisfaction that the licensee or prospective licensee will resolve all such delinquencies and deficiencies.

d. The director's issuance of a regular or interim alcoholic beverage retail licensee clearance certificate shall not constitute a waiver of authority to demand resolution of all deficiencies and delinquencies and shall not prevent further audit or the assessment of additional taxes, penalties, interest or fees as may be provided by law.

e. Alcoholic beverage retail licensees and holders of any license that confers the right to sell alcoholic beverages to consumers, or prospective licensees or holders, subject to the review required by this section are:

(1) in calendar year 1995, alcoholic beverage licensees and prospective licensees with business locations or prospective locations in Bergen, Burlington, Essex, Gloucester, Middlesex, Ocean and Salem counties;

(2) in calendar year 1996, alcoholic beverage licensees and prospective licensees with business locations or prospective locations in those counties listed in paragraph (1) of this subsection and in Hudson, Hunterdon, Mercer, Monmouth, Somerset, Union, and Warren counties; and

(3) in calendar year 1997 and each calendar year thereafter, alcoholic beverage licensees and prospective licensees with business locations or prospective locations in those counties listed in paragraphs (1) and (2) of this subsection and in Atlantic, Camden, Cape May, Cumberland, Morris, Passaic, and Sussex counties.

C.54:50-38 Notification to director of proposed sale, transfer, assignment of business assets; claim for State taxes.

5. a. Whenever a person shall make a sale, transfer, or assignment in bulk of any part or the whole of the person's business assets, otherwise than in the ordinary course of business, the purchaser, transferee or assignee shall, at least 10 days before taking possession of the subject of the sale, transfer or assignment, or paying therefor, notify the director by registered mail, or other

such method as the director may prescribe, of the proposed sale and of the price, terms and conditions thereof whether or not the seller, transferrer or assignor has represented to, or informed the purchaser, transferee or assignee that the seller, transferrer or assignor owes any State tax and whether or not the purchaser, transferee, or assignee has knowledge that such taxes are owing, and whether any such taxes are in fact owing. Within 10 days of receiving such notice, the director shall notify the purchaser, transferee or assignee by such means as the director may prescribe that a possible claim for State taxes exists and include the amount of the State's claim.

b. If, upon receiving timely notice of a sale, transfer or assignment from a purchaser, transferee or assignee, the director fails to provide timely notice to the purchaser, transferee or assignee that a possible claim for such State tax or taxes exists, the purchaser, transferee or assignee may transfer over to the seller, transferrer or assignor any sums of money, property or choses in action, or other consideration to the extent of the amount of the State's claim. The purchaser, transferee or assignee shall not be subject to the liabilities and remedies imposed under the provisions of the uniform commercial code, Title 12A of the Revised Statutes of New Jersey, and shall not be personally liable for the payment to the State of any such taxes theretofore or thereafter determined to be due to the State from the seller, transferrer or assignor.

c. If the purchaser, transferee or assignee shall fail to give notice to the director as required by the preceding paragraph, or if the director shall inform the purchaser, transferee or assignee that a possible claim for such State tax or taxes exists, any sums of money, property or choses in action, or other consideration, which the purchaser, transferee or assignee is required to transfer over to the seller, transferrer or assignor shall be subject to a first priority right and lien for any such State taxes theretofore or thereafter determined to be due from the seller, transferrer or assignor to the State, and the purchaser, transferee or assignee is forbidden to transfer to the seller, transferrer or assignor any such sums of money, property or choses in action to the extent of the amount of the State's claim. For failure to comply with the provisions of this section the purchaser, transferee or assignee, in addition to being subject to the liabilities and remedies imposed under the provisions of the uniform commercial code, Title 12A of the Revised Statutes of New Jersey, shall be personally liable for the payment to the State of any such taxes theretofore or thereafter determined to be due to the State from the seller, transferrer or assignor, and such liability may be assessed and enforced in the same manner as the liability for any State tax under the State Uniform Tax Procedure Law, R.S.54:48-1 et seq.

6. This act shall take effect immediately, but section 5 shall remain inoperative until the first day of the second month following enactment.

Approved June 28, 2007.

CHAPTER 101

AN ACT establishing a tax clearance certificate program for awards of certain business assistance and incentives, supplementing Chapter 50 of Title 54 of the Revised Statutes.

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

C.54:50-39 Tax clearance certificate required for award of business assistance, incentive.

1. a. A department or agency of State government, including independent authorities and instrumentalities of the State, shall, as a precondition to the award of business assistance or incentive or as a component of the application for business assistance or incentive as appropriate, require a person to submit a tax clearance certificate issued by the director prior to the department or agency making an award of business assistance or incentive to the person.

b. The person applying for business assistance or incentive may apply to the director for a tax clearance certificate and shall provide the director such information in such form as the director may prescribe necessary for the director to determine if the person has satisfied all requirements for filing those State tax and information returns and for paying those State taxes for which they have been liable as taxpayers or as collectors of tax.

c. If the director determines that the person has complied with all requirements for filing tax and information returns and for paying or remitting required State taxes and fees, the director shall issue to the person a tax clearance certificate.

If the director determines that the person has not filed all required tax and information returns or has not paid all tax, penalties, interest, or fees due, the director shall issue a notice of delinquency or deficiency listing unfiled returns or balances due. The director may require a person to resolve all delinquencies and deficiencies before a tax clearance certificate is issued, or upon review of the total circumstances, the director may issue an

interim tax clearance certificate if the director determines to the director's satisfaction that the person will resolve all such delinquencies or deficiencies within the time period specified by the director.

The director's issuance of a regular or interim tax clearance certificate shall not constitute a waiver of authority to demand resolution of all deficiencies and delinquencies and shall not prevent further audit or the assessment of additional taxes, penalties, interest, or fees as may be provided by law. No additional right to protest or appeal the State tax indebtedness, filing deficiency, or penalties shall be available to any person pursuant to this section.

d. As used in this section:

"Business assistance or incentive" means monetary or financial assistance in any form, other than a tax credit or tax exemption granted pursuant to a claim made on a tax return filed with the Division of Taxation in the Department of the Treasury, including but not limited to a grant, loan, loan guarantee, or other monetary or financial benefit awarded to a person by a department or agency of State government, including independent authorities and instrumentalities of the State, to assist the person in the conduct or operation of a business, occupation, trade, or profession in the State, in connection with the following programs:

(1) the business employment incentive program established pursuant to P.L.1996, c.26 (C.34:1B-124 et al.);

(2) the business retention and relocation assistance program established pursuant to P.L.1996, c.25 (C.34:1B-112 et seq.);

(3) the customized training services provided pursuant to section 5 of P.L.1992, c.43 (C.34:15D-5);

(4) the business, commercial and industrial components of the clean energy program administered by the Board of Public Utilities;

(5) the business grant, loan, and loan guarantee programs administered by:

(a) the Economic Development Authority;

(b) the Housing and Mortgage Finance Authority; and

(c) the Casino Reinvestment Development Authority;

(6) the science and technology grants provided by or through the New Jersey Commission on Science and Technology; and

(7) any other similar State program that confers a significant monetary or financial benefit upon a business or businesses, as prescribed by the State Treasurer pursuant to regulations promulgated pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

e. The director may charge and collect an application fee from a person applying for a tax clearance certificate, to reflect the administrative

costs, and may charge and collect a reasonable service fee for the provision of any expedited services offered.

f. In order to better manage the workload of issuing tax clearance certificates, the director may prescribe a schedule by which tax clearance certificates will initially be issued for only one or more of the programs enumerated as business assistance or incentive, or one or more of the components of one or more of those programs, and by which tax clearance certificate issuance for other programs enumerated, or other components of those programs, will be instituted beginning on dates specified according to the schedule. In prescribing the schedule the director will give due regard to the monetary value of the assistance and incentive offered, the timing of the application process, the number of applicants, and necessary applicant and program administrator notice for a particular program or program component. Such a schedule adopted by the director shall be subject to change by the director, but in any case shall provide for issuance of tax clearance certificates for all enumerated programs before January 1, 2009.

Notwithstanding any provisions of this section to the contrary, no tax clearance certificate shall be required as a precondition to the award of business assistance or incentive or as a component of the application for business assistance or incentive prior to its program's, or its program's component's, scheduling by the director pursuant to this subsection.

g. Notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1 et seq.) 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 shall be effective for a period not to exceed 180 days following enactment of P.L.2007, c.101 (C.54:50-39) and may thereafter be amended, adopted or readopted by the director in accordance with the requirements of P.L.1968, c.410.

2. This act shall take effect immediately but remain inoperative until July 1, 2007.

Approved June 28, 2007.

CHAPTER 102

AN ACT imposing personal liability on certain persons required to collect certain taxes, fees, and assessments, amending various parts of the statutory law.

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

1. Section 9 of P.L.1992, c.165 (C.40:54D-9) is amended to read as follows:

C.40:54D-9 Forwarding of tax, assessment collected, filing returns; vendor liability.

9. a. (1) A vendor required to collect the tax upon predominantly tourism related retail receipts or tourism assessment imposed pursuant to this act shall on or before the dates required pursuant to section 17 of P.L.1966, c.30 (C.54:32B-17), forward to the director the tax and assessments collected in the preceding month and make and file a return for the preceding month with the director on any form and containing any information as the Director of the Division of Taxation in the Department of the Treasury shall prescribe by rule or regulation as necessary to determine liability for the tax and assessment in the preceding month during which the person was required to collect the tax.

(2) A vendor required to collect the tax upon predominantly tourism related retail receipts and the tourism assessment shall be personally liable for the tax or assessment imposed, collected, or required to be paid, collected, or remitted under section 4 of P.L.1992, c.165 (C.40:54D-4). Any such vendor shall have the same right in respect to collecting the tax or assessment from that vendor's customer or in respect to non-payment of the tax or assessment by the customer as if the tax or assessment were a part of the purchase price of the property or service, amusement charge or rent, as the case may be, and payable at the same time; provided however, that the director shall be joined as a party in any action or proceeding brought to collect the tax or assessment.

For purposes of this paragraph, "vendor" includes: an individual, partnership, corporation, or an officer, director, stockholder, or employee of a corporation, or a member or employee of a partnership, who as such officer, director, stockholder, employee, or member is under the duty to perform the act in respect of which the violation occurs.

b. The director may permit or require returns to be made covering other periods and upon any dates as the director may specify. In addition, the director may require payments of tax and assessment liability at any intervals and based upon any classifications as the director may designate. In prescribing any other periods to be covered by the return or intervals or classifications for payment of tax and assessment liability, the director may take into account the dollar volume of tax and assessment involved as well

as the need for ensuring the prompt and orderly collection of the tax imposed.

c. The director may require amended returns to be filed within 20 days after notice and to contain the information specified in the notice.

d. The director shall inform the authority for each month in which this tax and assessment is collected and returns made of the amount so collected in each month.

2. Section 2 of P.L.2004, c.48 (C.52:17C-18) is amended to read as follows:

C.52:17C-18 Fee imposed on mobile telecommunications service customers; exemptions; administration; liability.

2. a. (1) There is imposed on each mobile telecommunications service customer, charged by a mobile telecommunications company for mobile telecommunications service for each voice grade access telephone number provided to the customer billed by or for the customer's home service provider and provided to a customer with a place of primary use in this State, a fee of \$0.90 on any periodic bill received by the customer for each voice grade access service number provided as part of the mobile telecommunications service.

(2) There is imposed on each customer charged by a telephone exchange company for each voice grade access service line provided to that customer that has a service address in this State, a fee of \$0.90 on any periodic bill received by the customer for each voice grade access service line provided as part of that telephone exchange service. Each Private Branch Exchange (PBX) trunk or Centrex trunk equivalent shall constitute an individual and separate subscribed service line. Any customer that has been determined by its telephone exchange company to be enrolled in the Lifeline Telecommunication program, or in receipt of Lifeline Telecommunication or Universal Service Fund benefits for a periodic bill shall be exempt from the fee on that periodic bill. State government agencies, and county and municipal governments and their agencies, and school districts shall be exempt from the fee imposed on customers of telephone exchange companies for each voice grade access service line provided as part of telephone exchange service provided to that customer at a service address in this State for periodic bills issued to those customers on and after January 1, 2005.

b. The fee imposed by paragraphs (1) and (2) of subsection a. of this section shall be collected by the mobile telecommunications company or telephone exchange company providing the applicable service to its cus-

tomers upon payment of any periodic bill for such service. This section shall not be deemed as extending to a telephone exchange company or mobile telecommunications company any obligation or authority otherwise not provided pursuant to law, to take legal action to enforce the collection of the fee imposed upon the customer. Any such action shall be brought by the State against the customer with any cooperation requested by the State of the telephone exchange company or mobile telecommunications company as the State deems necessary.

c. (1) The fees collected pursuant to subsection b. of this section shall be collected monthly and reported and paid to the director on a quarterly basis in a manner prescribed by the Director of the Division of Taxation in the Department of the Treasury, which notwithstanding the provisions of subsection b. of section 1 of P.L.1992, c.140 (C.54:48-4.1) if any, to the contrary, shall be subject to the provisions of P.L.1992, c.140 as the director shall prescribe, and the State Treasurer shall credit the fee revenue to the "9-1-1 System and Emergency Response Trust Fund Account" established pursuant to section 3 of P.L.2004, c.48 (C.52:17C-19). The administration, collection and enforcement of the fee imposed by this act shall be subject to the provisions of the State Uniform Tax Procedure Law, R.S.54:48-1 et seq., to the extent that the provisions of such law are not inconsistent with any provision of this act.

(2) Each mobile telecommunications company and telephone exchange company shall be liable for the fee imposed, collected, or required to be paid, collected, or remitted under the provisions of paragraphs (1) and (2) of subsection a. of this section. Any such company shall have the same right in respect to collecting the fee from that company's customer or in respect to non-payment of the fee by the customer as if the fee were a part of the purchase price of the applicable telecommunications service or telephone exchange service, as the case may be, and payable at the same time; provided however, that the director shall be joined as a party in any action or proceeding brought to collect the fee.

For purposes of this paragraph, "company" includes: an individual, partnership, corporation, or an officer, director, stockholder, or employee of a corporation, or a member or employee of a partnership, who as such officer, director, stockholder, employee, or member is under the duty to perform the act in respect of which the violation occurs.

d. A telephone exchange company that provides telephone exchange service to the State government or any State government agency, a county or municipal government or any of its agencies, or a school district that is exempt for bills issued on and after January 1, 2005, shall be entitled after

that date to a credit in an amount as the Director of the Division of Taxation shall determine within 60 days of application, against the amount of fees collected during and due to be paid over for the calendar quarter commencing on that date, for the reasonable costs certified by the telephone exchange company to have been incurred by the company for changes made to its billing system that are necessary to implement the exemption. The director shall consult with the Board of Public Utilities to ascertain from the board the reasonableness of the costs claimed to be incurred. The director and the board may adopt regulations necessary to administer the credit.

3. Section 1 of P.L.1980, c.60 (C.54:32B-24.1) is amended to read as follows:

C.54:32B-24.1 Retail sales tax in fourth class cities; collection and administration by director; vendor liability.

1. a. The director shall collect and administer any tax imposed pursuant to the provisions of P.L.1947, c.71 (C.40:48-8.15 et seq.), amended and supplemented by P.L.1979, c.273, notwithstanding the provisions of any other law or ordinance to the contrary. In carrying out the provisions of this supplementary act the director shall have all the powers granted in P.L.1966, c.30 (C.54:32B-1 et seq.).

b. The director shall determine and certify to the State Treasurer on a monthly basis the amount of revenues payable to any municipality which has enacted a tax pursuant to P.L.1947, c.71 (C.40:48-8.15 et seq.) and collected by the director pursuant to this supplementary act. The State Treasurer upon the certification of the director and upon the warrant of the State Comptroller, shall pay and distribute on a monthly basis to each municipality the amount so determined and certified.

c. The director may furnish to a municipality, at his discretion, copies of tax reports or returns relating to taxes imposed under any municipal ordinance heretofore adopted by that municipality pursuant to P.L.1947, c.71 (C.40:48-8.15 et seq.).

d. (1) Each vendor required to collect the tax imposed by a municipal ordinance which was adopted pursuant to the provisions of P.L.1947, c.71 (C.40:48-8.15 et seq.) shall be personally liable for the tax imposed, collected, or required to be paid, collected, or remitted under the ordinance. Any such vendor shall have the same right in respect to collecting the tax from that vendor's customer or in respect to non-payment of the tax by the customer as if the tax were a part of the purchase price of the property or service, amusement charge or rent, as the case may be, and payable at the

same time; provided however, that the director shall be joined as a party in any action or proceeding brought to collect the tax.

(2) For purposes of this subsection, “vendor” includes: an individual, partnership, corporation, or an officer, director, stockholder, or employee of a corporation, or a member or employee of a partnership, who as such officer, director, stockholder, employee, or member is under the duty to perform the act in respect of which the violation occurs.

4. Section 2 of P.L.2003, c.114 (C.54:32D-2) is amended to read as follows:

C.54:32D-2 Collection, administration of fee; liability for fees.

2. a. The Director of the Division of Taxation shall collect and administer the fee imposed pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1). The fees collected shall be deposited to the General Fund, and shall be allocated as follows:

(1) of the fees collected for occupancies during State Fiscal Year 2004: \$16,000,000 shall be allocated for appropriation to the New Jersey State Council on the Arts for cultural projects; \$2,700,000 shall be allocated for appropriation to the New Jersey Historical Commission for the purposes of subsection a. of section 3 of P.L.1999, c.131 (C.18A:73-22.3); \$9,000,000 shall be allocated for appropriation to the New Jersey Commerce and Economic Growth Commission for tourism advertising and promotion; and \$500,000 shall be allocated for appropriation to the New Jersey Cultural Trust; and

(2) of the fees collected for occupancies during State Fiscal Year 2005 and thereafter: 22.68 percent shall be annually allocated for appropriation to the New Jersey State Council on the Arts for cultural projects, provided that the amount allocated shall not be less than \$22,680,000; 3.84 percent shall be allocated for appropriation to the New Jersey Historical Commission for the purposes of subsection a. of section 3 of P.L.1999, c.131 (C.18A:73-22.3), provided that the amount allocated shall not be less than \$3,840,000; 12.76 percent shall be allocated for appropriation to the New Jersey Commerce and Economic Growth Commission for tourism advertising and promotion, provided that the amount allocated shall not be less than \$12,760,000; and .72 percent shall be allocated for appropriation to the New Jersey Cultural Trust, provided that the amount allocated shall not be less than \$720,000.

b. (1) In carrying out the provisions of section 1 of P.L.2003, c.114 (C.54:32D-1) and this section, the director shall have all of the powers and authority granted in P.L.1966, c.30 (C.54:32B-1 et seq.). The tax shall be filed and paid in a manner prescribed by the Director of the Division of

Taxation. The director shall promulgate such rules and regulations as the director determines are necessary to effectuate the provisions of section 1 of P.L.2003, c.114 (C.54:32D-1) and this section.

(2) Each person required to collect the hotel and motel occupancy fee shall be personally liable for the fee imposed, collected, or required to be paid, collected, or remitted under section 1 of P.L.2003, c.114 (C.54:32D-1). Any such person shall have the same right in respect to collecting the fee from that person's customer or in respect to non-payment of the fee by the customer as if the fee were a part of the purchase price of the occupancy or rent, as the case may be, and payable at the same time; provided however, that the director shall be joined as a party in any action or proceeding brought to collect the fee.

For purposes of this paragraph, "person" includes: an individual, partnership, corporation, or an officer, director, stockholder, or employee of a corporation, or a member or employee of a partnership, who as such officer, director, stockholder, employee, or member is under the duty to perform the act in respect of which the violation occurs.

c. The annual appropriations act for each State Fiscal Year, commencing with fiscal year 2005, shall appropriate and distribute during that fiscal year amounts not less than the amounts otherwise specified for State Fiscal Year 2004 in paragraph (1) of subsection a. of this section for the purposes specified in paragraph (1) of subsection a. of this section.

d. If the provisions of subsection c. of this section are not met on the effective date of an annual appropriations act for the State fiscal year, or if an amendment or supplement to an annual appropriations act for the State fiscal year should violate the provisions of subsection c. of this section, the Director of the Division of Budget and Accounting in the Department of the Treasury shall, not later than five days after the enactment of the annual appropriations act, or an amendment or supplement thereto, that violates the provisions of subsection c. of this section, certify to the Director of the Division of Taxation that the requirements of subsection c. of this section have not been met.

e. The Director of the Division of Taxation shall, no later than five days after certification by the Director of the Division of Budget and Accounting in the Department of the Treasury pursuant to subsection d. of this section that the provisions of subsection c. of this section have not been met or have been violated by an amendment or supplement to the annual appropriations act, notify each person required to collect tax of the certification and that the fee imposed pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1) shall no longer be paid or collected.

5. Section 1 of P.L.2004, c.53 (C.54:32E-1) is amended to read as follows:

C.54:32E-1 Tax imposed on gross receipts from cosmetic medical procedure; definitions; liability for tax.

1. a. There is imposed and shall be paid a tax of 6% on the gross receipts from a cosmetic medical procedure, which shall be paid by the subject of the cosmetic medical procedure, and which shall be collected from the procedure subject by the person billing the gross receipts from the cosmetic medical procedure when collecting the payment for the cosmetic medical procedure. If more than one person bills gross receipts from a single cosmetic medical procedure, each person shall be responsible for the collection of the gross receipts tax on the portion of the gross receipts billed.

b. For the purposes of this section, the following terms shall have the following meanings:

"Cosmetic medical procedure" means any medical procedure performed on a individual which is directed at improving the procedure subject's appearance and which does not meaningfully promote the proper function of the body or prevent or treat illness or disease. "Cosmetic medical procedure" includes but is not limited to cosmetic surgery, hair transplants, cosmetic injections, cosmetic soft tissue fillers, dermabrasion and chemical peel, laser hair removal, laser skin resurfacing, laser treatment of leg veins, sclerotherapy, and cosmetic dentistry. "Cosmetic medical procedure" does not include reconstructive surgery or dentistry;

"Cosmetic surgery" means the surgical reshaping of normal structures on the body to improve the body image, self-esteem or appearance of an individual;

"Gross receipts from a cosmetic medical procedure" means all amounts paid for services, property or occupancy required for or associated with the performance of a cosmetic medical procedure and billed to the procedure subject's account;

"Reconstructive surgery or dentistry" includes any surgery or dentistry performed on abnormal structures caused by or related to congenital defects, developmental abnormalities, trauma, infection, tumors or disease, including procedures to improve function or give a more normal appearance.

c. (1) The Director of the Division of Taxation shall collect and administer the tax imposed pursuant to this section. In carrying out the provisions of this section, the director shall have all of the powers and authority granted in P.L.1966, c.30 (C.54:32B-1 et seq.). The tax shall be reported

and paid to the director on a quarterly basis in a manner prescribed by the Director of the Division of Taxation.

(2) Each person billing the gross receipts from a cosmetic medical procedure shall be personally liable for the tax imposed, collected, or required to be paid, collected, or remitted under this section. Any such person shall have the same right in respect to collecting the tax from that person's customer or in respect to non-payment of the tax by the customer as if the tax were a part of the purchase price of the procedure and payable at the same time; provided however, that the director shall be joined as a party in any action or proceeding brought to collect the tax.

For purposes of this paragraph, "person billing the gross receipts from a cosmetic medical procedure" includes: an individual, partnership, corporation, or an officer, director, stockholder, or employee of a corporation, or a member or employee of a partnership, who as such officer, director, stockholder, employee, or member is under the duty to perform the act in respect of which the violation occurs.

d. The tax imposed pursuant to this section shall be governed by the provisions of the State Uniform Tax Procedure Law, R.S.54:48-1 et seq.

e. Notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1 et seq.) 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 shall be effective for a period not to exceed 180 days following enactment of P.L.2004, c.53 (C.54:32E-1) and may thereafter be amended, adopted or readopted by the director in accordance with the requirements of P.L.1968, c.410.

6. This act shall take effect immediately, but sections 1 through 5 shall remain inoperative until the first day of the fourth month following the date of enactment.

Approved June 28, 2007.

CHAPTER 103

AN ACT concerning the Public Employees' Retirement System of New Jersey, the Teachers' Pension and Annuity Fund, the Defined Contribution Retirement Program, the State Health Benefits Program, and the State Investment Council, revising various parts of the statutory law and supplementing P.L.1961, c.49 (C.52:14-17.25 et seq.).

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

1. N.J.S.18A:66-29 is amended to read as follows:

Members' contribution rate.

18A:66-29. Members enrolled in the retirement system on or after July 1, 1994 shall contribute 5% of compensation to the system. Members enrolled in the system prior to July 1, 1994 shall contribute 5% of compensation to the system effective with the payroll period for which the beginning date is closest to July 1, 1995, provided, however, that any member enrolled before July 1, 1994, whose full contribution rate under the system prior to the revisions by this act was less than 6%, shall pay 4% of compensation to the system effective with the payroll period for which the beginning date is closest to July 1, 1995, and 5% of compensation to the system effective with the payroll period for which the beginning date is closest to July 1, 1996.

Members enrolled in the retirement system on or after July 1, 2007 shall contribute 5.5% of compensation to the system. Members enrolled in the system prior to July 1, 2007 shall contribute 5.5% of compensation to the system effective with the payroll period for which the beginning date is closest to July 1, 2007.

2. Section 25 of P.L.1954, c.84 (C.43:15A-25) is amended to read as follows:

C.43:15A-25 Annuity savings fund; members' contributions.

25. a. The annuity savings fund shall be the fund in which shall be credited accumulated deductions and contributions by members or on their behalf to provide for their allowances. A single account shall be established in this fund for each person who is or shall become a member and all contributions deducted from each such member's compensation shall be credited to his account regardless of the number of positions a member might hold or the number of employers as he might have.

b. (1) Members enrolled in the retirement system on or after July 1, 1994 shall contribute 5% of compensation to the system. Members enrolled in the system prior to July 1, 1994 shall contribute 5% of compensation to the system effective with the payroll period for which the beginning date is closest to July 1, 1995, provided, however, that any member enrolled before July 1, 1994, whose full contribution rate under the system prior to the revision

sions by this act was less than 6%, shall pay 4% of compensation to the system effective with the payroll period for which the beginning date is closest to July 1, 1995, and 5% of compensation to the system effective with the payroll period for which the beginning date is closest to July 1, 1996.

(2) Members enrolled in the retirement system on or after July 1, 2007 who are:

- employees of the State, other than employees of the Judicial Branch;
- employees of an independent State authority, board, commission, corporation, agency or organization;

- employees of a local school district, regional school district, county vocational school district, county special services school district, jointure commission, educational services commission, State-operated school district, charter school, county college, any officer, board, or commission under the authority of the Commissioner of Education or of the State Board of Education, and any other public entity which is established pursuant to authority provided by Title 18A of the New Jersey Statutes; or

- employees of a State public institution of higher education, other than employees of the University of Medicine and Dentistry of New Jersey shall contribute 5.5% of compensation to the system, and all such members described above enrolled in the system prior to July 1, 2007 shall contribute 5.5% of compensation to the system effective with the payroll period for which the beginning date is closest to July 1, 2007.

Members enrolled in the retirement system on or after July 1, 2008, other than those described in the paragraph above, shall contribute 5.5% of compensation to the system. Members enrolled in the system prior to July 1, 2008, other than those described in the paragraph above, shall contribute 5.5% of compensation to the system effective with the payroll period that begins immediately after July 1, 2008.

c. The retirement system shall certify to each State department or subdivision thereof, and to each branch of the State service not included in a State department, and to every other employer, the proportion of each member's compensation to be deducted and to facilitate the making of deductions the retirement system may modify the deduction required by a member by such an amount as shall not exceed 1/10 of 1% of the compensation upon the basis of which the deduction is to be made.

If payment in full, representing the monthly or biweekly 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 6% per annum shall commence to run against the total transmittal of salary deductions for the period on the first day after such fifteenth day.

d. Every employee to whom this act applies shall be deemed to consent and agree to any deduction from his compensation required by this act and to all other provisions of this act. Notwithstanding any other law, rule or regulation affecting the salary, pay, compensation, other perquisites, or tenure of a person to whom this act applies, or shall apply, and notwithstanding that the minimum salary, pay, or compensation or other perquisites provided by law for him shall be reduced thereby, payment, less such deductions, shall be a full and complete discharge and acquittance of all claims and demands for service rendered by him during the period covered by such payment.

3. Section 2 of P.L.1972, c.167 (C.43:15A-136) is amended to read as follows:

C.43:15A-136 Accounts in annuity savings fund; contributions.

2. Notwithstanding the provisions of section 25 of P.L.1954, c.84 (C.43:15A-25), (a) a separate account shall be established in the annuity savings fund for each member of the Legislature and all contributions based on legislative salaries shall be credited to this account as distinguished from any other account that the legislator may have as a result of other public service covered by the retirement system; and (b) the member of the Legislature shall contribute at a rate equal to 5% of his legislative salary, which contribution shall be deducted from his salary at the time or times it is paid, and which shall be exclusive of any other contribution required of the member for Social Security, contributory death benefits or deductions for any other purpose. The contribution rate shall be 5.5% of the member's legislative salary beginning July 1, 2007.

A member of the Legislature who is enrolled on the basis of other public service before, during, or after his service as a member of the Legislature shall contribute for such other service at the rate of contribution required of other members as provided by section 25.

4. Section 3 of P.L.1972, c.167 (C.43:15A-137) is amended to read as follows:

C.43:15A-137 Purchase of service credit; adjustment of contributions.

3. Notwithstanding any other law regarding the purchase of service credit in the retirement system, a member of the Legislature may purchase credit for all previous legislative service by paying into the annuity savings fund 5%, and 5.5% after July 1, 2007, of the salaries he received in such prior periods, in which event he shall agree to make such purchase within 1 year after the effective date of this supplementary act or during the first

year of membership as a member of the Legislature; if the request for the purchase is received beyond the 1-year period, interest shall be added to the amount of the arrearage obligation at the regular interest rate. The purchase of such credit may be by lump sum or in regular installments over a maximum period of 10 years.

In the case of any member of the Legislature coming under the provisions of this section, full pension credit for the period of service for which arrears are being paid by the member shall be given upon the payment of at least 1/2 of the total arrearage obligation and the completion of 1 year of membership and the making of such arrears payments, except that in the case of retirement pursuant to P.L.1954, c.84, sections 38, 41(b), 48 and 61 and to the provisions of this supplementary act, the total membership credit for such service shall be in direct proportion as the amount paid bears to the total amount of the arrearage obligation of the member.

The contributions of all members of the Legislature related to their legislative service shall be adjusted for all years prior to the effective date of this supplementary act to determine either an overpayment or shortage in the separate account, requiring the payment of contributions at the percentage of salary provided for in this section. Overpayments shall be refunded and shortages shall be established as arrearage obligations to be satisfied in the same manner as any other arrearage obligation established pursuant to this section.

No member shall receive credit for any legislative service for which he has not contributed as required by this section.

5. Section 3 of P.L.2001, c.259 (C.43:15A-144) is amended to read as follows:

C.43:15A-144 Separate accounts, contributions.

3. a. Notwithstanding the provisions of section 25 of P.L.1954, c.84 (C.43:15A-25) to the contrary, a separate account shall be established in the annuity savings fund for each workers compensation judge and all contributions based on the judge's salary shall be credited to this account. This account shall be separate from any other account that the member may have as a result of other public service covered by the retirement system.

b. A workers compensation judge shall contribute at a rate equal to 5% of the judge's salary, which contribution shall be deducted from the salary at the time or times it is paid, and which shall be exclusive of any other contribution required of the member for Social Security, contributory death benefits or deductions for any other purpose. The contribution rate shall be

5.5% of the judge's salary effective with the payroll period for which the beginning date is closest to July 1, 2007.

c. A workers compensation judge who is enrolled on the basis of other public service before, during, or after service as a judge of compensation shall contribute for such other service at the rate of contribution required of other members as provided by section 25.

6. Section 3 of P.L.2007, c.92 (C.43:15C-3) is amended to read as follows:

C.43:15C-3 Employee, employer contribution.

3. a. The employer shall reduce the compensation of each participant in the Defined Contribution Retirement Program and pay over to the plan provider for the benefit of the participant an employee contribution for the retirement benefit contract or contracts equal to 5.5% of the participant's base salary. At the option and request of a participant, the employer shall reduce the compensation of the participant for additional contributions as permitted by the federal Internal Revenue Code. The intervals for reductions and payments shall be determined by the Division of Pensions and Benefits.

All participant contributions shall be made in accordance with section 414(h) of the federal Internal Revenue Code (26 U.S.C. s.414(h)).

b. The employer shall make payment of the employer contributions to the program at a rate equal to 3% of the employee's base salary, which moneys shall be paid to the designated provider for the benefit of each participant. Additionally, employers shall pay their share of the administrative costs of the program. The intervals for all payments and the allocation of administrative costs shall be determined by the Division of Pensions and Benefits including due dates and penalties for non compliance.

c. No employer contributions shall be vested in a participant until after the participant commences the second year of employment unless the participant, at the time of initial employment, either (1) participates in a program substantially similar to the retirement program, or (2) is a member of another State-administered pension fund or retirement system.

7. 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, the member 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 the member desires to be retired. The member shall receive, in lieu of the payment provided in N.J.S.18A:66-34, an annuity which is the actuarial equivalent of the member's accumulated deductions and a pension in the amount which, when added to the member's annuity, will provide a total retirement allowance of $\frac{1}{64}$ of the member's final compensation for each year of service credited as class A service and $\frac{1}{55}$ of the member's final compensation for each year of service credited as class B service, calculated in accordance with N.J.S.18A:66-44, reduced:

(a) by $\frac{1}{4}$ of 1% for each month that the member lacks of being age 55; or

(b) for a person who becomes a member of the retirement system on or after July 1, 2007, by $\frac{1}{4}$ of 1% for each month that the member lacks of being age 55 and by $\frac{1}{12}$ of 1% for each month that the member lacks of being age 60 but over age 55; provided, however, that upon the receipt of proper proofs of the death of such a member there shall be paid to the member's beneficiary an amount equal to $\frac{3}{16}$ 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.

Subparagraph (b) of this section shall not apply to a person who at the time of enrollment in the retirement system on or after July 1, 2007 transfers service credit from another State-administered retirement system pursuant to N.J.S.18A:66-15.1, but shall apply to a former member of the retirement system who has been granted a retirement allowance and is reenrolled in the retirement system on or after July 1, 2007 pursuant to N.J.S.18A:66-53.2 after becoming employed again in a position that makes the person eligible to be a member of the retirement system.

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

8. 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:

- (a) by 1/4 of 1% for each month that the member lacks of being age 55; or
- (b) for a person who becomes a member of the retirement system on or after July 1, 2007, by 1/4 of 1% for each month that the member lacks of being age 55 and by 1/12 of 1% for each month that the member lacks of being age 60 but over 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.

Paragraph (b) of this subsection shall not apply to a person who at the time of enrollment in the retirement system on or after July 1, 2007 transfers service credit from another State-administered retirement system pursuant to section 14 of P.L.1954, c.84 (C.43:15A-14), but shall apply to a

former member of the retirement system who has been granted a retirement allowance and is reenrolled in the retirement system on or after July 1, 2007 pursuant to section 27 of P.L.1966, c.217 (C.43:15A-57.2) after becoming employed again in a position that makes the person eligible to be a member of the retirement system.

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.

9. 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. (1) "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.

(2) In the case of a person who becomes a member of the retirement system on or after July 1, 2007, "compensation" means the amount of the contractual salary equivalent to the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contributions Act, for services as a teacher as defined in this article, which is in accor-

dance 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. This paragraph shall not apply to a person who at the time of enrollment in the retirement system on or after July 1, 2007 transfers service credit from another State-administered retirement system pursuant to N.J.S.18A:66-15.1, but shall apply to a former member of the retirement system who has been granted a retirement allowance and is reenrolled in the retirement system on or after July 1, 2007 pursuant to N.J.S.18A:66-53.2 after becoming employed again in a position that makes the person eligible to be a member of the retirement system.

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 in-

jury 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 Northern Watch and Operation Southern Watch, on or after August 27, 1992, or the date of inception of that operation, as proclaimed by the President of the United States, Congress or United States Secretary of Defense, whichever date of inception is earliest, who served in the theater of operation, including in the Arabian peninsula and the Persian Gulf, and in direct support of that operation for a period, continuously or in the aggregate, of at least 14 days in such active service, commencing on or before the date of termination of the operation, as proclaimed by the President of the United States, Congress or United States Secretary of Defense, whichever date of termination is latest; provided, that any person receiving an actual service-incurred injury or disability while engaged in such service shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(19) Operation "Restore Hope" in Somalia, on or after December 5, 1992, or the date of inception of that operation as proclaimed by the President of the United States or Congress, whichever date is earliest, who has served in Somalia 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 commencing on or before March 31, 1994; 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;

(20) Operations "Joint Endeavor" and "Joint Guard" in the Republic of Bosnia and Herzegovina, on or after November 20, 1995, who served in such active service in direct support of one or both of the operations for at least 14 days, continuously or in the aggregate, commencing on or before June 20, 1998, 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;

(21) Operation "Enduring Freedom", on or after September 11, 2001, who served in a theater of operation and in direct support of that operation for a period, continuously or in the aggregate, of at least 14 days in such active service commencing on or before the date the President of the United States or the United States Secretary of Defense designates as the termina-

tion date of that operation; provided, that any person receiving an actual service-incurred injury or disability while engaged in such service shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided; and

(22) Operation "Iraqi Freedom", on or after the date the President of the United States or the United States Secretary of Defense designates as the inception date of that operation, who served in Iraq or in another area in the region in direct support of that operation for a period, continuously or in the aggregate, of at least 14 days in such active service commencing on or before the date the President of the United States or the United States Secretary of Defense designates as the termination date of that operation; provided, that any person receiving an actual service-incurred injury or disability while engaged in such service 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. (1) "Widower," for employees of the State, means the man to whom a member was married, or a domestic partner as defined in section 3 of P.L.2003, c.246 (C.26:8A-3), at least five years before the date of her death and to whom she continued to be married or a domestic partner 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, or establishment of a domestic partnership by, 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.

(2) Subject to the provisions of paragraph (3) of this subsection, "widower," for employees of public employers other than the State, 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 mem-

ber 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 shall 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.

(3) A public employer other than the State may adopt a resolution providing that the term "widower" as defined in paragraph (2) of this subsection shall include domestic partners as provided in paragraph (1) of this subsection.

u. (1) "Widow," for employees of the State, means the woman to whom a member was married, or a domestic partner as defined in section 3 of P.L.2003, c.246 (C.26:8A-3), at least five years before the date of his death and to whom he continued to be married or a domestic partner 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, or establishment of a domestic partnership by, 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.

(2) Subject to the provisions of paragraph (3) of this subsection, "widow," for employees of public employers other than the State, 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 shall 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.

(3) A public employer other than the State may adopt a resolution providing that the term "widower" as defined in paragraph (2) of this subsection shall include domestic partners as provided in paragraph (1) of this subsection.

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.

x. (1) "Spouse," for employees of the State, means the husband or wife, or domestic partner as defined in section 3 of P.L.2003, c.246 (C.26:8A-3), of a member.

(2) Subject to the provisions of paragraph (1) of this subsection, "spouse," for employees of public employers other than the State, means the husband or wife of a member.

(3) A public employer other than the State may adopt a resolution providing that the term "spouse" as defined in paragraph (2) of this subsection shall include domestic partners as provided in paragraph (1) of this subsection.

10. 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. (1) "Widower," for employees of the State, means the man to whom a member was married, or a domestic partner as defined in section 3 of P.L.2003, c.246 (C.26:8A-3), at least five years before the date of her death and to whom she continued to be married or a domestic partner 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, or establishment of a domestic partnership by, 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.

(2) Subject to the provisions of paragraph (3) of this subsection, "widower," for employees of public employers other than the State, 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 shall 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.

(3) A public employer other than the State may adopt a resolution providing that the term "widower" as defined in paragraph (2) of this subsection shall include domestic partners as provided in paragraph (1) of this subsection.

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 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 Northern Watch and Operation Southern Watch, on or after August 27, 1992, or the date of inception of that operation, as proclaimed by the President of the United States, Congress or United States Secretary of Defense, whichever date of inception is earliest, who served in the theater of operation, including in the Arabian peninsula and the Persian Gulf, and in direct support of that operation for a period, continuously or in the aggregate, of at least 14 days in such active service, commencing on or before the date of termination of that operation, as proclaimed by the President of the United States, Congress or United States Secretary of Defense, whichever date of termination is the latest; provided, that any person receiving an actual service-incurred injury or disability while engaged in such service shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(19) Operation "Restore Hope" in Somalia, on or after December 5, 1992, or the date of inception of that operation as proclaimed by the President of the United States or Congress, whichever date is earliest, who has served in Somalia 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 commencing on or before

March 31, 1994; 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;

(20) Operations "Joint Endeavor" and "Joint Guard" in the Republic of Bosnia and Herzegovina, on or after November 20, 1995, who served in such active service in direct support of one or both of the operations for at least 14 days, continuously or in the aggregate, commencing on or before June 20, 1998 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;

(21) Operation "Enduring Freedom", on or after September 11, 2001, who served in a theater of operation and in direct support of that operation for a period, continuously or in the aggregate, of at least 14 days in such active service commencing on or before the date the President of the United States or the United States Secretary of Defense designates as the termination date of that operation; provided, that any person receiving an actual service-incurred injury or disability while engaged in such service shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided; and

(22) Operation "Iraqi Freedom", on or after the date the President of the United States or the United States Secretary of Defense designates as the inception date of that operation, who served in Iraq or in another area in the region in direct support of that operation for a period, continuously or in the aggregate, of at least 14 days in such active service commencing on or before the date the President of the United States or the United States Secretary of Defense designates as the termination date of that operation; provided, that any person receiving an actual service-incurred injury or disability while engaged in such service 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. (1) "Widow," for employees of the State, means the woman to whom a member was married, or a domestic partner as defined in section 3 of P.L.2003, c.246 (C.26:8A-3), at least five years before the date of his death and to whom he continued to be married or a domestic partner 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, or establishment of a domestic partnership by, 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.

(2) Subject to the provisions of paragraph (3) of this subsection, "widow," for employees of public employers other than the State, 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 shall 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.

(3) A public employer other than the State may adopt a resolution providing that the term "widow" as defined in paragraph (2) of this subsection shall include domestic partners as provided in paragraph (1) of this subsection.

r. (1) "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.

(2) In the case of a person who becomes a member of the retirement system on or after July 1, 2007, "compensation" means the amount of base or contractual salary equivalent to the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contributions Act, 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. This paragraph shall not apply to a person who at the time of enrollment in the retirement system on or after July 1, 2007 transfers service credit from another State-administered retirement system pursuant to section 14 of P.L.1954, c.84 (C.43:15A-14),

but shall apply to a former member of the retirement system who has been granted a retirement allowance and is reenrolled in the retirement system on or after July 1, 2007 pursuant to section 27 of P.L.1966, c.217 (C.43:15A-57.2) after becoming employed again in a position that makes the person eligible to be a member of the retirement system.

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.

11. Section 1 of P.L.2007, c.92 (C.43:15C-1) is amended to read as follows:

C.43:15C-1 Defined Contribution Retirement Program; rules, regulations; terms defined.

1. There is hereby established in the Department of the Treasury a Defined Contribution Retirement Program. The program design shall be one that is permitted for governmental plans under the federal Internal Revenue Code as determined by the State Treasurer. The retirement program is deemed to be a pension fund or retirement system for purposes of P.L.1968, c.23 (C.43:3C-1 et seq.).

The State Treasurer may 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 sections 1 through 15 of P.L.2007, c.92 (C.43:15C-1 et seq.), except that notwithstanding the provisions of P.L.1968, c.410 to the contrary, the State Treasurer may adopt, immediately upon filing with the Office of Administrative Law, such rules and regulations as the State Treasurer deems necessary to implement the provisions of sections 1 through 15 of P.L.2007, c.92 (C.43:15C-1 et seq.), which shall be effective for a period not to exceed 12 months and shall thereafter be adopted or re-adopted by the State Treasurer in accordance with the provisions of P.L.1968, c.410.

For the purposes of the Defined Contribution Retirement Program:

"Base salary" means a participant's regular base salary; except that for a participant pursuant to paragraph (5) of subsection a. of section 2 of P.L.2007, c.92 (C.43:15C-2) as amended by section 12 of P.L.2007, c.103, it shall mean the excess over the maximum compensation as specified in that paragraph. It shall exclude overtime or other forms of extra compensation, including but not limited to, longevity lump sum payments, lump sum terminal sick leave or vacation pay, the value of maintenance, individual pay adjustments made within or at the conclusion of the participant's final year of service, retroactive salary

adjustments or other pay adjustments made in the participant's final year of service unless the adjustment was made as a result of a general pay adjustment for all personnel of the public office or agency in which the participant is employed, or any unscheduled individual adjustment made in the final year to place the participant at the maximum salary level within salary range.

"Employer" means the State or a political subdivision thereof, or an agency, board, commission, authority or instrumentality of the State or a subdivision, that pays the base salary of a participant for services rendered by the participant.

"Retirement program" means the Defined Contribution Retirement Program established by this section.

12. Section 2 of P.L.2007, c.92 (C.43:15C-2) is amended to read as follows:

C.43:15C-2 Eligibility for participation in the Defined Contribution Retirement Program.

2. a. The following persons shall be eligible and shall participate in the Defined Contribution Retirement Program:

(1) A person who commences service on or after the effective date of this section of P.L.2007, c.92 (C.43:15C-1 et al.) in an elective public office of this State or of a political subdivision thereof, except that it shall not include a person who holds elective public office on the effective date of this section and is enrolled in the Public Employees' Retirement System while that person continues to hold that elective public office without a break in service. Service in the Legislature shall be considered a single elective public office.

(2) A person who commences service on or after the effective date of this section in an employment, office or position of the State or of a political subdivision thereof, or an agency, board, commission, authority or instrumentality of the State or of a subdivision, pursuant to an appointment by the Governor that requires the advice and consent of the Senate, or pursuant to an appointment by the Governor to serve at the pleasure of the Governor only during his or her term of office. This paragraph shall not be deemed to include a person otherwise eligible for membership in the State Police Retirement System or the Judicial Retirement System.

(3) A person who commences service on or after the effective date of this section in an employment, office or position in a political subdivision of the State, or an agency, board, commission, authority or instrumentality of a subdivision, pursuant to an appointment by an elected public official or elected governing body, that requires the specific consent or approval of the

elected governing body of the political subdivision that is substantially similar in nature to the advice and consent of the Senate for appointments by the Governor of the State as that similarity is determined by the elected governing body and set forth in an adopted ordinance or resolution, pursuant to guidelines or policy that shall be established by the Local Finance Board in the Department of Community Affairs or the Department of Education, as appropriate to the elected governing body. This paragraph shall not be deemed to include a person otherwise eligible for membership in the Teachers' Pension and Annuity Fund or the Police and Firemen's Retirement System, or a person who is employed or appointed in the regular or normal course of employment or appointment procedures and consented to or approved in a general or routine manner appropriate for and followed by the political subdivision, or the agency, board, commission, authority or instrumentality of a subdivision, or a person who holds a professional license or certificate to perform and is performing as a certified health officer, tax assessor, tax collector, municipal planner, chief financial officer, registered municipal clerk, construction code official, licensed uniform subcode inspector, qualified purchasing agent, or certified public works manager.

(4) A person who is granted a pension or retirement allowance under any pension fund or retirement system established under the laws of this State and elects to participate pursuant to section 1 of P.L.1977, c.171 (C.43:3C-3) upon being elected to public office.

(5) A member of the Teachers' Pension and Annuity Fund or the Public Employees' Retirement System for whom compensation is defined as the amount of base or contractual salary equivalent to the annual maximum wage contribution base for Social Security, pursuant to the federal Insurance Contributions Act, for contribution and benefit purposes in either of those retirement systems, for whom participation in this retirement program shall be with regard to any excess over the maximum compensation only.

b. No person shall be eligible to participate in the retirement program with respect to any public employment, office, or position if:

(1) the base salary for that employment, office, or position is less than \$1,500 per year;

(2) the person is, on the basis of service in that employment, office, or position, eligible for membership or enrolled as a member of another State or locally-administered pension fund or retirement system established under the laws of this State including the Alternate Benefit Program, except as otherwise specifically provided in subsection a. of this section;

(3) the person is receiving a benefit as a retiree from any other State or locally-administered pension fund or retirement system established under

the laws of this State, except as provided in section 1 of P.L.1977, c.171 (C.43:3C-3); or

(4) the person is an officer or employee of a political subdivision of this State or of a board of education, or of any agency, authority or instrumentality thereof, who is ineligible for membership in the Public Employees' Retirement System pursuant to section 20 of P.L.2007, c.92 (C.43:15A-7.2).

c. A person eligible and required to participate in the retirement program whose base salary is less than \$5,000 may at the commencement of service in an employment, office or position irrevocably elect to waive participation with regard to that employment, office, or position by filing, at the time and on a form required by the division, a written waiver with the Division of Pensions and Benefits that waives all rights and benefits that would otherwise be provided by the retirement program.

A person eligible and required to participate in the retirement program pursuant to paragraph (5) of subsection a. of this section may elect to waive participation with regard to that employment, office, or position by filing, when first eligible, on a form required by the division, a written waiver with the Division of Pensions and Benefits that waives all rights and benefits that would otherwise be provided by the retirement program. Such a person may thereafter elect to participate in the retirement program by filing, on a form required by the division, a written election to participate in the retirement program and participation in the retirement program pursuant to such election shall commence on the January 1 next following the filing of the election to participate.

d. Service credited to a participant in the Defined Contribution Retirement Program shall not be recognized as service credit to determine eligibility for employer-paid health care benefits in retirement pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.), N.J.S.40A:10-16 et seq., P.L.1979, c.391 (C.18A:16-12 et al.) or any other law, rule or regulation.

13. Section 7 of P.L.2007, c.92 (C.43:15C-7) is amended to read as follows:

C.43:15C-7 Insurance benefits under group contract.

7. The benefit under a group contract or contracts providing life insurance shall be in an amount equal to one and one-half the base annual salary of the participant in the retirement program, except that in the event of death after retirement, the amount payable shall equal 3/16 of the participant's base annual salary. "Base annual salary" means the base salary upon which

contributions by the participant and the participant's employer to the retirement program were based during the last year of creditable service.

For purposes of this section, a participant shall be deemed to be in service and covered by the group life insurance for a period of official leave of absence without pay when such leave is due to illness or any reason other than illness, with such period to be determined by the Division of Pensions and Benefits, if satisfactory evidence is presented to the division of such official leave of absence. A participant shall be deemed to be on an official leave of absence only if the leave is formally approved by the employer prior to the time the leave commenced and timely notice is filed by the employer with the division. If timely notice is not filed, the employer shall be responsible for the payment of any benefits pursuant to this section if the participant was otherwise eligible for such benefits.

In the event of the death of a participant in active service in the first year of participation as a result of an accident met in the actual performance of duty at some definite time and place, the death benefit payable pursuant to this section shall be computed at the annual rate of base salary.

No beneficiary of a retired participant shall be entitled to receive the death benefits payable in the event of death after retirement pursuant to this section unless the participant either: had at least 25 years of credited participation in the retirement program established pursuant to this act; or had at least 10 years of such credited participation and had attained 60 years of age and was an actively employed participant in the program in the year immediately preceding initial receipt of a retirement annuity. For a member who is a participant pursuant to paragraph (5) of subsection a. of section 2 of P.L.2007, c.92 (C.43:15C-2) as amended by section 12 of P.L.2007, c.103, service credit in the Teachers' Pension and Annuity Fund or the Public Employees' Retirement System shall also be considered in determining if the participant met the requirements of this paragraph.

14. Section 11 of P.L.2007, c.92 (C.43:15C-11) is amended to read as follows:

C.43:15C-11 Facts requiring evidence of insurability.

11. Any person entitled to become a participant in the retirement program shall not be allowed any of the group life insurance and disability benefits if on the date of filing an application for participation the person is 60 or more years of age, or if the person makes application for participation in the retirement program beyond the year after first becoming eligible for participation, regardless of age, unless the participant furnishes satisfactory evidence of insurability

and on the effective date of participation is actively at work and performing all regular duties at the customary place of employment.

The effective date of coverage for such benefits shall be the first day of the month which immediately follows the date when such evidence is determined to be satisfactory.

Such evidence of insurability shall not be required of any person enrolling in the retirement program upon transfer from another State-administered retirement system, if such retirement system provided a benefit of a similar nature and the transferring person was covered by such a benefit at the time of the transfer. If such transferring person was not covered by such a benefit at the time of the transfer, the person may be allowed the benefit under the group policy or policies; however, any such person shall furnish satisfactory evidence of insurability if he had been unable or failed to give such evidence as a member of the retirement system from which the person transferred. Such evidence of insurability shall not be required of any member of the Teachers' Pension and Annuity Fund or the Public Employees' Retirement System who is enrolling in the retirement program pursuant to paragraph (5) of subsection a. of section 2 of P.L.2007, c.92 (C.43:15C-2) as amended by section 12 of P.L.2007, c.103, if such retirement system provides a benefit of a similar nature and the participant is covered by such a benefit at the time of enrollment in the program.

Any person who must furnish satisfactory evidence of insurability under the provisions of this section and who ceases to be a participant in the retirement program without such evidence having been given shall continue to be subject to the same requirement if the person subsequently becomes a participant.

15. Section 13 of P.L.2007, c.92 (C.43:15C-13) is amended to read as follows:

C.43:15C-13 Disability benefit coverage.

13. The disability benefit coverage provided under a group policy or policies shall provide a monthly income if the participant becomes totally disabled from occupational or nonoccupational causes for a period of at least six consecutive months following the effective date of the coverage. The monthly disability benefit may be paid by the insurance company so long as the participant remains disabled up to the seventieth birthday, provided the disability commenced prior to the sixtieth birthday. The benefit shall terminate when the participant is no longer considered totally disabled or begins to receive retirement benefits.

The participant shall be considered totally disabled if the participant is unable to perform each duty of the participant's occupation and is under the regular care of a physician. After the 24 months following the commencement of such disability benefit payments, the participant shall be unable to engage in any gainful occupation for which the participant is reasonably fitted by education, training or experience. Total disability shall not be considered to exist if the participant is gainfully employed. Following an agreement with the insurance company and the policyholder, the participant may continue to receive disability benefits for a limited time while performing some type of work. During the period of rehabilitation, the monthly benefit shall be the regular payment less 80% of the participant's earnings from such rehabilitative position.

A participant shall be deemed to be in service and covered by the disability benefit insurance provisions for a period of no more than six months while on official leave of absence without pay if satisfactory evidence is presented to the Division of Pensions and Benefits that such leave of absence without pay is due to illness and that the participant was not actively engaged in any gainful occupation during such period of leave of absence without pay.

Disability benefit insurance provisions of the group policy or policies shall not cover disability resulting from or contributed to by pregnancy, act of war, intentionally self-inflicted injury, or attempted suicide whether or not sane. For purposes of such disability benefit coverage, the participant shall not be considered to be disabled while the participant is imprisoned or while outside the United States, its territories or possessions, or Canada.

If the participant has recovered from the disability for which the member had received benefits and again becomes totally disabled while insured, the later disability shall be regarded as a continuation of the prior one unless the participant has returned to full-time covered employment for at least six months. If the later absence is due to an unrelated cause and the participant had returned to full-time work, it shall be considered a new disability. The disability benefit insurance cannot be converted to an individual policy.

No participant shall be covered by the disability benefit provision of the group policy or policies except upon the completion of one year of full-time continuous employment in a position eligible for participation in the Defined Contribution Retirement Program. For a member who is a participant pursuant to paragraph (5) of subsection a. of section 2 of P.L.2007, c.92 (C.43:15C-2) as amended by section 12 of P.L.2007, c.103, completion of one year of full-time continuous employment in a position eligible for membership in the Teachers' Pension and Annuity Fund or the Public Em-

ployees' Retirement System shall also be considered in determining if the participant met the requirements of this paragraph.

16. Section 14 of P.L.2007, c.92 (C.43:15C-14) is amended to read as follows:

C.43:15C-14 Amount of disability benefits; "Defined Contribution Retirement Program Disability Premium Fund."

14. The disability benefit provided under a group policy or policies shall be in an amount equal to 60% of the participant's base monthly salary, reduced by periodic benefits to which the participant may be entitled during the period of total disability. For a member who is a participant pursuant to paragraph (5) of subsection a. of section 2 of P.L.2007, c.92 (C.43:15C-2) as amended by section 12 of P.L.2007, c.103, base monthly salary for this disability benefit shall mean the base or contractual salary upon which contributions were made to the Teachers' Pension and Annuity Fund or the Public Employees' Retirement System and to this program.

The periodic benefit by which the monthly disability benefit may be reduced shall include salary or wages, retirement benefits or benefits from any source for which the State or other public employer has paid any part of the cost or made payroll deductions, Social Security disability or other benefits, including dependents' benefits, and benefits paid by Social Security at the option of the participant before the age of 65, but not including any increase in Social Security benefits enacted after the disability benefit under such group policy or policies has commenced, and any other periodic benefits provided by law except on account of military service.

When a participant begins to receive a disability benefit under such group policy or policies, the insurance company shall pay an amount equal to the employee contribution which would have been required of the participant and deducted from the participant's base salary in order to meet the participant's obligation for the program. Such amount shall be paid by the insurance company without reduction by any other periodic benefit which the participant is eligible to receive. Such amount shall be paid by the insurance company to the insurer or insurers for the participant's retirement annuity.

Premiums for such disability coverage shall be paid from a special fund, hereby created, called the "Defined Contribution Retirement Program Disability Premium Fund." The State Treasurer shall estimate annually the amount that will be required for premiums for such benefits for the ensuing fiscal year and shall certify such amounts that shall be applied to the total

State and other employer contributions due on behalf of the participants in the retirement program from the State and other employers, depositing such amounts in the premium fund. Additionally, employers will pay their share of the administrative costs of the program. The intervals for all payments and the allocation of administrative costs shall be determined by the Division of Pensions and Benefits including due dates and penalties for non compliance.

17. N.J.S.18A:66-15 is amended to read as follows:

Service credit for retirement.

18A:66-15. In computing for retirement or for purposes of resignation or separation from service under sections 18A:66-36 and 18A:66-37 the total service of a member about to be retired, the retirement system shall credit him with all service rendered by him since he last became a member and in addition, with all the service to which he is entitled and with no other service. Except as otherwise provided in this article, such service credit shall be final and conclusive for retirement purposes, or for purposes of resignation under sections 18A:66-36 and 18A:66-37, unless the member shall discontinue his service for more than two consecutive years. In the case of a member for whom compensation is defined in paragraph (2) of subsection d. of N.J.S.18A:66-2, the retirement system shall credit the member with the time of all service rendered by the member during the part of any year that the member was a participant of the Defined Contribution Retirement Program, pursuant to paragraph (5) of subsection a. of section 2 of P.L.2007, c.92 (C.43:15C-2) as amended by section 12 of P.L.2007, c.103, and making contributions to that program.

For the purpose of computing service for retirement purposes, the board of trustees shall fix and determine by appropriate rules and regulations how much service in any year shall equal a year of service and part of a year of service. Not more than one year shall be credited for all service in a calendar year.

18. Section 39 of P.L.1954, c.84 (C.43:15A-39) is amended to read as follows:

C.43:15A-39 Computing service.

39. In computing for retirement purposes the total service of a member about to be retired, the retirement system shall credit the member with the time of all service rendered by the member since that member's last enroll-

ment, and in addition with all the service to which the member is entitled and with no other service. Except as otherwise provided in this act, this service credit shall be final and conclusive for retirement purposes unless the member shall discontinue service for more than two consecutive years. In the case of a member for whom compensation is defined in paragraph (2) of subsection r. of section 6 of P.L.1954, c.84 (C.43:15A-6), the retirement system shall credit the member with the time of all service rendered by the member during the part of any year that the member was a participant of the Defined Contribution Retirement Program, pursuant to paragraph (5) of subsection a. of section 2 of P.L.2007, c.92 (C.43:15C-2) as amended by section 12 of P.L.2007, c.103, and making contributions to that program.

For the purpose of computing service for retirement purposes, the board shall fix and determine by appropriate rules and regulations how much service in any year shall equal a year of service and a part of a year of service. Not more than one year shall be credited for all service in a calendar year. A member may purchase credit for time during which the member shall have been absent on an official leave without pay. The credit shall be purchased for a period of time equal to:

- (1) three months or the duration of the leave, whichever is less; or
- (2) if the leave was due to the member's personal illness, two years or the duration of the leave, whichever is less; or
- (3) the period of leave that is specifically allowed for retirement purposes by the provisions of any law of this State.

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 credit by section 8 of P.L.1954, c.54 (C.43:15A-8). In computing the service or in computing final compensation, no time during which a member was in employment, office, or position for which the annual salary or remuneration was fixed at less than \$500.00 in the case of service rendered prior to November 6, 1986, or less than \$1,500.00 in the case of service rendered on or after that date, shall be credited, except that in the case of a veteran member credit shall be given for service rendered prior to January 2, 1955, in an employment, office or position if the annual salary or remuneration therefor was fixed at not less than \$300.00 and such service consisted of the performance of the full duties of the employment, office or position.

19. Section 2 of P.L.1961, c.49 (C.52:14-17.26) is amended to read as follows:

C.52:14-17.26 Definitions relative to health care benefits for public employees.

2. As used in this act:

(a) The term "State" means the State of New Jersey.

(b) The term "commission" means the State Health Benefits Commission, created by section 3 of this act.

(c) The term "employee" means an appointive or elective officer or full-time employee of the State of New Jersey. For the purposes of this act an employee of Rutgers, The State University of New Jersey, shall be deemed to be an employee of the State, and an employee of the New Jersey Institute of Technology shall be considered to be an employee of the State during such time as the Trustees of the Institute are party to a contractual agreement with the State Treasurer for the provision of educational services. The term "employee" shall further mean, for purposes of this act, a former employee of the South Jersey Port Corporation, who is employed by a subsidiary corporation or other corporation, which has been established by the Delaware River Port Authority pursuant to subdivision (m) of Article I of the compact creating the Delaware River Port Authority (R.S.32:3-2), as defined in section 3 of P.L.1997, c.150 (C.34:1B-146), and who is eligible for continued membership in the Public Employees' Retirement System pursuant to subsection j. of section 7 of P.L.1954, c.84 (C.43:15A-7).

For the purposes of this act the term "employee" shall not include persons employed on a short-term, seasonal, intermittent or emergency basis, persons compensated on a fee basis, persons having less than two months of continuous service or persons whose compensation from the State is limited to reimbursement of necessary expenses actually incurred in the discharge of their official duties, provided, however, that the term "employee" shall include persons employed on an intermittent basis to whom the State has agreed to provide coverage under P.L.1961, c.49 (C.52:14-17.25 et seq.) in accordance with a binding collective negotiations agreement. An employee paid on a 10-month basis, pursuant to an annual contract, will be deemed to have satisfied the two-month waiting period if the employee begins employment at the beginning of the contract year. The term "employee" shall also not include retired persons who are otherwise eligible for benefits under this act but who, although they meet the age or disability eligibility requirement of Medicare, are not covered by Medicare Hospital Insurance, also known as Medicare Part A, and Medicare Medical Insurance, also known as Medicare Part B. A determination by the commission that a person is an eligible employee within the meaning of this act shall be final and shall be binding on all parties.

(d) (1) The term "dependents" means an employee's spouse, partner in a civil union couple or an employee's domestic partner as defined in section 3 of P.L.2003, c.246 (C.26:8A-3), and the employee's unmarried children under the age of 23 years who live with the employee in a regular parent-child relationship. "Children" shall include stepchildren, legally adopted children and children placed by the Division of Youth and Family Services in the Department of Children and Families, provided they are reported for coverage and are wholly dependent upon the employee for support and maintenance. A spouse, partner in a civil union couple, domestic partner or child enlisting or inducted into military service shall not be considered a dependent during the military service. The term "dependents" shall not include spouses, partners in a civil union couple or domestic partners of retired persons who are otherwise eligible for the benefits under this act but who, although they meet the age or disability eligibility requirement of Medicare, are not covered by Medicare Hospital Insurance, also known as Medicare Part A, and Medicare Medical Insurance, also known as Medicare Part B.

(2) Notwithstanding the provisions of paragraph (1) of this subsection to the contrary and subject to the provisions of paragraph (3) of this subsection, for the purposes of an employer other than the State that is participating in the State Health Benefits Program pursuant to section 3 of P.L.1964, c.125 (C.52:14-17.34), the term "dependents" means an employee's spouse or partner in a civil union couple and the employee's unmarried children under the age of 23 years who live with the employee in a regular parent-child relationship. "Children" shall include stepchildren, legally adopted children and children placed by the Division of Youth and Family Services in the Department of Children and Families provided they are reported for coverage and are wholly dependent upon the employee for support and maintenance. A spouse, partner in a civil union couple or child enlisting or inducted into military service shall not be considered a dependent during the military service. The term "dependents" shall not include spouses or partners in a civil union couple of retired persons who are otherwise eligible for benefits under P.L.1961, c.49 (C.52:14-17.25 et seq.) but who, although they meet the age or disability eligibility requirement of Medicare, are not covered by Medicare Hospital Insurance, also known as Medicare Part A, and Medicare Medical Insurance, also known as Medicare Part B.

(3) An employer other than the State that is participating in the State Health Benefits Program pursuant to section 3 of P.L.1964, c.125 (C.52:14-17.34) may adopt a resolution providing that the term "dependents" as defined in paragraph (2) of this subsection shall include domestic partners as provided in paragraph (1) of this subsection.

(e) The term "carrier" means a voluntary association, corporation or other organization, including a health maintenance organization as defined in section 2 of the "Health Maintenance Organizations Act," P.L.1973, c.337 (C.26:2J-2), which is lawfully engaged in providing or paying for or reimbursing the cost of, personal health services, including hospitalization, medical and surgical services, under insurance policies or contracts, membership or subscription contracts, or the like, in consideration of premiums or other periodic charges payable to the carrier.

(f) The term "hospital" means (1) an institution operated pursuant to law which is primarily engaged in providing on its own premises, for compensation from its patients, medical diagnostic and major surgical facilities for the care and treatment of sick and injured persons on an inpatient basis, and which provides such facilities under the supervision of a staff of physicians and with 24 hour a day nursing service by registered graduate nurses, or (2) an institution not meeting all of the requirements of (1) but which is accredited as a hospital by the Joint Commission on Accreditation of Hospitals. In no event shall the term "hospital" include a convalescent nursing home or any institution or part thereof which is used principally as a convalescent facility, residential center for the treatment and education of children with mental disorders, rest facility, nursing facility or facility for the aged or for the care of drug addicts or alcoholics.

(g) The term "State managed care plan" means a health care plan under which comprehensive health care services and supplies are provided to eligible employees, retirees, and dependents: (1) through a group of doctors and other providers employed by the plan; or (2) through an individual practice association, preferred provider organization, or point of service plan under which services and supplies are furnished to plan participants through a network of doctors and other providers under contracts or agreements with the plan on a prepayment or reimbursement basis and which may provide for payment or reimbursement for services and supplies obtained outside the network. The plan may be provided on an insured basis through contracts with carriers or on a self-insured basis, and may be operated and administered by the State or by carriers under contracts with the State.

(h) The term "Medicare" means the program established by the "Health Insurance for the Aged Act," Title XVIII of the "Social Security Act," Pub.L.89-97 (42 U.S.C. s.1395 et seq.), as amended, or its successor plan or plans.

(i) The term "traditional plan" means a health care plan which provides basic benefits, extended basic benefits and major medical expense benefits as set forth in section 5 of P.L.1961, c.49 (C.52:14-17.29) by in-

demnifying eligible employees, retirees, and dependents for expenses for covered health care services and supplies through payments to providers or reimbursements to participants.

(j) The term “successor plan” means a State managed care plan that shall replace the traditional plan and that shall provide benefits as set forth in subsection (B) of section 5 of P.L.1961, c.49 (C.52:14-17.29) with provisions regarding reimbursements and payments as set forth in paragraph (1) of subsection (C) of section 5 of P.L.1961, c.49 (C.52:14-17.29).

20. Section 3 of P.L.1961, c.49 (C.52:14-17.27) is amended to read as follows:

C.52:14-17.27 State Health Benefits Commission.

3. There is hereby created a State Health Benefits Commission, consisting of five members: the State Treasurer; the Commissioner of Banking and Insurance; the Commissioner of Personnel; a State employees' representative chosen by the Public Employees' Committee of the AFL-CIO; and, through June 30, 2008, when employers of employees, as defined in section 32 of P.L.2007, c.103 (C.52:14-17.46.2), will no longer be eligible to participate in the State Health Benefits Program authorized by P.L.1961, c.49, a representative chosen by the New Jersey Education Association, which represents the largest number of employees of employers other than the State participating in the State Health Benefits Program. Beginning July 1, 2008, the fifth member of the commission shall be a local employees' representative chosen by the Public Employees' Committee of the AFL-CIO.

The treasurer shall be chairman of the commission and the health benefits program authorized by P.L.1961, c.49 shall be administered in the Treasury Department. The Director of the Division of Pensions and Benefits shall be the secretary of the commission. The commission shall establish a health benefits program for the employees of the State, the cost of which shall be paid as specified in section 6 of P.L.1961, c.49. The commission shall establish rules and regulations as may be deemed reasonable and necessary for the administration of P.L.1961, c.49.

The Attorney General shall be the legal advisor of the commission.

The members of the commission shall serve without compensation but shall be reimbursed for any necessary expenditures. The public employee members shall not suffer loss of salary or wages during service on the commission.

The commission shall publish annually a report showing the fiscal transactions of the program for the preceding year and stating other facts

pertaining to the plan. The commission shall submit the report to the Governor and furnish a copy to every employer for use of the participants and the public.

21. Section 4 of P.L.1961, c.49 (C.52:14-17.28) is amended to read as follows:

C.52:14-17.28 Purchase of contracts; conditions.

4. a. The commission shall negotiate with and arrange for the purchase, on such terms as it deems to be in the best interests of the State and its employees, from carriers licensed to operate in the State or in other jurisdictions, as appropriate, contracts providing hospital, surgical, obstetrical, and other covered health care services and benefits covering employees of the State and their dependents, and shall execute all documents pertaining thereto for and on behalf and in the name of the State.

b. Except for contracts entered into after June 30, 2007, the commission shall not enter into a contract under this act unless the benefits provided thereunder equal or exceed the minimum standards specified in section 5 of P.L.1961, c.49 (C.52:14-17.29) for the particular coverage which such contract provides, and unless coverage is available to all eligible employees and their dependents on the basis specified by section 7 of P.L.1961, c.49 (C.52:14-17.31), except that a State employee enrolled in the program on or after July 1, 2003 and all law enforcement officers employed by the State for whom there is a majority representative for collective negotiations purposes may not be eligible for coverage under the traditional plan as defined in section 2 of P.L.1961, c.49 (C.52:14-17.26) pursuant to a binding collective negotiations agreement or pursuant to the application by the commission, in its sole discretion, of the terms of any collective negotiations agreement binding on the State to State employees for whom there is no majority representative for collective negotiations purposes.

c. The commission shall not enter into a contract under P.L.1961, c.49 (C.52:14-17.25 et seq.) after June 30, 2007, unless the contract includes the successor plan, one or more health maintenance organization plans and a State managed care plan that shall be substantially equivalent to the NJ PLUS plan in effect on June 30, 2007, with adjustments to that plan pursuant to a binding collective negotiations agreement or pursuant to action by the commission, in its sole discretion, to apply such adjustments to State employees for whom there is no majority representative for collective negotiations purposes, and unless coverage is available to all eligible employees

and their dependents on the basis specified by section 7 of P.L.1961, c.49 (C.52:14-17.31), except as provided in subsection d. of this section.

d. Eligibility for coverage under the successor plan may be limited pursuant to a binding collective negotiations agreement or pursuant to the application by the commission, in its sole discretion, of the terms of any collective negotiations agreement binding on the State to State employees for whom there is no majority representative for collective negotiations purposes. Coverage under the successor plan and under the State managed care plan required to be included in a contract entered into pursuant to subsection c. of this section shall be made available in retirement to all State employees who accrued 25 years of nonconcurrent service credit in one or more State or locally-administered retirement systems before July 1, 2007. Coverage under the State managed care plan required to be included in a contract entered into pursuant to subsection c. of this section shall be made available in retirement to all State employees who accrue 25 years of nonconcurrent service credit in one or more State or locally-administered retirement systems on or after July 1, 2007.

e. Actions taken by the commission before the effective date of P.L.2007, c. 103 in anticipation of entering into any contract pursuant to subsection c. of this section are hereby deemed to have been within the authority of the commission pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.).

22. Section 6 of P.L.1996, c.8 (C.52:14-17.28b) is amended to read as follows:

C.52:14-17.28b Determination of obligation of State agencies to pay premium; periodic charges; cost sharing.

6. a. Notwithstanding the provisions of any other law to the contrary, the obligations of the State or an independent State authority, board, commission, corporation, agency, or organization to pay the premium or periodic charges for health benefits coverage provided under P.L.1961, c.49 (C.52:14-17.25 et seq.) may be determined by means of a binding collective negotiations agreement, including any agreements in force at the time of the adoption of P.L.1996, c.8. With respect to State employees for whom there is no majority representative for collective negotiations purposes, the commission may, in its sole discretion, modify the respective payment obligations set forth in P.L.1961, c.49 for the State and such employees in a manner consistent with the terms of any collective negotiations agreement binding on the State. With respect to employees of an independent State author-

ity, board, commission, corporation, agency, or organization for whom there is no majority representative for collective negotiations purposes, the employer may, in its sole discretion, modify the respective payment obligations set forth in P.L.1961, c.49 for such employer and such employees in a manner consistent with the terms of any collective negotiations agreement binding on such employer. The provisions of this subsection shall also apply to employees deemed or considered to be employees of the State pursuant to subsection (c) of section 2 of P.L.1961, c.49 (C.52:14-17.26).

b. (1) Notwithstanding the provisions of any other law to the contrary, for each State employee who accrues 25 years of nonconcurrent service credit in one or more State or locally-administered retirement systems before July 1, 1997, excepting the employee who elects deferred retirement, the State, upon the employee's retirement, shall pay the full cost of the premium or periodic charges for the health benefits provided to a retired State employee and dependents covered under the State Health Benefits Program, but not including survivors, and shall also reimburse the retired employee for premium charges under Part B of Medicare covering the retired employee and the employee's spouse.

(2) Notwithstanding the provisions of any other law to the contrary, and except as otherwise provided by section 8 of P.L.1961, c.49 (C.52:14-17.32) as amended by P.L.2005, c.341, and by subsection c. of this section, for each State employee who accrues 25 years of nonconcurrent service credit in one or more State or locally-administered retirement systems on or after July 1, 1997, excepting the employee who elects deferred retirement, the State, upon the employee's retirement, shall pay the premium or periodic charges for the health benefits provided to a retired State employee and dependents covered under the State Health Benefits Program, but not including survivors, and shall reimburse the retired employee for premium charges under Part B of Medicare covering the retired employee and the employee's spouse: (a) in accordance with the provisions, if any, concerning health benefits coverage in retirement which are in the collective negotiations agreement applicable to the employee at the time of the employee's accrual of 25 years of nonconcurrent service credit in one or more State or locally-administered retirement systems, or (b) if the employee has no majority representative for collective negotiations purposes, in a manner consistent with the terms, if any, concerning health benefits coverage in retirement which are in any collective negotiations agreement deemed applicable by the State Health Benefits Commission to that employee at the time of the employee's accrual of 25 years of nonconcurrent service credit in one or more State or locally-administered retirement systems. The terms for the

payment of premiums or periodic charges established pursuant to this paragraph for the traditional plan shall apply to the successor plan, and the terms for the payment of premiums or periodic charges established pursuant to this paragraph for the NJ PLUS plan shall apply to the State managed care plan required to be included in a contract entered into pursuant to subsection c. of section 4 of P.L.1961, c.49 (C.52:14-17.28).

c. (1) Effective July 1, 2007, but, with respect to employees to whom this subsection applies who are paid through the State centralized payroll, effective with the first pay period beginning after July 1, 2007, the cost of benefits provided pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.) shall be shared by employees through the withholding of a contribution in an amount as determined in accordance with paragraph (2) of this subsection.

(2) The amount of the contribution required pursuant to paragraph (1) of this subsection as to State employees and employees of an independent State authority, board, commission, corporation, agency, or organization for whom there is a majority representative for collective negotiations purposes shall be determined by means of a binding collective negotiations agreement. The amount of the contribution required pursuant to paragraph (1) of this subsection as to State employees or employees of an independent State authority, board, commission, corporation, agency, or organization for whom there is no majority representative for collective negotiations purposes shall be 1.5 percent of base salary.

(3) Except as provided in paragraph (5) of this subsection, the cost of benefits provided pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.) shall be shared by retirees to whom this subsection applies through the withholding of a contribution in an amount as determined in accordance with paragraph (4) of this subsection.

(4) The amount of the contribution required pursuant to paragraph (3) of this subsection as to State employees and employees of an independent State authority, board, commission, corporation, agency, or organization for whom there is a majority representative for collective negotiations purposes who accrue 25 years of nonconcurrent service credit in one or more State or locally-administered retirement systems on or after July 1, 2007, and who retire on or after July 1, 2007, excepting employees who elect deferred retirement, but including those who retire on a disability pension after July 1, 2007, shall be determined by means of a binding collective negotiations agreement applicable at the time of the employee's accrual of 25 years of nonconcurrent service credit in one or more State or locally-administered retirement systems. The amount of the contribution required pursuant to paragraph (3) of this subsection as to State employees or employees of an

independent State authority, board, commission, corporation, agency, or organization for whom there is no majority representative for collective negotiations purposes who accrue 25 years of nonconcurrent service credit in one or more State or locally-administered retirement systems on or after July 1, 2007, and who retire on or after July 1, 2007, excepting employees who elect deferred retirement, but including those who retire on a disability pension after July 1, 2007, shall be determined in a manner consistent with the terms, if any, concerning health benefits coverage in retirement which are in any collective negotiations agreement deemed applicable by the commission to that employee at the time of the employee's accrual of 25 years of nonconcurrent service credit in one or more State or locally-administered retirement systems, except that for employees who accrue 25 years of nonconcurrent service credit in one or more State or locally-administered retirement systems in the period beginning July 1, 2007, and ending June 30, 2011, the contribution shall be 1.5 percent of the monthly retirement allowance, including any future cost-of-living adjustments, or, with respect to retirees for whom there is no majority representative and who are members of the alternate benefit program, an amount determined pursuant to a formula developed by the commission that shall be designed to result in a contribution that is comparable to the contribution that applies to retirees who are not members of the alternate benefit program.

(5) The contribution required pursuant to paragraph (3) of this subsection shall not take effect until the New Jersey Retirees' Wellness Program is open for enrollment and thereafter the contribution shall be waived for a retiree who participates in the New Jersey Retirees' Wellness Program. The Division of Pensions and Benefits shall issue a report on the New Jersey Retirees' Wellness Program. The report shall include, but need not be limited to, the claims experience with regard to retirees in the program, and the costs and savings realized. The report shall be issued at the end of the third year after the program's implementation or by December 30, 2010, whichever is earlier. The report shall be submitted to the Governor, the Legislature, and the State Treasurer.

(6) Any employee or retiree from whom withholding of a contribution is required pursuant to this subsection shall not be required to pay any percentage of the premiums or periodic charges for health care benefits provided under P.L.1961, c.49 (C.52:14-17.25 et seq.), other than dental benefits.

(7) The contribution required pursuant to this subsection may be terminated only upon withdrawal from all health care benefits coverage as an employee or retiree, other than coverage for dental benefits, and the submission to the commission of written certification by the employee that the

employee is covered by other health care benefits and that those benefits are in force. The commission shall not apply the written certification requirement to retirees or to employees to whom Article VI, Section VI, paragraph 6 of the New Jersey Constitution applies.

23. Section 5 of P.L.1961, c.49 (C.52:14-17.29) is amended to read as follows:

C.52:14-17.29 State health benefits program, coverages.

5. (A) The contract or contracts purchased by the commission pursuant to subsection b. of section 4 of P.L.1961, c.49 (C.52:14-17.28) shall provide separate coverages or policies as follows:

(1) Basic benefits which shall include:

- (a) Hospital benefits, including outpatient;
- (b) Surgical benefits;
- (c) Inpatient medical benefits;
- (d) Obstetrical benefits; and

(e) Services rendered by an extended care facility or by a home health agency and for specified medical care visits by a physician during an eligible period of such services, without regard to whether the patient has been hospitalized, to the extent and subject to the conditions and limitations agreed to by the commission and the carrier or carriers.

Basic benefits shall be substantially equivalent to those available on a group remittance basis to employees of the State and their dependents under the subscription contracts of the New Jersey "Blue Cross" and "Blue Shield" Plans. Such basic benefits shall include benefits for:

- (i) Additional days of inpatient medical service;
- (ii) Surgery elsewhere than in a hospital;
- (iii) X-ray, radioactive isotope therapy and pathology services;
- (iv) Physical therapy services;
- (v) Radium or radon therapy services;

and the extended basic benefits shall be subject to the same conditions and limitations, applicable to such benefits, as are set forth in "Extended Outpatient Hospital Benefits Rider," Form 1500, 71(9-66), and in "Extended Benefit Rider" (as amended), Form MS 7050J(9-66) issued by the New Jersey "Blue Cross" and "Blue Shield" Plans, respectively, and as the same may be amended or superseded, subject to filing by the Commissioner of Banking and Insurance; and

(2) Major medical expense benefits which shall provide benefit payments for reasonable and necessary eligible medical expenses for hospitali-

zation, surgery, medical treatment and other related services and supplies to the extent they are not covered by basic benefits. The commission may, by regulation, determine what types of services and supplies shall be included as "eligible medical services" under the major medical expense benefits coverage as well as those which shall be excluded from or limited under such coverage. Benefit payments for major medical expense benefits shall be equal to a percentage of the reasonable charges for eligible medical services incurred by a covered employee or an employee's covered dependent, during a calendar year as exceed a deductible for such calendar year of \$100.00 subject to the maximums hereinafter provided and to the other terms and conditions authorized by this act. The percentage shall be 80% of the first \$2,000.00 of charges for eligible medical services incurred subsequent to satisfaction of the deductible and 100% thereafter. There shall be a separate deductible for each calendar year for (a) each enrolled employee and (b) all enrolled dependents of such employee. Not more than \$1,000,000.00 shall be paid for major medical expense benefits with respect to any one person for the entire period of such person's coverage under the plan, whether continuous or interrupted except that this maximum may be reapplied to a covered person in amounts not to exceed \$2,000.00 a year. Maximums of \$10,000.00 per calendar year and \$20,000.00 for the entire period of the person's coverage under the plan shall apply to eligible expenses incurred because of mental illness or functional nervous disorders, and such may be reapplied to a covered person, except as provided in P.L.1999, c.441 (C.52:14-17.29d et al.). The same provisions shall apply for retired employees and their dependents. Under the conditions agreed upon by the commission and the carriers as set forth in the contract, the deductible for a calendar year may be satisfied in whole or in part by eligible charges incurred during the last three months of the prior calendar year.

Any service determined by regulation of the commission to be an "eligible medical service" under the major medical expense benefits coverage which is performed by a duly licensed practicing psychologist within the lawful scope of his practice shall be recognized for reimbursement under the same conditions as would apply were such service performed by a physician.

(B) The contract or contracts purchased by the commission pursuant to subsection c. of section 4 of P.L.1961, c.49 (C.52:14-17.28) shall include coverage for services and benefits that are at a level that is equal to or exceeds the level of services and benefits set forth in this subsection, provided that such services and benefits shall include only those that are eligible medical services and not those deemed experimental, investigative or otherwise not eligible medical services. The determination of whether services

or benefits are eligible medical services shall be made by the commission consistent with the best interests of the State and participating employers, employees, and dependents. The following list of services is not intended to be exclusive or to require that any limits or exclusions be exceeded.

Covered services shall include:

- (1) Physician services, including:
 - (a) Inpatient services, including:
 - (i) medical care including consultations;
 - (ii) surgical services and services related thereto; and
 - (iii) obstetrical services including normal delivery, cesarean section, and abortion.
 - (b) Outpatient/out-of-hospital services, including:
 - (i) office visits for covered services and care;
 - (ii) allergy testing and related diagnostic/therapy services;
 - (iii) dialysis center care;
 - (iv) maternity care;
 - (v) well child care;
 - (vi) child immunizations/lead screening;
 - (vii) routine adult physicals including pap, mammography, and prostate examinations; and
 - (viii) annual routine obstetrical/gynecological exam.
- (2) Hospital services, both inpatient and outpatient, including:
 - (a) room and board;
 - (b) intensive care and other required levels of care;
 - (c) semi-private room;
 - (d) therapy and diagnostic services;
 - (e) surgical services or facilities and treatment related thereto;
 - (f) nursing care;
 - (g) necessary supplies, medicines, and equipment for care; and
 - (h) maternity care and related services.
- (3) Other facility and services, including:
 - (a) approved treatment centers for medical emergency/accidental injury;
 - (b) approved surgical center;
 - (c) hospice;
 - (d) chemotherapy;
 - (e) diagnostic x-ray and lab tests;
 - (f) ambulance;
 - (g) durable medical equipment;
 - (h) prosthetic devices;

- (i) foot orthotics;
- (j) diabetic supplies and education; and
- (k) oxygen and oxygen administration.

(4) All services for which coverage is required pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.), as amended and supplemented. Benefits under the contract or contracts purchased as authorized by the State Health Benefits Program shall include those for mental health services subject to limits and exclusions consistent with the provisions of the New Jersey State Health Benefits Program Act.

(C) The contract or contracts purchased by the commission pursuant to subsection c. of section 4 of P.L.1961, c.49 (C.52:14-17.28) shall include the following provisions regarding reimbursements and payments:

(1) In the successor plan, the co-payment for doctor's office visits shall be \$10 per visit with a maximum out-of-pocket of \$400 per individual and \$1,000 per family for in-network services for each calendar year. The out-of-network deductible shall be \$100 per individual and \$250 per family for each calendar year, and the participant shall receive reimbursement for out-of-network charges at the rate of 80% of reasonable and customary charges, provided that the out-of-pocket maximum shall not exceed \$2,000 per individual and \$5,000 per family for each calendar year.

(2) In the State managed care plan that is required to be included in a contract entered into pursuant to subsection c. of section 4 of P.L.1961, c.49 (C.52:14-17.28), the co-payment for doctor's office visits shall be \$15 per visit. The participant shall receive reimbursement for out-of-network charges at the rate of 70% of reasonable and customary charges. The in-network and out-of-network limits, exclusions, maximums, and deductibles shall be substantially equivalent to those in the NJ PLUS plan in effect on June 30, 2007, with adjustments to that plan pursuant to a binding collective negotiations agreement or pursuant to action by the commission, in its sole discretion, to apply such adjustments to State employees for whom there is no majority representative for collective negotiations purposes.

(3) "Reasonable and customary charges" means charges based upon the 90th percentile of the usual, customary, and reasonable (UCR) fee schedule determined by the Health Insurance Association of America or a similar nationally recognized database of prevailing health care charges.

(D) Benefits under the contract or contracts purchased as authorized by this act may be subject to such limitations, exclusions, or waiting periods as the commission finds to be necessary or desirable to avoid inequity, unnecessary utilization, duplication of services or benefits otherwise available,

including coverage afforded under the laws of the United States, such as the federal Medicare program, or for other reasons.

Benefits under the contract or contracts purchased as authorized by this act shall include those for the treatment of alcoholism where such treatment is prescribed by a physician and shall also include treatment while confined in or as an outpatient of a licensed hospital or residential treatment program which meets minimum standards of care equivalent to those prescribed by the Joint Commission on Hospital Accreditation. No benefits shall be provided beyond those stipulated in the contracts held by the State Health Benefits Commission.

(E) The rates charged for any contract purchased under the authority of this act shall reasonably and equitably reflect the cost of the benefits provided based on principles which in the judgment of the commission are actuarially sound. The rates charged shall be determined by the carrier on accepted group rating principles with due regard to the experience, both past and contemplated, under the contract. The commission shall have the right to particularize subgroups for experience purposes and rates. No increase in rates shall be retroactive.

(F) The initial term of any contract purchased by the commission under the authority of this act shall be for such period to which the commission and the carrier may agree, but permission may be made for automatic renewal in the absence of notice of termination by the commission. Subsequent terms for which any contract may be renewed as herein provided shall each be limited to a period not to exceed one year.

(G) A contract purchased by the commission pursuant to subsection b. of section 4 of P.L.1961, c.49 (C.52:14-17.28) shall contain a provision that if basic benefits or major medical expense benefits of an employee or of an eligible dependent under the contract, after having been in effect for at least one month in the case of basic benefits or at least three months in the case of major medical expense benefits, is terminated, other than by voluntary cancellation of enrollment, there shall be a 31-day period following the effective date of termination during which such employee or dependent may exercise the option to convert, without evidence of good health, to converted coverage issued by the carriers on a direct payment basis. Such converted coverage shall include benefits of the type classified as "basic benefits" or "major medical expense benefits" in subsection (A) hereof and shall be equivalent to the benefits which had been provided when the person was covered as an employee. The provision shall further stipulate that the employee or dependent exercising the option to convert shall pay the full periodic charges for the converted coverage which shall be subject to such terms and conditions as are normally prescribed by the carrier for this type of coverage.

(H) The commission may purchase a contract or contracts to provide drug prescription and other health care benefits or authorize the purchase of a contract or contracts to provide drug prescription and other health care benefits as may be required to implement a duly executed collective negotiations agreement or as may be required to implement a determination by a public employer to provide such benefit or benefits to employees not included in collective negotiations units.

(I) The commission shall take action as necessary, in cooperation with the School Employees' Health Benefits Commission established pursuant to section 33 of P.L.2007, c.103 (C.52:14-17.46.3), to effectuate the purposes of the School Employees' Health Benefits Program Act as provided in sections 31 through 41 of P.L.2007, c.103 (C.52:14-17.46.1 through C.52:14-17.46.11) and to enable the School Employees' Health Benefits Commission to begin providing coverage to participants pursuant to the School Employees' Health Benefits Program Act as of July 1, 2008.

24. Section 1 of P.L.2001, c.284 (C.52:14-17.29g) is amended to read as follows:

C.52:14-17.29g Notice to enrollees in State Health Benefits Program managed care plans if primary physician is terminated from plan.

1. a. The State Health Benefits Commission shall ensure that every contract purchased by the commission on or after the effective date of P.L.2001, c.284 (C.52:14-17.29g) provides that if an enrollee's or member's primary care physician's contract as a participating physician in a health maintenance organization or State managed care plan will be terminated, the health maintenance organization or State managed care plan, as appropriate, shall provide the enrollee or member with 90-days' notice of the termination. If 90-days' notice cannot be provided because the termination will occur prior to the end of the 90-day period, the health maintenance organization or State managed care plan shall notify the enrollee or member as soon as the health maintenance organization or State managed care plan has knowledge of the termination.

b. Notwithstanding the provisions of any policy governing open enrollment to the contrary, an enrollee or member who has been notified by a health maintenance organization or State managed care plan pursuant to this section may change his coverage to another health benefits plan under the State Health Benefits Program upon receiving notice that his primary care physician will no longer be a participating physician with the health

maintenance organization or State managed care plan, in which the person is currently enrolled.

25. Section 7 of P.L.1961, c.49 (C.52:14-17.31) is amended to read as follows:

C.52:14-17.31 Effective date of coverage; rules and regulations; furnishing of information to Division of Pensions and Benefits.

7. The coverage provided solely for employees shall, subject to the provisions below, automatically become effective for all eligible employees from the first day on or after the effective date of the program on which they satisfy the definition of "employee" contained in this act. The commission shall establish the rules and regulations governing the enrollment and effective dates of coverage of dependents of employees it deems necessary or desirable. The rules and regulations shall not defer coverage with respect to any qualified dependent an employee has on the date the employee's employer becomes a participating employer, provided the employee was, immediately prior to the date, insured with respect to the dependent under a group insurance plan of the employer which was in effect immediately prior to the date. Under the rules and regulations established by the commission, each employee shall be given the opportunity to enroll for coverage for dependents as of the earliest date the employee becomes eligible for enrollment. With respect to the traditional plan, an employee may elect to enroll dependents for both basic coverage and major medical expense coverage but may not enroll for either coverage alone.

In the event that the group health plan which covered an employee or dependents immediately prior to the date the employee's employer becomes a participating employer provides, after termination of coverage thereunder, any continuation of benefits, or would so provide in the absence of coverage pursuant to this act, no coverage shall be afforded pursuant to this act for any such expenses (i) which are covered, or which would be covered in the absence of coverage pursuant to this act, in whole or in part, by the prior insurance plan or (ii) which may be used in satisfaction of any deductible requirement under the prior insurance plan to establish entitlement to the continuation of benefits.

Each employee shall furnish the Division of Pensions and Benefits, in the prescribed form, the information necessary on account of the employee's own coverage and necessary to enroll dependents. Any employee not desiring coverage at the time the employee first becomes eligible, shall give the division written notice of that fact in the form prescribed by the

division. The employee may not enroll thereafter except at the times and under the conditions prescribed by the commission.

If an employee of an employer other than the State eligible for coverage has a spouse who is also an employee of an employer other than the State eligible for coverage, the spouse may elect single coverage as an employee and to enroll as a dependent, in which event no coverage shall be provided for such spouse as an employee while covered as a dependent. The employee of an employer other than the State, who has enrolled such spouse, and who is required to pay the full cost of dependent coverage, may receive a refund from the State Division of Pensions and Benefits equivalent in amount to the employer's cost for an employee's coverage. When both husband and wife are covered as employees, only one may enroll for their children as dependents.

A similar refund shall be authorized pursuant to such rules and regulations as the commission deems necessary or desirable in the case of an employee of an employer other than the State who is paying the full cost of dependent coverage for a spouse who is an employee of the State and eligible for coverage.

If a husband and wife are both eligible for coverage under the program as employees:

a. each may elect coverage for himself or herself as an employee and for their qualified dependents, including the spouse, in any plan offered other than a health maintenance organization, but only one may elect coverage for himself or herself and for their qualified dependents, including the spouse, in a participating health maintenance organization; and

b. each may elect single coverage in any participating health maintenance organization, provided that he or she is not covered under the participating health maintenance organization as a dependent of his or her spouse.

Any person employed as a substitute teacher by a school district and who provides evidence of coverage under another health benefits program may waive coverage for the current school year on or after the date on which the person becomes an employee eligible for coverage.

26. Section 1 of P.L.2003, c.142 (C.52:14-17.32n) is amended to read as follows:

C.52:14-17.32n National Guard on State active duty, certain; SHBP coverage.

1. a. A qualified member of the organized militia, as defined in N.J.S.38A:1-1, and the member's dependents, as defined in section 2 of P.L.1961, c.49 (C.52:14-17.26), shall be eligible to participate in the State

Health Benefits Program and be covered under the "State managed care plan", as defined in section 2 of P.L.1961, c.49 (C.52:14-17.26), in accordance with the law and rules governing the program and plan, except as otherwise provided by this act, P.L.2003, c.142 (C.52:14-17.32n).

A qualified member is a member who is called to State active duty by an order of the Governor issued pursuant to law, when the written order directly applicable to that member states that active duty shall be for a period of 30 days within a 35 consecutive day period, provided the member (1) is not a compensated, full-time appointed or elected public officer or employee of the State or any political subdivision thereof when called to active duty; (2) had employer-provided health care benefits coverage that was cancelled due to the member's military service or does not have employer-provided health care benefits coverage; and (3) is not covered for health care benefits under a program, plan or policy as a dependent of the member's spouse when called to active duty. For the limited purpose of this act, a qualified member shall be deemed a State employee, as defined in section 2 of P.L.1961, c.49 (C.52:14-17.26).

The member may waive coverage provided pursuant to this section by notifying the Division of Pensions and Benefits in writing.

b. The Department of Military and Veterans' Affairs shall notify the Division of Pensions and Benefits of the members who are eligible for health care benefits coverage pursuant to this section, and shall notify the members themselves of the coverage provided, by whatever means deemed efficient and expeditious.

c. The State Health Benefits Program shall not provide coverage for health care services and supplies provided to a member or the member's dependents prior to the first day of active duty. The department, or the member when so requested, shall provide to the division all information necessary on account of the member's coverage and to enroll the member's dependents pursuant to applicable law and regulations governing the program and plan. If information is not provided to the division in a timely manner, coverage shall commence only upon receipt by the division of all information deemed necessary by the division to provide the coverage. The division shall make such accommodation and provision for the addition of the member and the member's dependents to the program and plan as may be necessary under the circumstances.

d. The coverage provided pursuant to this section shall be extended for health care services and supplies commencing on the first day of active duty service until the last day of active duty service, provided the information requirements in subsection c. of this section are met in a timely manner.

e. The State shall be liable for the premium or periodic charges for the coverage for the qualified member and member's dependents, including the program's expenses for the administration of this section, in such amount as determined and fixed by the State Health Benefits Commission. The commission shall annually certify to the State the cost for providing health care benefits coverage to qualified members and their dependents under this section. The State shall annually remit to the commission the amount certified at a time specified by the State Treasurer.

f. If a member or the member's dependents, or both, have health care benefits coverage, other than through the member's spouse, immediately preceding the call to active duty and that coverage continues, or is eligible to continue, during active duty status, the coverage provided pursuant to this section shall only be secondary to that primary coverage and shall not cover expenses which are covered, or which would be covered in the absence of coverage pursuant to this section, in whole or in part, by that prior existing coverage. If that coverage is terminated through the action or inaction of the member, the member's spouse or the member's employer, other than pursuant to terms and conditions in effect immediately preceding the call to active duty, the coverage under this section shall also terminate.

This section shall not be deemed to replace, supersede or modify health care benefits coverage received by the member, the member's spouse or dependents immediately preceding the call to active duty.

g. Health care benefits coverage shall be provided pursuant to this section only if the provision of such coverage by the State Health Benefits Program does not violate applicable federal statutes in a manner that would change the nature, governance or status of the program.

h. The Treasurer, in consultation with the Adjutant General, shall adopt regulations to effectuate the purposes of this act pursuant to the "Administrative Procedure Act", P.L.1968, c.410 (C.52:14B-1 et seq.), except that the Treasurer may immediately adopt regulations the Division of Pensions and Benefits deems necessary to implement the provisions of this act, upon the filing of such regulations with the Office of Administrative Law.

27. Section 1 of P.L.2003, c.172 (C.52:14-17.33a) is amended to read as follows:

C.52:14-17.33a Participation in SHBP for certain part-time faculty, adjuncts.

1. a. Notwithstanding any provision of P.L.1961, c.49 (C.52:14-17.25 et seq.) to the contrary, a part-time State employee, or a part-time faculty member, including part-time lecturers and adjunct faculty members, at a State public

institution of higher education in this State if the public institution of higher education participates in the program, who is enrolled in a State-administered retirement system shall be eligible to participate in the State Health Benefits Program and may purchase health benefits coverage under the program in the State managed care plan as defined in section 2 of P.L.1961, c.49 (C.52:14-17.26) for the employee or faculty member and the dependents of the employee or faculty member. If such an employee or faculty member elects to enroll in the program, the employee or faculty member shall pay the full cost of the coverage selected and the employer shall not be responsible for any costs in connection with the purchase of the coverage, unless the employer shall be obligated to pay all or a portion of such costs in accordance with the provisions of a binding collective negotiations agreement.

b. The State Health Benefits Commission may establish rules and regulations concerning the enrollment and termination of coverage of employees and faculty members in the State Health Benefits Program, pursuant to this section, and the procedures for the remittance to the program of the cost of coverage.

The employee or faculty member shall also be required to pay a proportionate share of administrative expenses of the program in such amounts and at such times as shall be determined and fixed by the commission. Amounts payable by a participating employee or faculty member for administrative expenses shall be collected in the same manner as premiums or periodic charges are paid and remitted to the State treasury and shall be used for such purposes.

c. The laws and regulations governing the State Health Benefits Program, except as modified in this section, are applicable to enrollments in the program under this section and shall be construed to apply to part-time employees or faculty members and their dependents in the same manner as to full-time employees or faculty members and their dependents to the extent possible.

d. Participation in the State Health Benefits Program pursuant to this section shall not qualify the employee or faculty member for employer or State-paid health care benefits in retirement in the program. Upon retirement, such employees or faculty members shall be permitted to enroll in the State managed care plan they were enrolled in prior to retirement through the retired group at their own expense.

e. The State Health Benefits Commission shall advise eligible employees, and the State public institutions of higher education shall advise eligible faculty members, that they may enroll in the State Health Benefits Program pursuant to this section and shall further advise eligible employees

and faculty members, as may be appropriate, of any benefits to which they are entitled upon the termination of their employment. The State Health Benefits Commission shall determine the manner and form of the advisory notice to the employees and faculty members.

28. Section 3 of P.L.1964, c.125 (C.52:14-17.34) is amended to read as follows:

C.52:14-17.34 Extension of New Jersey State Health Benefits Program, certain.

3. In order that the New Jersey State Health Benefits Program Act may be extended to include other public employees, participation by counties, municipalities, public agencies or organizations as defined in section 71 of P.L.1954, c.84 (C.43:15A-71), including the New Jersey Turnpike Authority, the Interstate Environmental Commission, the Delaware River Basin Commission, New Jersey Housing and Mortgage Finance Agency, New Jersey Educational Facilities Authority, New Jersey Meadowlands Commission and the Compensation Rating and Inspection Bureau, hereinafter defined as employers, is hereby authorized, provided, however, that no such employer shall enroll for coverage under the State Health Benefits Program pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.) employees as defined in section 32 of P.L.2007, c.103 (C.52:14-17.46.2).

29. Section 4 of P.L.1964, c.125 (C.52:14-17.35) is amended to read as follows:

C.52:14-17.35 Definitions.

4. As used in this act and in the act to which this act is a supplement:

(a) The term "employer" means a county, municipality, public agency or organization as defined in section 71 of P.L.1954, c.84 (C.43:15A-71), including the New Jersey Turnpike Authority, the Interstate Environmental Commission, the Delaware River Basin Commission, New Jersey Housing and Mortgage Finance Agency, New Jersey Educational Facilities Authority, New Jersey Meadowlands Commission and the Compensation Rating and Inspection Bureau. The term "employer" shall include a subsidiary corporation or other corporation established by the Delaware River Port Authority pursuant to subdivision (m) of Article I of the compact creating the authority (R.S.32:3-2), as defined in section 3 of P.L.1997, c.150 (C.34:1B-146), except that only persons who are employees of the South Jersey Port Corporation on the effective date of P.L.1997, c.150 (C.34:1B-144 et al.) and are re-employed by the subsidiary or other corporation within 365 days of the effective date are eligible to participate in the program.

(b) The term "State Treasury" means the State agency responsible for the administration of the New Jersey State Health Benefits Program Act which is to be located in the Division of Pensions and Benefits in the Department of the Treasury.

30. Section 5 of P.L.1993, c.8 (C.52:14-17.38b) is amended to read as follows:

C.52:14-17.38b Participation in State Health Benefits Program by local board of education, limitation.

5. Notwithstanding the provisions of any other law, rule, or regulation to the contrary, any local board of education may elect to participate in the State Health Benefits Program upon the termination of any contract in effect on the effective date of this amendatory and supplementary act, P.L.1993, c.8 (C.52:14-17.38b et al.), between the board of education and an insurance company writing insurance pursuant to Title 17B of the New Jersey Statutes, hospital service corporation, medical service corporation, health service corporation, or health maintenance organization to provide hospital and medical expense benefits. Such election shall be in accordance with the laws and regulations otherwise applicable to participation by employers other than the State in the program. If the board does not elect to participate in the State Health Benefits Program at that time, its eligibility to elect such participation thereafter shall be subject to the time period specified by the State Health Benefits Commission for participating again in the State Health Benefits Program after a participant's withdrawal from the program. No such election shall be permitted after June 30, 2008.

C.52:14-17.46.1 Short title.

31. Sections 31 through 41 of P.L.2007, c.103 (C.52:14-17.46.1 through C.52:14-17.46.11) shall be known and may be cited as the "School Employees' Health Benefits Program Act."

C.52:14-17.46.2 Definitions relative to school employees' health benefits program.

32. As used in the School Employees' Health Benefits Program Act, sections 31 through 41 of P.L.2007, c.103 (C.52:14-17.46.1 through C.52:14-17.46.11):

- a. The term "State" means the State of New Jersey.
- b. The term "commission" means the School Employees' Health Benefits Commission, created by section 33 of P.L.2007, c.103 (C.52:14-17.46.3).

c. The term “employer” means local school district, regional school district, county vocational school district, county special services school district, jointure commission, educational services commission, State-operated school district, charter school, county college, any officer, board, or commission under the authority of the Commissioner of Education or of the State Board of Education, and any other public entity which is established pursuant to authority provided by Title 18A of the New Jersey Statutes, but excluding the State public institutions of higher education and excluding those public entities where the employer is the State of New Jersey.

d. The term “employee” means a person employed in any full time capacity by an employer, and shall include persons defined as a school employee by the regulations of the State Health Benefits Commission in effect on the effective date of the School Employees’ Health Benefits Program Act. “Full-time” shall have the same meaning as in the regulation of the State Health Benefits Commission regarding local coverage in effect on the effective date of the School Employees’ Health Benefits Program Act. The term “employee” shall not include persons employed on a short-term, seasonal, intermittent, or emergency basis, persons compensated on a fee basis, persons having less than two months of continuous service or persons whose compensation is limited to reimbursement of necessary expenses actually incurred in the discharge of their official duties. An employee paid on a 10-month basis, pursuant to an annual contract, shall be deemed to have satisfied the two-month waiting period if the employee begins employment at the beginning of the contract year. The term “employee” shall also not include retired persons who are otherwise eligible for benefits under the School Employees’ Health Benefits Program but who, although they meet the age or disability eligibility requirement of Medicare, are not covered by Medicare Hospital Insurance, also known as Medicare Part A, and Medicare Medical Insurance, also known as Medicare Part B. A determination by the commission that a person is an eligible employee for the purposes of the School Employees’ Health Benefits Program shall be final and binding on all parties.

e. The term “dependents” means an employee’s spouse, domestic partner, or partner in a civil union couple, and unmarried children under the age of 23 years who live in a regular parent/child relationship. “Children” shall include stepchildren, legally adopted children and children placed by the Division of Youth and Family Services in the Department of Children and Families, provided they are reported for coverage and are wholly dependent upon the employee for support and maintenance. A spouse, domestic partner, partner in a civil union couple, or child enlisting or inducted into

military service shall not be considered a dependent during the military service. The term "dependents" shall not include spouses, domestic partners, or partners in a civil union couple, of retired persons who are otherwise eligible for the benefits under the School Employees' Health Benefits Program but who, although they meet the age or disability eligibility requirement of Medicare, are not covered by Medicare Hospital Insurance, also known as Medicare Part A, and Medicare Medical Insurance, also known as Medicare Part B.

f. The term "carrier" means a voluntary association, corporation or other organization, including but not limited to a health maintenance organization as defined in section 2 of the "Health Maintenance Organizations Act," P.L.1973, c.337 (C.26:2J-2), which is lawfully engaged in providing or paying for or reimbursing the cost of, personal health services, including hospitalization, medical and surgical services under insurance policies or contracts, membership or subscription contracts, or the like, in consideration of premiums or other periodic charges payable to the carrier.

g. The term "hospital" means:

(1) an institution operated pursuant to law which is primarily engaged in providing on its own premises, for compensation from its patients, medical diagnostic and major surgical facilities for the care and treatment of sick and injured persons on an inpatient basis, and which provides such facilities under the supervision of a staff of physicians and with 24 hour a day nursing service by registered graduate nurses, or

(2) an institution not meeting all of the requirements of paragraph (1) but which is accredited as a hospital by the Joint Commission on Accreditation of Hospitals. In no event shall the term "hospital" include a convalescent nursing home or any institution or part thereof which is used principally as a convalescent facility, residential center for the treatment and education of children with mental disorders, rest facility, nursing facility or facility for the aged or for the care of drug addicts or alcoholics.

h. The term "Medicare" means the program established by the "Health Insurance for the Aged Act," Title XVIII of the "Social Security Act," Pub.L.89-97 (42 U.S.C. s.1395 et seq.), as amended, or its successor plan or plans.

i. The term "managed care plan" means a health care plan under which comprehensive health care services and supplies are provided to eligible employees, retirees, and dependents: (1) through a group of doctors and other providers employed by the plan; or (2) through an individual practice association, preferred provider organization, or point of service plan under which services and supplies are furnished to plan participants through

a network of doctors and other providers under contracts or agreements with the plan on a prepayment or reimbursement basis and which may provide for payment or reimbursement for services and supplies obtained outside the network. The plan may be provided on an insured basis through contracts with carriers or on a self-insured basis, and may be operated and administered by the State or by carriers under contracts with the State.

j. The term “successor plan” means a managed care plan that shall replace the “traditional plan,” as defined in section 2 of P.L.1961, c.49 (C.52:14-17.26), and that shall provide benefits as set forth in section 36 of P.L.2007, c.103 (C.52:14-17.46.6), and provide out-of-network benefits to participants with a payment by the plan of 80% of reasonable and customary charges as set forth in section 37 of P.L.2007, c.103 (C.52:14-17.46.7) and as may be adjusted in accordance with section 40 of P.L.2007, c.103 (C.52:14-17.46.10).

C.52:14-17.46.3 School Employees' Health Benefits Commission.

33. a. There is hereby created a School Employees' Health Benefits Commission, consisting of nine members:

(1) the State Treasurer and the Commissioner of the Department of Banking and Insurance serving ex officio;

(2) a member appointed by the Governor who is a New Jersey resident and is qualified by experience, education, or training in the review, administration, or design of health insurance plans for self-insured employers;

(3) a member appointed by the Governor from among three persons nominated by the New Jersey School Boards' Association, which member shall be qualified by experience, education, or training in the review, administration, or design of health insurance plans for self-insured employers;

(4) three members appointed by the Governor from among five persons nominated by the New Jersey Education Association, of whom two shall be qualified by experience, education, or training in the review, administration, or design of health insurance plans for self-insured employers;

(5) a member appointed by the Governor from among three persons nominated by the education section of the New Jersey State AFL-CIO, which member shall be qualified by experience, education, or training in the review, administration, or design of health insurance plans for self-insured employers; and

(6) a member appointed pursuant to subsection b. of this section who shall be the chairperson.

b. The Governor shall appoint the chairperson from among three persons nominated jointly by at least six of the eight members appointed pursuant to subsection a. of this section.

c. If the Governor declines to make an appointment from among the persons nominated for membership, the Governor shall request that a new list of nominees be provided in compliance with subsection a. of this section. If the Governor declines to make an appointment from the new list, the process set forth in this subsection shall be repeated until the Governor makes an appointment from a list of nominees. Except with respect to the appointment of the chairperson, if a new list of nominees is not submitted within 45 days of the Governor's request, the Governor shall make the appointment without the need to select from any list of nominees.

d. The initial terms of the members of the commission shall be as follows:

(1) the member appointed pursuant to paragraph (3) of subsection a. of this section and the two members appointed pursuant to paragraph (4) of subsection a. of this section who are required to be qualified by experience, education, or training shall serve for a term of three years;

(2) the member appointed pursuant to paragraph (2) of subsection a. of this section, the member appointed pursuant to paragraph (4) of subsection a. of this section who is not required to be qualified by experience, education, or training, and the member appointed pursuant to paragraph (5) of subsection a. of this section shall serve for a term of two years; and

(3) the chairperson shall serve for a term of six years.

All subsequent terms shall be for three years, except that the term of the chairperson shall be five years. A member of the commission may be reappointed to succeeding terms without limit in the same manner as the original appointment. A vacancy occurring on the commission shall be filled in the same manner as the original appointment and only for the unexpired term.

C.52:14-17.46.4 Administration of School Employees' Health Benefits Program.

34. The School Employees' Health Benefits Program, authorized by sections 31 through 41 of P.L.2007, c.103 (C.52:14-17.46.1 through C.52:14-17.46.11), shall be administered in the Department of the Treasury. Administrative services required by the commission shall be provided through the Division of Pensions and Benefits, and the Director of the Division of Pensions and Benefits shall be the secretary of the commission. The commission shall establish a health benefits program for the school employees of the State, the cost of which shall be paid as specified in this act. The commission shall, by a majority vote of its full authorized membership,

establish and change rules and regulations as may be deemed reasonable and necessary for the administration of this act. Until such rules and regulations are established, the rules and regulations of the State Health Benefits Commission shall be deemed to apply to the School Employees' Health Benefits Program.

The Attorney General shall be the legal advisor of the commission.

The members of the commission shall serve without compensation but shall be reimbursed for any necessary expenditure.

The commission shall ensure that audits and reviews are performed as required by section 40 of P.L.2007, c.103 (C.52:14-17.46.10). Actions of the commission related to such audits and reviews shall require a majority vote of the full authorized membership of the commission to be approved.

Except as otherwise specified in this act, actions of the commission shall require the affirmative vote of a majority of the members present at a meeting at which a majority of the full authorized membership is present.

C.52:14-17.46.5 Purchase of contracts providing benefits.

35. a. The commission shall negotiate with and arrange for the purchase, on such terms as it deems in the best interests of the State, participating employers and those persons covered hereunder from carriers licensed to operate in the State or in other jurisdictions, as appropriate, contracts providing benefits required by the School Employees' Health Benefits Program Act, as specified in section 36 of P.L.2007, c.103 (C.52:14-17.46.6), or such benefits as the commission may determine to provide, so long as such modification of benefits is in the best interests of the State, participating employers and those persons covered hereunder, and is consistent with the provisions of section 40 of that act (C.52:14-17.46.10). The commission shall have authority to execute all documents pertaining thereto for and on behalf of the State. The commission shall not enter into a contract under the School Employees' Health Benefits Program Act, unless the benefits provided thereunder are equal to or exceed the standards specified in section 36 of that act, or as such standards are modified pursuant to section 40 of that act (C.52:14-17.46.10).

b. The rates charged for any contract purchased under the authority of the School Employees' Health Benefits Program Act shall reasonably and equitably reflect the cost of the benefits provided based on principles which in the judgment of the commission are actuarially sound. The rates charged shall be determined based upon accepted group rating principles with due regard to the experience, both past and contemplated, under the contract.

The commission shall have the right to particularize subgroups for experience purposes and rates. No increase in rates shall be retroactive.

c. The commission shall be authorized to accept an assignment of contract rights from or enter into an agreement, contract, memorandum of understanding or other terms with the State Health Benefits Commission to ensure that coverage for eligible employees, retirees and dependents under the School Employees' Health Benefits Program whose benefits had been provided through the State Health Benefits Program is continued without interruption. The transition provided for in this subsection shall occur within one year of the effective date of the School Employees' Health Benefits Program Act, sections 31 through 41 of P.L.2007, c.103 (C.52:14-17.46.1 through C.52:14-17.46.11).

d. Benefits under the contract or contracts purchased as authorized by the School Employees' Health Benefits Program Act may be subject to such limitations, exclusions, or waiting periods as the commission finds to be necessary or desirable to avoid inequity, unnecessary utilization, duplication of services or benefits otherwise available, including coverage afforded under the laws of the United States, such as the federal Medicare program, or for other reasons.

e. The initial term of any contract purchased by the commission under the authority of the School Employees' Health Benefits Program Act shall be for such period to which the commission and the carrier may agree, but permission may be made for automatic renewal in the absence of notice of termination by the commission. Subsequent terms for which any contract may be renewed as herein provided shall each be limited to a period not to exceed one year.

C.52:14-17.46.6 Benefits required for coverage under contract; terms defined.

36. a. Notwithstanding the provisions of any other law to the contrary, the commission shall not enter into a contract under the School Employees' Health Benefits Program Act, sections 31 through 41 of P.L.2007, c.103 (C.52:14-17.46.1 through C.52:14-17.46.11), for the benefits provided pursuant to the act, unless the level of benefits provided under the contract entered into is equal to or exceeds the level of benefits provided in this section, or as modified pursuant to section 40 of that act. Only benefits for medically necessary services that are not deemed experimental, investigative or otherwise not eligible medical services shall be provided. The determination that services are not "eligible medical services" shall be made by the commission consistent with the best interests of the State, participating employers and those persons covered hereunder. Benefits for services

provided pursuant to the School Employees' Health Benefits Act shall be subject to limits or exclusions consistent with those that apply to benefits provided pursuant to the New Jersey State Health Benefits Program Act. The services provided pursuant to this section shall include all services, subject to applicable limits and exclusions, provided through the State Health Benefits Program as of July 1, 2007. The list of services in subsection b. of this section is not intended to be exclusive or to require that any limits or exclusions be exceeded.

b. The services covered hereunder by the School Employees' Health Benefits Program shall include:

- (1) Physician services, including:
 - (a) Inpatient services, including:
 - (i) medical care including consultations;
 - (ii) surgical services and services related thereto; and
 - (iii) obstetrical services including normal delivery, cesarean section, and abortion.
 - (b) Outpatient/out-of-hospital services, including:
 - (i) office visits for covered services and care;
 - (ii) allergy testing and related diagnostic/therapy services;
 - (iii) dialysis center care;
 - (iv) maternity care;
 - (v) well child care;
 - (vi) child immunizations/lead screening;
 - (vii) routine adult physicals including pap, mammography, and prostate examinations; and
 - (viii) annual routine obstetrical/gynecological exam.
- (2) Hospital services, both inpatient and outpatient, including:
 - (a) room and board;
 - (b) intensive care and other required levels of care;
 - (c) semi-private room;
 - (d) therapy and diagnostic services;
 - (e) surgical services or facilities and treatment related thereto;
 - (f) nursing care;
 - (g) necessary supplies, medicines, and equipment for care; and
 - (h) maternity care and related services.
- (3) Other facility and services, including:
 - (a) approved treatment centers for medical emergency/accidental injury;
 - (b) approved surgical center;
 - (c) hospice;

- (d) chemotherapy;
- (e) diagnostic x-ray and lab tests;
- (f) ambulance;
- (g) durable medical equipment;
- (h) prosthetic devices;
- (i) foot orthotics;
- (j) diabetic supplies and education; and
- (k) oxygen and oxygen administration.

c. Benefits under the contract or contracts purchased as authorized by the School Employees' Health Benefits Program Act shall include those for the treatment of alcoholism where such treatment is prescribed by a physician and shall also include treatment while confined in or as an outpatient of a licensed hospital or residential treatment program which meets minimum standards of care equivalent to those prescribed by the Joint Commission on Hospital Accreditation. No benefits shall be provided beyond those stipulated in the contracts held by the School Employees' Health Benefits Commission.

d. Benefits under the contract or contracts purchased as authorized by the School Employees' Health Benefits Program Act shall include those for mental health services subject to limits and exclusions consistent with those that apply to benefits for such services pursuant to the New Jersey State Health Benefits Program Act. Coverage for biologically-based mental illness, as defined in section 1 of P.L.1999, c.441 (C.52:14-17.29d), shall be provided in accordance with section 2 of P.L.1999, c.441 (C.52:14-17.29e).

e. Coverage provided under the School Employees' Health Benefits Program Act shall include coverage for all services for which coverage is mandated in the State Health Benefits Program pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.).

f. (1) As used in this subsection:

(a) "brand name" means the proprietary or trade name assigned to a drug product by the manufacturer or distributor of the drug product.

(b) "carrier" means an insurance company, hospital, medical, or health service corporation, preferred provider organization, or health maintenance organization under agreement or contract with the commission to administer the School Employee Prescription Drug Plan.

(c) "School Employee Prescription Drug Plan" means the plan for providing payment for eligible prescription drug expenses of members of the School Employees' Health Benefits Program and their eligible dependents.

(d) "generic drug products" means prescription drug products and insulin approved and designated by the United States Food and Drug Administration as therapeutic equivalents for reference listed drug products. The

term includes drug products listed in the New Jersey Generic Formulary by the Drug Utilization Review Council pursuant to P.L.1977, c.240 (C.24:6E-1 et al.).

(e) "mail-order pharmacy" means the mail order program available through the carrier.

(f) "preferred brands" means brand name prescription drug products and insulin determined by the carrier to be more cost effective alternative for prescription drug products and insulin with comparable therapeutic efficacy within a therapeutic class, as defined or recognized in the United States Pharmacopeia or the American Hospital Formulary Service Drug Information, or by the American Society of Health Systems Pharmacists. A drug product for which there is no other therapeutically equivalent drug product shall be a preferred brand. Determinations of preferred brands by the carrier shall be subject to review and modification by the commission.

(g) "retail pharmacy" means a pharmacy, drug store or other retail establishment in this State at which prescription drugs are dispensed by a registered pharmacist under the laws of this State, or a pharmacy, drug store or other retail establishment in another state at which prescription drug products are dispensed by a registered pharmacist under the laws of that state if expenses for prescription drug products dispensed at the pharmacy, drug store, or other retail establishment are eligible for payment under the School Employee Prescription Drug Plan.

(h) "other brands" means prescription drug products which are not preferred brands or generic drug products. A new drug product approved by the United States Food and Drug Administration which is not a generic drug product shall be included in this category until the carrier makes a determination concerning inclusion of the drug product in the list of preferred brands.

(2) (a) Employers that participate in the School Employees' Health Benefits Program may offer to their employees and eligible dependents:

- (i) enrollment in the School Employee Prescription Drug Plan, or
- (ii) enrollment in another free-standing prescription drug plan, or
- (iii) election of prescription drug coverage under their health care coverage through the School Employees' Health Benefits Program plan or as otherwise determined by the commission.

(b) A co-payment shall be required for each prescription drug expense if the employer chooses to participate in the School Employee Prescription Drug Plan. The initial amounts of the co-payments shall be the same as those in effect on July 1, 2007 for the employee prescription drug plan offered through the State Health Benefits Program.

(c) If the employer elects to offer a free-standing prescription drug plan, the employee's share of the cost for this prescription drug plan may be determined by means of a binding collective negotiations agreement, including any agreements in force at the time the employer commences participation in the School Employees' Health Benefits Program.

(d) If an employee declines the employer's offering of a free-standing prescription drug plan, no reimbursement for prescription drugs shall be provided under the health care coverage through the School Employees' Health Benefits Program plan in which the employee is enrolled.

(e) Prescription drug classifications that are not eligible for coverage under the employer's prescription drug plan shall also not be eligible for coverage under the health care coverage through the School Employees' Health Benefits Program plan except as federally or State mandated.

(f) If the employer elects to not offer a free-standing prescription drug plan, then the employer shall offer prescription drug coverage under the health care coverage through the School Employees' Health Benefits Program plan or as determined by the commission. Any plan that has in-network and out-of-network coverage shall cover prescription drugs at 90% in-network and at the out-of-network rate applicable to health care coverage in the plan. The out-of-pocket amounts paid towards prescription drugs shall be combined with out-of-pocket medical payments to reach all out-of-pocket maximums.

(g) Health care coverages through the School Employees' Health Benefits Program that only have in-network benefits shall include a prescription card with co-payment amounts the same as those in effect on July 1, 2007 for such coverages offered through the State Health Benefits Program.

(h) In the fifth year following the initial appointment of all of its members, the commission shall, as part of the fifth year audit and review undertaken pursuant to section 40 of that act (C.52:14-17.46.10), review the prescription drug program established in this subsection and may make changes in the program pursuant to the terms of section 40 by majority vote of the full authorized membership of the commission.

C.52:14-17.46.7 Offer of managed care plan, terms.

37. Beginning with the initial year of the School Employees' Health Benefits Program, the commission shall offer to participating employers and to qualified employees, retirees and dependents a managed care plan in which the office co-payment amount shall be \$10 per visit with a maximum out-of-pocket of \$400 per individual and \$1,000 per family for in-network services for each calendar year. The out-of-network deductible shall be

\$100 per individual and \$250 per family for each calendar year with the plan paying for 80% of reasonable and customary charges as defined herein up to an out-of-pocket maximum that shall not exceed \$2,000 per individual and \$5,000 per family for each calendar year.

In the successor plan, the in-network out-of-pocket payments shall count toward the out-of-network out-of-pocket maximums. Any lifetime maximum for out-of-network services shall not be less than any maximums in effect under the State Health Benefits Program as of July 1, 2007. There shall be no lifetime maximum for in-network services.

The carrier that administers the successor plan shall make available to the plan participants through in-network and out-of-network providers access to physicians and hospitals sufficient in geographic scope and number to provide access to health care services that is substantially equivalent to the access to health care services available through the State Health Benefits Program as of July 1, 2007.

Beginning with the initial year of the School Employees' Health Benefits Program, the commission shall be authorized to offer to participating employers and qualified employees, retirees and dependents managed care plans in which the in-network per visit charge shall not exceed \$15 per visit and the out of network reimbursement shall be 70% of reasonable and customary charges as defined herein, provided the in-network and out-of-network maximums and deductibles do not exceed the limits set forth above.

The amounts of maximums, co-pays, deductibles, and other participant costs shall be reviewed, as part of the fifth year audit undertaken pursuant to section 40 of P.L.2007, c.103 (C.52:14-17.46.10). The commission shall make changes in such amounts pursuant to section 40 by majority vote of the full authorized membership of the commission.

"Reasonable and customary charges" means, for any out-of-network payment made by a carrier, charges based upon the 90th percentile of the usual, customary, and reasonable (UCR) fee schedule determined by the Health Insurance Association of America or a similar nationally recognized database of prevailing health care charges.

Beginning with the initial year of the School Employees' Health Benefits Program, the commission shall offer to participating employers and qualified employees, retirees and dependents one or more health maintenance organization plans.

C.52:14-17.46.8 Participation in School Retiree Prescription Drug Plan, terms.

38. a. Retirees and eligible dependents who participate in the School Employees' Health Benefits Program shall be eligible to participate in the

School Retiree Prescription Drug Plan. The definitions in subsection f. of section 36 of P.L.2007, c.103 (C.52:14-17.46.6) shall apply to the School Retiree Prescription Drug Plan.

b. There shall be no annual deductible amount that retirees or their eligible dependents shall be required to satisfy before eligibility for payment of prescription drug expenses under the School Retiree Prescription Drug Plan.

c. Eligibility of prescription drug expenses for coverage under the School Retiree Prescription Drug Plan shall be determined on the same basis as reasonable and necessary medical expenses under the School Employees' Health Benefits Program.

d. A co-payment shall be required for each prescription drug expense until a retiree or eligible dependent satisfies the maximum annual out-of-pocket expense for a calendar year prescribed in subsection f. of this section. The amounts of the co-payments shall be the same as those in effect as of July 1, 2007 for retiree prescription drug coverage under the State Health Benefits Program. The commission shall promulgate rules that shall establish a formula for a reasonable annual escalator to the amount of co-payment.

e. The supply of a drug product eligible for coverage under the School Retiree Prescription Drug Plan for each prescription drug expense shall be limited to 30 days if the prescription is filled at a retail pharmacy, and 90 days if the prescription is filled through the mail-order pharmacy.

f. The amount of out-of-pocket expense that a retiree or eligible dependent shall pay in a calendar year for eligible prescription drug expenses under the School Retiree Prescription Drug Plan shall be limited in the first year of the plan to the amount in effect on July 1, 2007 for retiree prescription drug coverage under the State Health Benefits Program. The commission shall promulgate rules that shall establish a formula for a reasonable annual escalator to the amount of out-of-pocket expense.

g. In the fifth year following the initial appointment of all of its members, the commission shall, as part of the fifth year audit and review undertaken pursuant to section 40 of P.L.2007, c.103 (C.52:14-17.46.10), review the amounts established in this section and make any changes that it deems appropriate pursuant to section 40 of P.L.2007, c.103 (C.52:14-17.46.10) by majority vote of the full authorized membership of the commission.

C.52:14-17.46.9 Obligations of employer for charges for benefits; School Employee Health Benefits Program fund.

39. a. For each active covered employee and for the eligible dependents the employee may have enrolled at the employee's option, from funds appro-

priated therefor, the employer shall pay to the commission the premium or periodic charges for the benefits provided under the contract in amounts equal to the premium or periodic charges for the benefits provided under such a contract covering the employee and the employee's enrolled dependents.

b. The obligations of any employer to pay the premium or periodic charges for health benefits coverage provided under the School Employees' Health Benefits Program Act, sections 31 through 41 of P.L.2007, c.103 (C.52:14-17.46.1 through C.52:14-17.46.11), may be determined by means of a binding collective negotiations agreement, including any agreement in force at the time the employer commences participation in the School Employees' Health Benefits Program. With respect to employees for whom there is no majority representative for collective negotiations purposes, the employer may, in its sole discretion, modify the respective payment obligations set forth in law for the employer and such employees in a manner consistent with the terms of any collective negotiations agreement binding on the employer.

c. There is hereby established a School Employee Health Benefits Program fund consisting of all contributions to premiums and periodic charges remitted to the State treasury by participating employers for employee coverage. All such contributions shall be deposited in the fund and the fund shall be used to pay the portion of the premium and periodic charges attributable to employee and dependent coverage.

d. Notwithstanding any law to the contrary, the payment in full of premium or periodic charges for eligible retirees and their dependents pursuant to section 3 of P.L.1987, c.384 (C.52:14-17.32f), section 2 of P.L.1992, c.126 (C.52:14-17.32f1), or section 1 of P.L.1995, c.357 (C.52:14-17.32f2) shall be continued without alteration or interruption and there shall be no premium sharing or periodic charges for school employees in retirement once they have met the criteria for vesting for pension benefits, which criteria for purposes of this subsection only shall mean the criteria for vesting in the Teachers' Pension and Annuity Fund. For purposes of this subsection, "premium sharing or periodic charges" shall mean payments by eligible retirees based upon a proportion of the premiums for health care benefits.

C.52:14-17.46.10 Annual report, audit to Governor, Legislature.

40. a. The School Employees' Health Benefits Commission shall publish annually, at least 30 days prior to the commencement of the open enrollment period for that year, a report showing the fiscal transactions of the program for the preceding calendar year and stating other facts pertinent to the program and all participating employers.

b. At the same time as the annual report is published, the commission shall publish an audit report of the program's costs and the aggregate usage of plan participants during the preceding calendar year, which audit shall be prepared by a qualified independent auditor selected by the commission in accordance with applicable laws regarding selection of auditing services. The independent auditor shall include in its report specific recommendations that are projected to result in cost savings to the State and to participating employers.

The specific recommendations to be submitted in the annual audit report shall include, but not be limited to, savings achievable through disease management, prescription benefit management, and elimination of administrative and program inefficiencies. In addition, the annual audit may recommend changes to the benefits provided under the School Employees' Health Benefits Program that improve the overall ability to retain and attract eligible employees.

c. The commission shall submit the annual report and annual audit report to the Governor and the Legislature, and shall make these reports available to every participating employer.

d. At the start of the fifth year following the initial appointment of all of its members, and at the start of every fifth year thereafter, the commission shall contract with an independent, qualified auditor, separate from the person performing the annual audit described in subsection b. of this section, for a comprehensive review and audit of all elements of the program, as well as the plan design and structure for each plan offered by the commission. The auditor shall be qualified by experience, training, resources, and education to perform intensive audits of public health insurance plans that are of a similar size and scope and shall be familiar with benefit designs of employers that are eligible but do not participate in the commission. The auditor shall be selected in accordance with applicable law.

e. Each fifth year review and audit shall be the annual audit for that year and the review shall include all of the elements contained in the annual audit plus the additional reviews set forth in this subsection. In addition to performing the tasks of the annual audit, the auditor selected for a fifth year review shall review the program costs, plan design, and plan structure and may issue recommendations for cost sharing measures, including modifications of co-payments, deductibles, out-of-pocket maximums, limits, exclusions, and other measures to be considered for implementation by the commission. The commission is authorized to implement such recommendations pursuant to majority vote of the full authorized membership of the commission.

The commission shall submit the five-year review and audit report to the Governor and the Legislature and shall make the report available to every participating employer.

C.52:14-17.46.11 Applicability of State Health Benefits Program Act.

41. All provisions of P.L.1961, c.49 (C.52:14-17.25 et seq.) applicable to the State Health Benefits Program shall, except as expressly stated in the School Employees' Health Benefits Program Act, be construed as applicable to participating employers and to their employees and to dependents of such employees, and to retirees and to dependents of such retirees, in the School Employees' Health Benefits Program.

42. Section 3 of P.L.1987, c.384 (C.52:14-17.32f) is amended to read as follows:

C.52:14-17.32f Retired teachers' eligibility, limitation.

3. A qualified retiree from the Teachers' Pension and Annuity Fund (N.J.S.18A:66-1 et seq.) and dependents of a qualified retiree, but not including survivors, are eligible to participate in the State Health Benefits Program until June 30, 2008, and beginning July 1, 2008, in the School Employees' Health Benefits Program, regardless of whether the retiree's employer participated in the program.

A qualified retiree is a retiree who:

- a. Retired on a benefit based on 25 or more years of service credit;
- b. Retired on a disability pension based on fewer years of service credit; or
- c. Elected deferred retirement based on 25 or more years of service credit and who receives a retirement allowance.

The program shall reimburse a qualified retiree who participates in the program for the premium charges under Part B of the federal Medicare program for the retiree and the retiree's spouse. A qualified retiree who retired under subsections a. and b. of this section prior to the effective date of this 1987 amendatory and supplementary act is eligible for the coverage if the retiree applies to the program for it within one year after the effective date, and a qualified retiree as defined under subsection c. of this section whose retirement allowance commenced prior to the effective date of this 1992 amendatory act is eligible for the coverage if the retiree applies to the program for it within one year after the effective date.

The premium or periodic charges for benefits provided to a qualified retiree and the dependents of the retiree, and the cost for reimbursement of Medicare premiums shall be paid by the State.

43. Section 2 of P.L.1987, c.385 (C.18A:66-18.1) is amended to read as follows:

C.18A:66-18.1 Payment of pension adjustment benefits.

2. Pension adjustment benefits for members and beneficiaries of the Teachers' Pension and Annuity Fund as provided by the "Pension Adjustment Act," P.L.1958, c.143 (C.43:3B-1 et seq.), shall be paid by the retirement system and shall be funded as employer obligations by the same method provided by law for the funding of employer obligations for the basic retirement benefits provided by the retirement system.

44. Section 2 of P.L.1990, c.6 (C.43:15A-24.1) is amended to read as follows:

C.43:15A-24.1 Payment of pension adjustment benefits.

2. Pension adjustment benefits for members and beneficiaries of the Public Employees' Retirement System provided by the "Pension Adjustment Act," P.L.1958, c.143 (C.43:3B-1 et seq.), shall be paid by the retirement system and shall be funded as employer obligations by the same method provided by law for the funding of employer obligations for the basic retirement benefits provided by the retirement system. Normal and accrued liability contributions for pension adjustment benefits for active employees of employers other than the State shall be determined for the 1992 valuation year and shall be phased in so that the level of recognition of the full normal and accrued liability contributions for the State and other employers shall be 20% for valuation year 1992 and 24% for valuation year 1993, and shall be increased by 2.24% for each valuation year thereafter until the full normal and accrued liability contributions are fully recognized.

45. Section 3 of P.L.1993, c.8 (C.52:14-17.38c) is amended to read as follows:

C.52:14-17.38c Company surcharge payable to State Health Benefits Program.

3. With respect to any policy or contract between a local board of education and an insurance company writing insurance pursuant to Title 17B of the New Jersey Statutes, hospital service corporation, medical service corporation, health service corporation, or health maintenance organization which provides hospital or medical expense benefits:

a. upon the commencement of any policy or contract entered into after the effective date of this amendatory and supplementary act, P.L.1993, c.8 (C.52:14-17.38b et al.); or

b. in the case of any policy or contract in effect as of the effective date of this act, no earlier than the second anniversary date after the effective date of this act of any such policy or contract, the insurance company, hospital service corporation, medical service corporation, health service corporation, or health maintenance organization shall annually pay to the State Health Benefits Program a surcharge in the form of a percentage of the claims paid by the insurance company, hospital service corporation, medical service corporation, health service corporation, or health maintenance organization which are attributable to the coverage of the employees of the board and their dependents for the time period from July 1 through the following June 30, except that if the commencement or the second anniversary date of the policy or contract occurs after July 1, the initial surcharge shall be prorated for the remainder of that year from July 1 through the following June 30. The surcharge shall be paid on or before December 31 of the time period for which it is payable in the manner prescribed hereinafter, except that if the commencement or second anniversary date of the policy or contract occurs on or after November 1, an estimated initial surcharge shall be paid no later than the end of the sixth month following the commencement or anniversary date of the policy or contract or July 1 following the commencement or anniversary date of the policy or contract, whichever is earlier, and the actual surcharge payable for the initial time period shall be determined and adjustments, if any, shall be made to the surcharge payable for the succeeding time period in the manner prescribed hereinafter.

The initial surcharge percentage for the time period July 1, 1993 through June 30, 1994 shall be 3.25%. The State Treasurer shall thereafter annually redetermine the surcharge percentage, which shall be the percentage of total claims paid for active employees and for retired employees receiving health care coverage under the State Health Benefits Program pursuant to section 3 of P.L.1987, c.384 (C.52:14-17.32f) or subsection a. of section 2 of P.L.1992, c.126 (C.52:14-17.32f1) who are not eligible for Medicare which is reasonably attributable to the excess claim cost for these retired employees. The State Treasurer shall annually provide an estimated surcharge percentage based upon the claims paid for the 12 months immediately preceding the time period for which the surcharge is payable. Except as otherwise provided herein in the case of the initial surcharge, each organization shall pay to the State Health Benefits Program an estimated surcharge on or before December 31 of the time period for which the surcharge is payable, which shall be the amount determined by multiplying the total claims paid by the organization for the coverage for the 12 months immediately preceding the time period for which the surcharge is payable

by the estimated surcharge percentage. Within three months after the time period for which the surcharge is payable, the State Treasurer shall determine the actual surcharge percentage for the time period based upon the actual claims experience for the period. The surcharge for the succeeding time period shall be increased or decreased, as appropriate, by the difference between the estimated surcharge paid and the surcharge due based upon the actual claims experience.

This section shall apply to any policy or contract in which the insurer has reserved the right to change the premium.

Beginning July 1, 2008, a reference to the State Health Benefits Program in this section shall mean the School Employees' Health Benefits Program, established pursuant to sections 31 through 41 of P.L.2007, c.103 (C.52:14-17.46.1 through C.52:14-17.46.11).

46. Section 8 of P.L.1961, c.49 (C.52:14-17.32) is amended to read as follows:

C.52:14-17.32 Health care benefits of retirees.

8. a. The health care benefits coverage of any employee, and the employee's dependents, if any, shall cease upon the discontinuance of the term of office or employment or upon cessation of active full-time employment subject to such regulations as may be prescribed by the commission for limited continuance of coverage during disability, part-time employment, leave of absence or layoff, and for continuance of coverage after retirement, any such continuance after retirement to be provided at such rates and under such conditions as shall be prescribed by the commission, subject, however, to the requirements hereinafter set forth in this section. Notwithstanding the provisions of any law to the contrary, for law enforcement officers employed by the State for whom there is a majority representative for collective negotiation purposes, and for nonaligned sworn members of the Division of State Police who retire after July 1, 2005, the coverage options available to such employees in retirement shall be limited to those options that were available to the employee on the employee's last day of employment. The commission may also establish regulations prescribing an extension of coverage when an employee or dependent is totally disabled at termination of coverage.

b. Rates payable by retired employees for themselves and their dependents, by active employees for dependents covered by Medicare benefits, and by the State or other employer for an active employee alone covered by Medicare benefits, shall be determined on the basis of utilization

experience according to classifications determined by the commission, provided, however, that the total rate payable by such retired employee for the employee and the employee's dependents, or by such active employee for the employee's dependents and the State or other employer for such active employee alone, for coverage hereunder and for Part B of Medicare, shall not exceed by more than 25%, as determined by the commission, the total amount which would have been required to have been paid by the employee and by the State or other employer for the coverage maintained had the employee continued in office or active employment and the employee and the employee's dependents were not eligible for Medicare benefits. "Medicare" as used in this act means the coverage provided under Title XVIII of the Social Security Act as amended in 1965, or its successor plan or plans.

c. (1) From funds appropriated therefor, the State shall pay the premium or periodic charges for the benefits provided to a retired State employee and the employee's dependents covered under the program, but not including survivors, if such employee retired from one or more State or locally-administered retirement systems on a benefit or benefits based in the aggregate on 25 years or more of nonconcurrent service credited in the retirement systems, excluding service credited under the Defined Contribution Retirement Program established pursuant to P.L.2007, c.92 (C.43:15C-1 et al.), and excepting the employee who elected deferred retirement, but including the employee who retired on a disability pension based on fewer years of service credited in the retirement systems and shall also reimburse such retired employee for the premium charges under Part B of the federal Medicare program covering the retired employee and the employee's spouse. In the case of full-time employees of the Rutgers University Cooperative Extension Service, service credited in the federal Civil Service Retirement System (5 U.S.C.s.8331 et seq.) which was earned as a result of full-time employment at Rutgers University, may be considered alone or in combination with service credited in one or more State or locally-administered retirement systems for the purposes of establishing the minimum 25-year service requirement to qualify for the benefits provided in this section. Any full-time employee of the Rutgers University Cooperative Extension Service who meets the eligibility requirements set forth in this amendatory act shall be eligible for the benefits provided in this section, provided that at the time of retirement such employee was covered by the State Health Benefits Program and elected to continue such coverage into retirement.

(2) Notwithstanding the provisions of this section to the contrary, from funds appropriated therefor, the State shall pay the premium or periodic

charges for the benefits provided to a retired State employee and the employee's dependents covered under the program, but not including survivors, if: (a) the employee retires on or after the effective date of this 1987 amendatory act; (b) the employee was employed by Rutgers University prior to January 2, 1955 and remained in continuous service with Rutgers University until retirement even though the employee (i) did not join a State-administered retirement system, or, (ii) became a member of a State-administered retirement system, but accumulated less than 25 years of credited service; and (c) the employee is covered by the program at the time of retirement.

(3) Notwithstanding the provisions of this section to the contrary, in the case of an employee of a State college, as described in chapter 64 of Title 18A of the New Jersey Statutes, or of a county college, as defined in N.J.S.18A:64A-1, service credited in a private defined contribution retirement plan which was earned as an employee of an auxiliary organization, as defined in section 2 of P.L.1982, c.16 (C.18A:64-27), at a State or county college shall be considered in combination with service credited in a State-administered retirement system for the purposes of establishing the minimum 25-year service requirement to qualify for the benefits provided in this section, provided that the employee is covered by the program at the time of retirement.

(4) Notwithstanding the provisions of this section to the contrary, from funds appropriated therefor, the State shall pay the premium or periodic charges for the benefits provided to a retired State employee and any dependents covered under the program, but not including survivors, if the employee: (a) retired prior to the effective date of P.L.1997, c.335 (C.52:14-17.32), under the State Police Retirement System, established pursuant to P.L.1965, c.89 (C.53:5A-1 et seq.), with more than 20 but less than 25 years of service credit in the retirement system; (b) was subsequently employed by the State in another position or positions not covered by the State Police Retirement System; (c) has, in the aggregate, at least 30 years of full-time employment with the State; and (d) is covered by the program at the time of terminating full-time employment with the State.

47. Section 1 of P.L.1989, c.127 (C.52:14-17.32g) is amended to read as follows:

C.52:14-17.32g Benefits program continued.

1. Notwithstanding any other provisions of P.L.1961, c.49 (C.52:14-17.25 et seq.) to the contrary, the health care benefits of any employee of an employer with at least three years of service under a permanent appointment with that employer and any dependent of the employee may be con-

tinued and the premiums for the coverage may be paid by the employer during any approved leave of absence of the employee with or without pay, for a period of up to two years.

For the purposes of this section "employer" means a local board of education, regional board of education, county college, educational services commission, jointure commission, county special services school district, county vocational-technical school district, or any board or commission under the authority of the Commissioner of Education, or State Board of Education, as the case may be.

C.52:14-17.32a1 Funding of health care benefits for retired State employees under C.52:14-17.25 et seq.

48. Effective July 1, 2007, health care benefits for retired State employees and their dependents for which the State is required to pay the premiums or periodic charges under the "New Jersey State Health Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.), shall be funded and paid by the State through a separate fund established in the Department of the Treasury. Beginning with the valuation period ending June 30, 2007, the Director of the Division of Pensions and Benefits shall annually compute a contribution to fund these health care benefits which shall be the amount necessary to pay the anticipated premiums or periodic charges for the benefits for the following valuation period and to provide that the balance in the fund as of the end of the following valuation period shall be increased by 3/5 of 1% of the salary of the active members for the valuation period. If the assets in the fund are insufficient to pay the premiums or periodic charges for the benefits, they shall be paid directly by the State. Nothing herein above shall alter health care benefits for qualified retirees and their dependents or relieve the State from its acknowledged obligation to fund the benefits.

C.52:14-17.46a Funding of health care benefits for retirees from certain educational employment.

49. Effective July 1, 2007, health care benefits for qualified retirees and their dependents as provided by section 3 of P.L.1987, c.384 (C.52:14-17.32f), section 2 of P.L.1992, c.126 (C.52:14-17.32f1) and section 1 of P.L.1995, c.357 (C.52:14-17.32f2) shall be funded and paid by the State through a separate fund established in the Department of the Treasury. Beginning with the valuation period ending June 30, 2007, the Director of the Division of Pensions and Benefits shall annually compute a contribution to fund these health care benefits which shall be the amount necessary to pay the anticipated premiums or periodic charges for the benefits for the following valuation period and to provide that the balance in the fund as of the end of the following valuation period

shall be increased by 3/5 of 1% of the salary of the active members for the valuation period. If the assets in the fund are insufficient to pay the premiums or periodic charges for the benefits, such premiums or periodic charges shall be paid directly by the State. Nothing hereinabove shall alter health care benefits for qualified retirees and their dependents or relieve the State from its acknowledged obligation to fund the benefits.

50. Section 5 of P.L.1950, c.270 (C.52:18A-83) is amended to read as follows:

C.52:18A-83 State Investment Council established; membership; terms.

5. a. There is hereby established in the Division of Investment a State Investment Council which shall consist of 13 members.

(1) Each of the following agencies, namely, the Board of Trustees of the Public Employees' Retirement System, the Board of Trustees of the State Police Retirement System, the Board of Trustees of the Teachers' Pension and Annuity Fund, and the Board of Trustees of the Police and Firemen's Retirement System of New Jersey, shall elect one of the active members of its retirement system, or one of the retirees of its retirement system who is receiving a retirement allowance, to serve as a member of the State Investment Council herein established. The four members of the council so elected shall serve as such for a period of three years from the date of their election and until their respective successors are in like manner elected.

(2) Six of the members of the State Investment Council shall be appointed by the Governor, with the advice and consent of the Senate, for a term of five years and shall serve until the member's successor is appointed and has qualified.

(3) One member of the State Investment Council shall be appointed by the Governor from among three persons nominated jointly by the President of the Senate and the Speaker of the General Assembly and shall serve for a term of five years and until the member's successor is appointed and has qualified.

(4) One member of the State Investment Council shall be appointed by the Governor from among three persons nominated by the Public Employee Committee of the New Jersey State AFL-CIO and shall serve for a term of three years and until the member's successor is appointed and has qualified. If the persons nominated are not acceptable to the Governor for appointment, the Governor may request submission of new nominees.

(5) One member of the State Investment Council shall be appointed by the Governor from among three persons nominated by the New Jersey Education Association and shall serve for a term of three years and until the

member's successor is appointed and has qualified. If the persons nominated are not acceptable to the Governor for appointment, the Governor may request submission of new nominees.

The two members appointed pursuant to paragraphs (4) and (5) of this subsection by the Governor to the council shall be qualified by training, experience or long-term interest in the direct management, analysis, supervision or investment of assets, and this training, experience or long-term interest shall have been supplemented by academic training in the fields of economics, business, law, finance or actuarial science or by actual employment in those fields.

At least five of the seven members appointed pursuant to paragraphs (2) and (3) of this subsection by the Governor to the council shall be qualified by training and experience in the direct management, analysis, supervision or investment of assets, which training and experience shall have been acquired through academic training or through actual employment in those fields.

b. No member of the State Investment Council shall hold any office, position or employment in any political party nor shall any such member benefit directly or indirectly from any transaction made by the Director of the Division of Investment provided for herein.

The members of the council shall elect annually from their number a chairman of such council. Any member of the council so elected shall serve as such chairman for a term of one year and until a successor is, in like manner, elected. The chairman of the council shall be its presiding officer.

The members of the council shall serve without compensation but shall be reimbursed for necessary expenses incurred in the performance of their duties as approved by the chairman of the council. The members of the council shall be required to file the same annual financial disclosure statements as those required to be filed by members of other State boards and commissions who are not compensated for their services, as such statements shall be required by law or executive order of the Governor. The financial disclosure statements of council members shall be made available to the public in the same manner as the statements of members of other State boards and commissions are made available to the public.

Each member of the council, except the member appointed from among persons nominated by the President of the Senate and the Speaker of the General Assembly, may be removed from office by the Governor, for cause, upon notice and opportunity to be heard at a public hearing. Any vacancy in the membership of the council occurring other than by expiration of term shall be filled in the same manner as the original appointment, but for the unexpired term only.

c. The terms of the members of the council serving on the effective date specified for this section of P.L.2007, c.103, other than the five members appointed by the Governor with the advice and consent of the Senate to serve for terms of five years and the one member appointed by the Governor from persons nominated jointly by the President of the Senate and the Speaker of the General Assembly to serve for a term of five years, are terminated as of that effective date. A member terminated pursuant to this subsection shall be eligible for reappointment.

51. Section 13 of P.L.1950, c.270 (C.52:18A-91) is amended to read as follows:

C.52:18A-91 Powers and duties of State Investment Council.

13. a. The State Investment Council shall consult with the Director of the Division of Investment from time to time with respect to the work of the division. It shall have access to all files and records of the division and may require any officer or employee therein to provide such information as it may deem necessary in the performance of its functions. The council shall have authority to inspect and audit the respective accounts and funds administered through the Division of Investment. It shall formulate and establish, and may from time to time amend, modify or repeal, such policies as it may deem necessary or proper, which shall govern the methods, practices or procedures for investment, reinvestment, purchase, sale or exchange transactions to be followed by the Director of the Division of Investment established hereunder.

b. On or before January first of each year, and at such other times as it may deem in the public interest, the council shall report to the Governor, the Legislature, and the State Treasurer with respect to its work and the work of the Division of Investment. In addition to the reports specified above and in section 14 of P.L.1950, c.270 (C.52:18A-92), the council shall issue a report by March 1 of each year on the investment activities for the prior calendar year, which shall include a summary of the current investment policies and strategies of the council and those in effect during the prior calendar year, a detailed summary for each financial product of the amount invested, whether the investments were made by employees of the Division of Investment or by external managers, performance benchmarks, and actual performance during the calendar year. The report shall be submitted to the Governor, the Legislature, and the State Treasurer, and shall be made available to the public through the official Internet site of the State.

c. The council shall hold a meeting each year that shall be open to the public, and shall accept comments from the public at such meeting. The matters that shall be open to discussion and public comment during this annual meeting shall include the investment policies and strategies of the council, the investment activities of the council, the financial disclosure statements filed by council members, and the certification of contributions filed by external managers, as well as other appropriate matters concerning the operations, activities and reports of the council.

d. An external manager shall be required to file a certification before being retained, and annually thereafter, that discloses the political contributions made, during the 12 months preceding the certification, by the manager or the manager's firm, or a political committee in which the manager or firm was active. The certification shall specify the political contributions made to candidates for elective public office in this State and any political committee established for the support of such candidates, and contributions made for the transition and inaugural expenses of any candidate who is elected to public office. As used in this subsection, "contribution" and "political committee" shall have the meaning set forth in "The New Jersey Campaign Contributions and Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1 et al.). This certification shall be in addition to any other such disclosure required by law or executive order of the Governor.

52. This act shall take effect immediately, except that sections 12 through 16, inclusive, shall take effect July 1, 2007, and sections 27 through 29, inclusive, shall take effect July 1, 2008, and sections 31 through 41, inclusive, shall take effect immediately and shall be implemented as soon as practicable as determined by the School Employees' Health Benefits Commission so that the School Employees' Health Benefits Program shall be operational as of July 1, 2008, and sections 50 and 51 shall take effect on the 30th day after enactment but such anticipatory action may be taken in advance thereof as shall be necessary for the implementation of the sections.

Approved June 28, 2007.

CHAPTER 104

AN ACT concerning the procurement of certain electric and gas services and supplementing P.L.1999, c.23 (C.48:3-49 et seq.).

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

C.48:3-91.1 Written contract for procurement of certain electric and gas services for State or local government or aggregator.

1. a. The Division of Purchase and Property in the Department of the Treasury, on behalf of any State agency or local government unit, may enter into a written contract with a licensed electric power supplier or a licensed gas supplier for the provision of electric generation service, electric related service, gas supply service, or gas related service for the facilities of a State agency or local government unit, or for the use of any government aggregator.

As used in this act, "State agency" means any agency in the executive branch of the State government, including, but not limited to, any department, board, bureau, commission, division, office, council, or instrumentality thereof, or independent agency, public authority or public benefit corporation, and any State college or public institution of higher education, and "local government unit" means any government entity subject to the requirements of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.), the "Public School Contracts Law," N.J.S.18A:18A-1 et seq., or the "County College Contracts Law," P.L.1982, c.189 (C.18A:64A-25.1 et seq.).

b. The Division of Purchase and Property, prior to initiating the process required pursuant to P.L.1954, c.48 (C.52:34-6 et seq.) for entering into a written contract for electric generation service, electric related service, gas supply service or gas related service pursuant to subsection a. of this section, may notify in writing each State agency, local government unit and government aggregator of the Division of Purchase and Property's intent to enter into such a contract, and offer the State agency, local government unit and government aggregator the opportunity to include in the contract the provision of any combination of electric generation service, electric related service, gas supply service, or gas related service from an electric power supplier or a gas supplier, as appropriate, for the State agency's, local government unit's and government aggregator's facilities. The Division of Purchase and Property shall determine and provide to the State agency, local government unit and government aggregator the requirements for participation in the contract. Such requirements may include, but shall not be limited to, minimum purchase limits, necessary data to be provided by each participating State agency, local government unit and government aggregator, a timetable for the submission of data, and a form for the submission of data.

C.48:3-91.2 Request for inclusion in proposed contract.

2. Upon receiving the notification from the Division of Purchase and Property pursuant to section 1 of this act, a State agency, local government unit or the governing body of a government aggregator may request that the Division of Purchase and Property include the State agency's, local government unit's or government aggregator's needs for such services in the proposed contract by submitting the required information in a timely manner. The Division of Purchase and Property may include in any proposed contract the needs for the provision of electric generation service, electric related service, gas supply service or gas related service from an electric power supplier or a gas supplier, as appropriate, to the facilities of any State agency, local government unit or government aggregator that satisfies the requirements established pursuant to this act.

C.48:3-91.3 Determination of best contract for services; alternative forms of bidding; administrative fee.

3. The Division of Purchase and Property in the Department of the Treasury shall determine how best to contract for electric generation service, electric related service, gas supply service or gas related service from an electric power supplier or a gas supplier, as appropriate, including the creation of one or more contracts for the needs of State agencies and one or more separate contracts for local government units or for government aggregators, or any combination of the foregoing, provided that each contract for electric generation service entered with an electric power supplier shall require the electric power supplier to meet or exceed the percentages of electricity provided from Class I renewable energy sources and Class II renewable energy sources as set forth in section 38 of P.L.1999, c.23 (C.48:3-87). The Director of the Division of Purchase and Property shall have the discretion to use electronic or other alternative forms of bidding in lieu of sealed bids. The Division of Purchase and Property may charge a reasonable administrative fee to cover the costs associated with the bidding and administration of the contract or contracts.

C.48:3-91.4 Provision in contract for additional locations, facilities of government.

4. The Division of Purchase and Property is authorized to include in any contract, entered into after the effective date of this act, for the provision of electric generation service, electric related service, gas supply service or gas related service from an electric power supplier or a gas supplier, as appropriate, provisions allowing the Division of Purchase and Property to add the needs of additional locations or facilities of a State agency, a local government unit or of a government aggregator at any time during the contract, subject to such conditions as the State Treasurer deems appropriate.

C.48:3-91.5 Regulations.

5. The State Treasurer may adopt regulations pursuant to the "Administrative Procedure Act", P.L.1968, c.410 (C.52:14B-1 et seq.) as are necessary to administer the provisions of this act.

6. This act shall take effect immediately.

Approved June 28, 2007.

CHAPTER 105

AN ACT concerning the sales and use tax on certain membership fees and dues and certain parking services, amending P.L.1966, c.30.

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

1. Section 3 of P.L.1966, c.30 (C.54:32B-3) is amended to read as follows:

C.54:32B-3 Imposition of sales tax.

3. There is imposed and there shall be paid a tax of 7% upon:

(a) The receipts from every retail sale of tangible personal property or digital property, except as otherwise provided in this act.

(b) The receipts from every sale, except for resale, of the following services:

(1) Producing, fabricating, processing, printing or imprinting tangible personal property or digital property, performed for a person who directly or indirectly furnishes the tangible personal property or digital property, not purchased by him for resale, upon which such services are performed.

(2) Installing tangible personal property or digital property, or maintaining, servicing, repairing tangible personal property or digital property not held for sale in the regular course of business, whether or not the services are performed directly or by means of coin-operated equipment or by any other means, and whether or not any tangible personal property or digital property is transferred in conjunction therewith, except (i) such services rendered by an individual who is engaged directly by a private homeowner or lessee in or about his residence and who is not in a regular trade or business offering his services to the public, (ii) such services rendered with respect to

personal property exempt from taxation hereunder pursuant to section 13 of P.L.1980, c.105 (C.54:32B-8.1), (iii) (Deleted by amendment, P.L.1990, c.40), (iv) any receipts from laundering, dry cleaning, tailoring, weaving, or pressing clothing, and shoe repairing and shoeshining and (v) services rendered in installing property which, when installed, will constitute an addition or capital improvement to real property, property or land, other than landscaping services and other than installing carpeting and other flooring.

(3) Storing all tangible personal property not held for sale in the regular course of business; the rental of safe deposit boxes or similar space; and the furnishing of space for storage of tangible personal property by a person engaged in the business of furnishing space for such storage.

"Space for storage" means secure areas, such as rooms, units, compartments or containers, whether accessible from outside or from within a building, that are designated for the use of a customer and wherein the customer has free access within reasonable business hours, or upon reasonable notice to the furnisher of space for storage, to store and retrieve property. Space for storage shall not include the lease or rental of an entire building, such as a warehouse or airplane hanger.

(4) Maintaining, servicing or repairing real property, other than a residential heating system unit serving not more than three families living independently of each other and doing their cooking on the premises, whether the services are performed in or outside of a building, as distinguished from adding to or improving such real property by a capital improvement, but excluding services rendered by an individual who is not in a regular trade or business offering his services to the public, and excluding garbage removal and sewer services performed on a regular contractual basis for a term not less than 30 days.

(5) Direct-mail processing services, except for direct-mail processing services in connection with distribution of direct mail to out-of-State recipients.

(6) (Deleted by amendment, P.L.1995, c.184).

(7) Utility service provided to persons in this State, any right or power over which is exercised in this State.

(8) Tanning services, including the application of a temporary tan provided by any means.

(9) Massage, bodywork or somatic services, except such services provided pursuant to a doctor's prescription.

(10) Tattooing, including all permanent body art and permanent cosmetic make-up applications.

(11) Investigation and security services.

(12) Information services.

(13) Transportation services originating in this State and provided by a limousine operator, as permitted by law, except such services provided in connection with funeral services.

Wages, salaries and other compensation paid by an employer to an employee for performing as an employee the services described in this subsection are not receipts subject to the taxes imposed under this subsection (b).

Services otherwise taxable under paragraph (1) or (2) of this subsection (b) are not subject to the taxes imposed under this subsection, where the tangible personal property or digital property upon which the services were performed is delivered to the purchaser outside this State for use outside this State.

(c) (1) Receipts from the sale of prepared food in or by restaurants, taverns, or other establishments in this State, or by caterers, including in the amount of such receipts any cover, minimum, entertainment or other charge made to patrons or customers, except for meals especially prepared for and delivered to homebound elderly, age 60 or older, and to disabled persons, or meals prepared and served at a group-sitting at a location outside of the home to otherwise homebound elderly persons, age 60 or older, and otherwise homebound disabled persons, as all or part of any food service project funded in whole or in part by government or as part of a private, nonprofit food service project available to all such elderly or disabled persons residing within an area of service designated by the private nonprofit organization; and

(2) Receipts from sales of food and beverages sold through vending machines, at the wholesale price of such sale, which shall be defined as 70% of the retail vending machine selling price, except sales of milk, which shall not be taxed. Nothing herein contained shall affect other sales through coin-operated vending machines taxable pursuant to subsection (a) above or the exemption thereto provided by section 21 of P.L.1980, c.105 (C.54:32B-8.9).

The tax imposed by this subsection (c) shall not apply to food or drink which is sold to an airline for consumption while in flight.

(3) For the purposes of this subsection:

"Food and beverages sold through vending machines" means food and beverages dispensed from a machine or other mechanical device that accepts payment; and

"Prepared food" means:

(i) A. food sold in a heated state or heated by the seller; or

B. two or more food ingredients mixed or combined by the seller for sale as a single item, but not including food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recom-

mended by the Food and Drug Administration in Chapter 3, part 401.11 of its Food Code so as to prevent food borne illnesses; or

C. food sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate does not include a container or packaging used to transport the food; provided however, that

(ii) "prepared food" does not include the following sold without eating utensils:

A. food sold by a seller whose proper primary NAICS classification is manufacturing in section 311, except subsector 3118 (bakeries);

B. food sold in an unheated state by weight or volume as a single item; or

C. bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, and tortillas.

(d) The rent for every occupancy of a room or rooms in a hotel in this State, except that the tax shall not be imposed upon a permanent resident.

(e) (1) Any admission charge to or for the use of any place of amusement in the State, including charges for admission to race tracks, baseball, football, basketball or exhibitions, dramatic or musical arts performances, motion picture theaters, except charges for admission to boxing, wrestling, kick boxing or combative sports exhibitions, events, performances or contests which charges are taxed under any other law of this State or under section 20 of P.L.1985, c.83 (C.5:2A-20), and, except charges to a patron for admission to, or use of, facilities for sporting activities in which such patron is to be a participant, such as bowling alleys and swimming pools. For any person having the permanent use or possession of a box or seat or lease or a license, other than a season ticket, for the use of a box or seat at a place of amusement, the tax shall be upon the amount for which a similar box or seat is sold for each performance or exhibition at which the box or seat is used or reserved by the holder, licensee or lessee, and shall be paid by the holder, licensee or lessee.

(2) The amount paid as charge of a roof garden, cabaret or other similar place in this State, to the extent that a tax upon such charges has not been paid pursuant to subsection (c) hereof.

(f) (1) The receipts from every sale, except for resale, of intrastate or interstate telecommunications sourced to this State in accordance with section 29 of P.L.2005, c.126 (C.54:32B-3.4).

(2) The receipts from every sale, except for resale, of intrastate or interstate mobile telecommunications services billed by or for a customer's

home service provider and provided to a customer with a place of primary use in this State. The provisions and definitions of the federal "Mobile Telecommunications Sourcing Act," 4 U.S.C. ss.116-126 (Pub.L.106-252), are applicable herein.

(g) The receipts from every sale, except for resale, of prepaid calling service and the recharge of prepaid calling service.

(h) Charges in the nature of initiation fees, membership fees or dues for access to or use of the property or facilities of a health and fitness, athletic, sporting or shopping club or organization in this State, except for: (1) membership in a club or organization whose members are predominantly age 18 or under; and (2) charges in the nature of membership fees or dues for access to or use of the property or facilities of a health and fitness, athletic, sporting or shopping club or organization that is exempt from taxation pursuant to paragraph (1) of subsection (a) of section 9 of P.L.1966, c.30 (C.54:32B-9), or that is exempt from taxation pursuant to paragraph (1) or (2) of subsection (b) of section 9 of P.L.1966, c.30 and that has complied with subsection (d) of section 9 of P.L.1966, c.30.

(i) The receipts from parking, storing or garaging a motor vehicle, excluding charges for the following: residential parking; employee parking, when provided by an employer or at a facility owned or operated by the employer; municipal parking, storing or garaging; receipts from charges or fees imposed pursuant to section 3 of P.L.1993, c.159 (C.5:12-173.3) or pursuant to an agreement between the Casino Reinvestment Development Authority and a casino operator in effect on the date of enactment of P.L.2007, c.105; and receipts from parking, storing or garaging a motor vehicle subject to tax pursuant to any other law or ordinance.

For the purposes of this subsection, "municipal parking, storing or garaging" means any motor vehicle parking, storing or garaging provided by a municipality or county, or a parking authority thereof.

2. This act shall take effect July 1, 2007.

Approved June 28, 2007.

CHAPTER 106

AN ACT concerning lottery prizes and supplementing P.L.1970, c.13 (C.5:9-1 et seq.)

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

C.5:9-13.17 Offset of certain lottery prizes required for payment of certain debts to State agencies.

1. a. Whenever any claimant of a lottery prize greater than \$600 is indebted to any agency or institution of State Government, including, but not limited to the Victims of Crime Compensation Agency for the portion of an assessment ordered pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1) for deposit in the Victims of Crime Compensation Agency Account or restitution ordered to be paid to the agency pursuant to N.J.S.2C:44-2 for deposit in the Victims of Crime Compensation Agency Account, or for child support under Title IV-A, Title IV-D, or Title IV-E of the federal Social Security Act (42 U.S.C. s.601 et seq.), or other indebtedness in accordance with section 1 of P.L.1995, c.290 (C.2A:17-56.11b) the Department of the Treasury shall apply or cause to be applied to the lottery prize as much as is necessary to satisfy the indebtedness. Child support indebtedness shall take precedence over all other indebtedness. The Department of the Treasury shall retain a percentage of the proceeds of any collection setoff as shall be necessary to provide for any expenses of the collection effort.

b. A State department or agency which is owed a debt shall notify the Department of the Treasury of the existence of the debt and shall request that the Department of the Treasury execute a setoff as provided for in this section.

C.5:9-13.18 Regulations.

2. The Department of the Treasury shall promulgate regulations concerning the procedures and methods to be employed by all agencies and institutions in the executive branch in the collection or the setting off of delinquent accounts. The regulations shall be consistent with all federal requirements or limitations regarding any information utilized in any collection or setoff, and shall in addition provide for due notice to the debtor and opportunity for a hearing upon request prior to any setoff and safeguards against the disclosure or inappropriate use of any personally identifiable information regarding the debtor obtained or maintained pursuant to this act.

3. This act shall take effect immediately.

Approved June 28, 2007.

CHAPTER 107

AN ACT authorizing the State Treasurer to sell certain surplus real property and improvements owned by the State.

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

1. a. The Department of the Treasury, on behalf of the Department of Law and Public Safety, is authorized to sell and convey, as surplus real property, all of the State's interest in the 1.60 acre parcel of land and the improvements thereon that include a 5,300 square foot office building, which is the former State Police Barracks, located at 2168 State Highway 35, and designated as Block 50.21, Lot 1, in the Township of Holmdel, Monmouth County, that have been declared surplus to the needs of the State.

b. The sale and conveyance authorized by subsection a. of this section shall be executed in accordance with the terms and conditions approved by the State House Commission.

c. The proceeds from the sale shall be used only for the relief of State debt or to assist in funding capital improvement projects undertaken by the State.

2. This act shall take effect immediately.

Approved June 28, 2007.

CHAPTER 108

AN ACT establishing a special fund for the proceeds from the sale of certain State-owned real property, and supplementing chapter 31 of Title 52 of the Revised Statutes.

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

C.52:31-1.3b Fund for proceeds from sale of certain State-owned real property; uses restricted.

1. a. There is established in the Department of the Treasury a special, non-lapsing fund into which shall be deposited the proceeds of the sale of

any surplus State-owned real property which has been approved for sale or conveyance by the State House Commission pursuant to section 4 of P.L.1997, c.135 (C.52:31-1.3a) after the effective date of P.L.2007, c.108, unless another disposition of such proceeds is specified by statute. The monies in the fund are dedicated and shall be used only to carry out the purposes described in subsection b. of this section. The fund shall be credited with all interest received from the investment of monies in the fund, and any monies which, from time to time, may otherwise become available for the purposes of the fund. Pending the use thereof pursuant to the provisions of subsection b. of this section, the monies deposited in the fund shall be held in interest-bearing accounts in public depositories, as defined pursuant to section 1 of P.L.1970, c.236 (C.17:9-41), and may be invested or reinvested in such securities as are approved by the State Treasurer.

b. Monies deposited in the fund shall be used only for the relief of State debt or to assist in funding capital improvement projects undertaken by the State. The allocation of such money from the fund shall be made upon the recommendation of the Governor for the annual appropriations act, together with a detailed description of the purpose for which the monies will be used. The money shall be expended only upon appropriation in the annual appropriations act and only for the specified purposes.

2. This act shall take effect immediately.

Approved June 28, 2007.

CHAPTER 109

AN ACT expanding eligibility for the New Jersey earned income tax credit program to equal eligibility under the federal earned income tax program and enhancing the benefit amount, and amending P.L.2000, c.80.

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

1. Section 2 of P.L.2000, c.80 (C.54A:4-7) is amended to read as follows:

C.54A:4-7 New Jersey Earned Income Tax Credit Program.

2. There is established the New Jersey Earned Income Tax Credit program in the Division of Taxation in the Department of the Treasury.

a. (1) A resident individual who is eligible for a credit under section 32 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.32) shall be allowed a credit for the taxable year equal to a percentage, as provided in paragraph (2) of this subsection, of the federal earned income tax credit allowed to and claimed by the individual or by the married individuals filing a joint return under section 32 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.32) for the same taxable year for which a credit is claimed pursuant to this section, subject to the restrictions of this subsection and subsections b., c., d. and e. of this section.

(2) For the purposes of the calculation of the New Jersey earned income tax credit, the percentage of the federal earned income tax credit referred to in paragraph (1) of this subsection shall be:

(a) 10% for the taxable year beginning on or after January 1, 2000, but before January 1, 2001;

(b) 15% for the taxable year beginning on or after January 1, 2001, but before January 1, 2002;

(c) 17.5% for the taxable year beginning on or after January 1, 2002, but before January 1, 2003;

(d) 20% for taxable years beginning on or after January 1, 2003, but before January 1, 2008;

(e) 22.5% for taxable years beginning on or after January 1, 2008 but before January 1, 2009; and

(f) 25% for taxable years beginning on or after January 1, 2009.

(3) To qualify for the New Jersey earned income tax credit, if the claimant is married, except for a claimant who files as a head of household or surviving spouse for federal income tax purposes for the taxable year, the claimant shall file a joint return or claim for the credit.

b. In the case of a part-year resident claimant, the amount of the credit allowed pursuant to this section shall be pro-rated, based upon that proportion which the total number of months of the claimant's residency in the taxable year bears to 12 in that period. For this purpose, 15 days or more shall constitute a month.

c. The amount of the credit allowed pursuant to this section shall be applied against the tax otherwise due under N.J.S.54A:1-1 et seq., after all other credits and payments. If the credit exceeds the amount of tax otherwise due, that amount of excess shall be an overpayment for the purposes of N.J.S.54A:9-7; provided however, that subsection (f) of N.J.S.54A:9-7 shall not apply. The credit provided under this section as a credit against the tax otherwise due and the amount of the credit treated as an overpayment shall be treated as a credit towards or overpayment of gross income

tax, subject to all provisions of N.J.S.54A:1-1 et seq., except as may be otherwise specifically provided in P.L.2000, c.80 (C.54A:4-6 et al.).

d. The Director of the Division of Taxation in the Department of the Treasury shall have discretion to establish a program for the distribution of earned income tax credits pursuant to the provisions of this section.

e. Any earned income tax credit pursuant to this section shall not be taken into account as income or receipts for purposes of determining the eligibility of an individual for benefits or assistance or the amount or extent of benefits or assistance under any State program and, to the extent permitted by federal law, under any State program financed in whole or in part with federal funds.

2. This act shall take effect immediately and apply to taxable years beginning on or after January 1, 2007.

Approved June 28, 2007.

CHAPTER 110

AN ACT concerning the hospital asset transformation program in the Health Care Facilities Financing Authority and amending P.L.1972, c.29.

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

1. Section 7 of P.L.1972, c.29 (C.26:2I-7) is amended to read as follows:

C.26:2I-7 Issuance of bonds authorized; maturity; terms.

7. a. The authority is authorized from time to time to issue its bonds for any corporate purpose and to fund and refund the same all as provided in this act. Such bonds may, at the discretion of the authority, be designated as "bonds," "notes," "bond anticipation notes" or otherwise.

b. Except as may otherwise be expressly provided by the authority, every issue of its bonds shall be general obligations of the authority payable from any revenues or moneys of the authority, subject only to any agreements with the holders of particular bonds pledging any particular revenues or moneys. Notwithstanding that bonds may be payable from a special fund, they shall be fully negotiable within the meaning of Title 12A, the Uniform Commercial Code, of the New Jersey Statutes, subject only to any provisions of the bonds for registration.

c. The bonds may be issued as serial bonds or as term bonds, or the authority, in its discretion, may issue bonds of both types. The bonds shall be authorized by resolution of the members of the authority and shall bear such date or dates, mature at such time or times, not exceeding 50 years from their respective dates, bear interest at such rate or rates, be payable at such time or times, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America at such place or places, and be subject to such terms of redemption, as such resolution or resolutions may provide. The bonds may be sold at public or private sale for such price or prices as the authority shall determine. Pending preparation of the definitive bonds, the authority may issue interim receipts or certificates which shall be exchanged for such definitive bonds.

d. Any resolution or resolutions authorizing any bonds or any issue of bonds may contain provisions, which shall be a part of the contract with the holders of the bonds to be authorized, as to:

(i) pledging all or any part of the revenues of a project or any revenue producing contract or contracts made by the authority with any individual, partnership, corporation or association or other body, public or private, to secure the payment of the bonds or of any particular issue of bonds, subject to such agreements with bondholders as may then exist;

(ii) the rentals, fees and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposition of the revenues;

(iii) the setting aside of reserves or sinking funds, and the regulation and disposition thereof;

(iv) limitations on the right of the authority or its agent to restrict and regulate the use of a project;

(v) limitations on the purpose to which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the bonds or any issue of the bonds;

(vi) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds;

(vii) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(viii) limitations on the amount of moneys derived from a project to be expended for operating, administrative or other expenses of the authority; and

(ix) defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of such holders in the event of a default.

e. Neither the members of the authority nor any person executing the bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

f. The authority shall have power out of any funds available therefor to purchase its bonds. The authority may hold, pledge, cancel or resell such bonds, subject to and in accordance with agreements with bondholders.

g. (1) There is established a hospital asset transformation program in the authority for the purpose of providing financial assistance by the authority to nonprofit hospitals in this State, from funds received pursuant to and in accordance with the provisions of this subsection, in connection with the termination of the provision of hospital acute care services at a specific location that may no longer be necessary or useful for this purpose.

(2) Subject to the approval of the State Treasurer, the authority shall have the power to issue bonds and refunding bonds, incur indebtedness and borrow money secured, in whole or in part, by moneys received pursuant to subsection a. of section 6 of P.L.2000, c.98 (C.26:21-7.1), in order to provide, in connection with the hospital asset transformation program, any nonprofit health care organization in the State with the funds to:

(a) satisfy the outstanding bonded indebtedness or any other outstanding indebtedness of any hospital in the State;

(b) pay the costs of transitioning a general hospital to a nonprofit, non-acute care health care-related facility, including, but not limited to, construction, renovation, equipment, information technology and working capital;

(c) pay the costs related to transitioning acute care and related services from the hospital at which inpatient acute care services are to be terminated to an existing nonprofit general hospital, including, but not limited to, construction, renovation, equipment, information technology and working capital;

(d) pay the costs associated with the closure of a general hospital;

(e) pay the costs of the acquisition of a general hospital in the State for the purpose of either (i) moving an existing general hospital's services into the acquired hospital and closing the acquirer's inpatient acute care services, or (ii) closing its inpatient acute care services;

(f) pay capitalized interest;

(g) fund a debt service reserve fund;

(h) pay the costs associated with the issuance of any bonds for any of the aforementioned purposes; or

(i) pay other costs specifically related to the closure or transition of inpatient acute care services as identified in the contract with the Treasurer.

The authority may establish reserves or other funds to further secure these bonds or refunding bonds.

(3) The authority may, in any resolution authorizing the issuance of bonds or refunding bonds issued pursuant to this subsection, pledge the contract with the State Treasurer provided for in subsection b. of section 6 of P.L.2000, c.98 (C.26:21-7.1), or any part thereof, for the payment or redemption of the bonds or refunding bonds, and covenant as to the use and disposition of money available to the authority for payments of bonds and refunding bonds. Subject to the approval of the State Treasurer, the authority may pay the costs associated with the issuance of bonds or refunding bonds by the authority for the purposes of this subsection from amounts it receives from the proceeds of the bonds or refunding bonds and from amounts it receives pursuant to subsection a. of section 6 of P.L.2000, c.98 (C.26:21-7.1), which costs may include, but are not limited to, any costs relating to the issuance of the bonds or refunding bonds and costs attributable to any agreements securing, or providing for the payment of, these bonds or refunding bonds. The authority is authorized to enter into any agreement necessary or desirable to effectuate the purposes of this subsection, including an agreement to sell bonds or refunding bonds to any person and to comply with the laws of any jurisdiction relating thereto.

2. This act shall take effect immediately.

Approved June 28, 2007.

CHAPTER 111

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. 3000, dated June 28, 2007.

AN ACT making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 2008 and regulating the disbursement thereof.

**ANTICIPATED RESOURCES
FOR THE FISCAL YEAR 2007 - 2008
GENERAL FUND**

Undesignated Fund Balance, July 1, 2007 \$1,047,875,000

Major Taxes

Sales	\$8,900,400,000
Transfer of Dedicated Sales Tax Revenue to Property Tax Reform Account in Property Tax Relief Fund	(674,000,000)
Corporation Business	2,623,000,000
Transfer Inheritance	618,000,000
Motor Fuels	572,000,000
Insurance Premium	466,000,000
Realty Transfer	380,000,000
Motor Vehicle Fees	278,444,000
Cigarette	236,809,000
Petroleum Products Gross Receipts	233,000,000
Corporation Banks and Financial Institutions	130,000,000
Alcoholic Beverage Excise	93,000,000
Tobacco Products Wholesale Sales.	13,000,000
Public Utility Excise (Reform)	10,726,000
Total -- Major Taxes	<u>\$13,880,379,000</u>

Miscellaneous Taxes, Fees, Revenues

Executive Branch --

Department of Agriculture:

Fertilizer Inspection Fees	\$366,000
Miscellaneous Revenue	362,000
Subtotal, Department of Agriculture	<u>\$728,000</u>

Department of Banking and Insurance:

Actuarial Services	\$55,000
Bank Assessments	9,200,000
Banking -- Licenses and Other Fees	3,400,000
FAIR Act Administration	16,500,000
Fraud Fines	2,000,000
Insurance -- Examination Billings	2,500,000
Insurance - Special Purpose Assessment	15,000,000
Insurance Fraud Prevention	32,000,000
Insurance Licenses and Other Fees	25,480,000
Real Estate Commission	6,500,000
Subtotal, Department of Banking and Insurance	<u>\$112,635,000</u>

Department of Children and Families:

Child Care Licensing/Adoption Law	\$350,000
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Matter within summary of appropriations is not enacted as part of the law and is intended to be for the purpose of displaying summaries of the items of appropriations set forth elsewhere.

Marriage License Fees	<u>1,309,000</u>
Subtotal, Department of Children and Families	<u>\$1,659,000</u>
Department of Community Affairs:	
Affordable Housing and Neighborhood Preservation -	
Fair Housing	\$20,765,000
Construction Fees	14,675,000
Divorce Filing Fees	1,400,000
Fire Safety	15,722,000
Housing Inspection Fees	8,558,000
Planned Real Estate Development Fees	<u>828,000</u>
Subtotal, Department of Community Affairs	<u>\$61,948,000</u>
Department of Education:	
Audit of Enrollments	\$41,000
Audit Recoveries	550,000
Local School District Loan Recoveries -- New Jersey	
Economic Development Authority	6,486,000
Nonpublic Schools Handicapped & Auxiliary Recoveries	4,000,000
Nonpublic Schools Textbook Recoveries	1,200,000
School Construction Inspection Fees	1,100,000
State Board of Examiners	<u>4,800,000</u>
Subtotal, Department of Education	<u>\$18,177,000</u>
Department of Environmental Protection:	
Air Pollution Fees -- Minor Sources	\$6,300,000
Air Pollution Fees -- Title V Operating Permits	13,100,000
Air Pollution Fines	2,800,000
Clean Water Enforcement Act	1,510,000
Coastal Area Facility Review Act	3,330,000
Endangered Species Tax Check-off	158,000
Environmental Infrastructure Financing Program --	
Administrative Fee	5,000,000
Excess Diversion	251,000
Freshwater Wetlands Fees	5,310,000
Freshwater Wetlands Fines	200,000
Hazardous Waste Fees	4,211,000
Hazardous Waste Fines	700,000
Highlands Permitting	670,000
Hunters' and Anglers' Licenses	11,000,000
Industrial Site Recovery Act	980,000
Laboratory Certification Fees	2,400,000
Laboratory Certification Fines	80,000
Marina Rentals	885,000
Marine Lands -- Preparation and Filing Fees	140,000
Medical Waste	4,400,000
New Jersey Pollutant Discharge Elimination System/	
Stormwater Permits	16,700,000
Parks Management Fees and Permits	4,300,000
Parks Management Fines	165,000
Pesticide Control Fees	4,200,000
Pesticide Control Fines	50,000
Radiation Protection Fees	3,898,000
Radiation Protection Fines	88,000
Radon Testers Certification	280,000
Shellfish and Marine Fisheries	9,000

Solid Waste -- Utility Regulation Assessments	3,100,000
Solid Waste Fines	650,000
Solid Waste Management Fees	7,482,000
Spring Meadow Golf Course	300,000
Stream Encroachment	3,710,000
Toxic Catastrophe Prevention Fees	1,500,000
Toxic Catastrophe Prevention Fines	48,000
Treatment Works Approval	1,957,000
Underground Storage Tanks Fees	1,200,000
Water Allocation	2,050,000
Water Supply Management Regulations	1,300,000
Water/Wastewater Operators Licenses	215,000
Waterfront Development Fees	3,510,000
Waterfront Development Fines	10,000
Well Permits/Well Drillers/Pump Installers Licenses	1,100,000
Wetlands	44,000
Worker Community Right to Know -- Fines	48,000
Subtotal, Department of Environmental Protection	<u>\$121,339,000</u>
Department of Health and Senior Services:	
Admission Charge Hospital Assessment	\$6,000,000
HMO Covered Lives	1,800,000
Health Care Reform	1,200,000
Licenses, Fines, Permits, Penalties, and Fees	790,000
Miscellaneous Revenue	400,000
Subtotal, Department of Health and Senior Services	<u>\$10,190,000</u>
Department of Human Services:	
Early Periodic Screening, Diagnosis and Treatment	\$1,800,000
Medicaid Uncompensated Care -- Acute	273,500,000
Medicaid Uncompensated Care -- Mental Health	36,160,000
Medicaid Uncompensated Care -- Psychiatric	178,685,000
Miscellaneous Revenue	1,500,000
Patients' and Residents' Cost Recoveries:	
Developmental Disability	16,642,000
Psychiatric Hospitals	63,016,000
Subtotal, Department of Human Services	<u>\$571,303,000</u>
Department of Labor and Workforce Development:	
Miscellaneous Revenue	\$155,000
Special Compensation Fund	1,739,000
Workers' Compensation Assessment	12,639,000
Workplace Standards -- Licenses, Permits and Fines	4,720,000
Subtotal, Department of Labor and Workforce Development	<u>\$19,253,000</u>
Department of Law and Public Safety:	
Beverage Licenses	\$3,960,000
Charities Registration Section	695,000
Controlled Dangerous Substances	100,000
EDA School Construction Recoveries	499,000
Forfeiture Funds	250,000
Legalized Games of Chance Control	1,200,000
New Jersey Cemetery Board	111,000
Pleasure Boat Licenses	3,000,000
Private Employment Agencies	258,000
Securities Enforcement	8,994,000

State Board of Architects	450,000
State Board of Audiology and Speech --	
Language Pathology Advisory	270,000
State Board of Certified Psychoanalysts	40,000
State Board of Certified Public Accountants	42,000
State Board of Chiropractors	545,000
State Board of Cosmetology and Hairstyling	970,000
State Board of Court Reporting	122,000
State Board of Dentistry	1,650,000
State Board of Electrical Contractors	120,000
State Board of Marriage Counselor Examiners	93,000
State Board of Master Plumbers	45,000
State Board of Medical Examiners	2,710,000
State Board of Mortuary Science	225,000
State Board of Nursing	6,450,000
State Board of Occupational Therapists and Assistants	24,000
State Board of Ophthalmic Dispensers and	
Ophthalmic Technicians	242,000
State Board of Optometrists	18,000
State Board of Orthotics and Prosthetics	5,000
State Board of Pharmacy	450,000
State Board of Physical Therapy	301,000
State Board of Polysomnography	50,000
State Board of Professional Engineers and Land Surveyors	960,000
State Board of Professional Planners	215,000
State Board of Psychological Examiners	60,000
State Board of Real Estate Appraisers	410,000
State Board of Respiratory Care	301,000
State Board of Social Workers	120,000
State Board of Veterinary Medical Examiners	42,000
State Police -- Fingerprint Fees	3,694,000
State Police - Nuclear Facilities Security Detail	1,600,000
State Police -- Other Licenses	227,000
State Police -- Private Detective Licenses	220,000
Violent Crime Compensation	3,930,000
Weights and Measures - General	<u>2,612,000</u>
Subtotal, Department of Law and Public Safety	<u>\$48,280,000</u>
Department of Military and Veterans' Affairs:	
Nuclear Facilities Security Detail	\$2,930,000
Soldiers' Homes	<u>37,370,000</u>
Subtotal, Department of Military and	
Veterans' Affairs	<u>\$40,300,000</u>
Department of the Public Advocate:	
Office of Dispute Settlement Mediation	\$158,000
Rate Counsel	<u>7,296,000</u>
Subtotal, Department of the Public Advocate	<u>\$7,454,000</u>
Department of State:	
Governor's Teaching Scholars Program Loan Repayment	\$77,000
Miscellaneous Revenue	<u>25,000</u>
Subtotal, Department of State	<u>\$102,000</u>
Department of Transportation:	
Air Safety Fund	\$965,000
Applications and Highway Permits	1,300,000

Auto Body Repair Shop Licensing	50,000
Autonomous Transportation Authorities	24,500,000
Drunk Driving Fines	350,000
Good Driver	71,950,000
Graduated Driver's License	1,390,000
Heavy Duty Diesel Fines	500,000
Interest on Purchase of Right-of-Way	5,000
Logo Sign Program Fees	300,000
Motor Vehicle Database -- Automated Access.	47,500,000
Motor Vehicle Inspection Fund	77,200,000
Outdoor Advertising	740,000
Parking Offenses	450,000
Salvage Title Program	1,100,000
Special Plate Fees	1,000,000
Uninsured Motorists Program	5,700,000
Subtotal, Department of Transportation	<u>\$235,000,000</u>
Department of the Treasury:	
Assessment on Real Property Greater Than \$1 Million	\$140,000,000
Assessments -- Cable TV	4,564,000
Assessments -- Public Utility	30,327,000
Coin Operated Telephones	4,300,000
Commercial Recording -- Expedited	2,853,000
Commissions (Notary)	1,900,000
Domestic Security	34,500,000
Dormitory Safety Trust Fund -- Debt Service Recovery	5,698,000
Enhanced Debt Collection	47,000,000
Equipment Leasing Fund -- Debt Service Recovery	3,480,000
Escrow Interest -- Construction Accounts	81,000
Fur Clothing Tax	2,000,000
General Revenue -- Fees (Commercial Recording and UCC)	49,800,000
Higher Education Capital Improvement Fund --	
Debt Service Recovery	15,299,000
Hotel/Motel Occupancy Tax	79,000,000
Miscellaneous Revenue	2,200,000
NJ Public Records Preservation	46,900,000
Non-Pledged Dedicated Cigarette Tax	41,599,000
Nuclear Emergency Response Assessment	4,266,000
Public Defender Client Receipts	4,900,000
Public Utility Fines	1,000,000
Public Utility Gross Receipts and Franchise	
Taxes (Water/Sewer)	87,100,000
Railroad Tax -- Class II	3,800,000
Railroad Tax -- Franchise	1,000,000
Surplus Property	2,500,000
Tax Referral Cost Recovery Fee	5,000,000
Telephone Assessment	127,000,000
Tire Clean-Up Surcharge	10,000,000
Transitional Energy Facilities Assessment	232,104,000
Subtotal, Department of the Treasury	<u>\$990,171,000</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	\$5,185,000
Employee Maintenance Deductions	300,000
Fringe Benefit Recoveries from Colleges and Universities	150,930,000
Fringe Benefit Recoveries from Federal and Other Funds	246,025,000
Fringe Benefit Recoveries from School Districts	54,600,000
Indirect Cost Recoveries -- DEP Other Funds	9,291,000
MTF Revenue Fund	46,500,000
Rent of State Building Space	1,900,000
Social Security Recoveries from Federal and Other Funds	64,444,000
Subtotal, Inter-Departmental Accounts	<u>\$579,175,000</u>

The Judiciary:

Court Fees	<u>\$64,160,000</u>
Subtotal, Judicial Branch	<u>\$64,160,000</u>

Total -- Miscellaneous Taxes, Fees, Revenues

\$2,882,374,000

Interfund Transfers

Beaches and Harbor Fund	\$70,000
Clean Energy Fund	10,000,000
Correctional Facilities Construction Fund	14,000
Correctional Facilities Construction Fund of 1987	26,000
Cultural Centers and Historic Preservation Fund	100,000
Developmental Disabilities Waiting List Reduction Fund	106,000
Dredging and Containment Facility Fund	375,000
Emergency Flood Control Fund	15,000
Energy Conservation Fund	15,000
Enterprise Zone Assistance Fund	14,567,000
Fund for the Support of Free Public Schools	6,050,000
Garden State Farmland Preservation Trust Fund	1,764,000
Garden State Green Acres Preservation Trust Fund	5,007,000
Garden State Historic Preservation Trust Fund	616,000
Hazardous Discharge Fund	10,000
Hazardous Discharge Site Cleanup Fund	15,196,000
Housing Assistance Fund	276,000
Jobs, Education and Competitiveness Fund	43,000
Judiciary Bail Fund	1,840,000
Judiciary Child Support and Paternity Fund	560,000
Judiciary Probation Fund	500,000
Judiciary Special Civil Fund	170,000
Judiciary Superior Court Miscellaneous Fund	250,000
Legal Services Fund	10,410,000
Mortgage Assistance Fund	752,000
Motor Vehicle Security Responsibility Fund	3,000
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund	308,000
Natural Resources Fund	78,000
New Jersey Green Acres Fund - 1983	850,000
New Jersey Spill Compensation Fund	15,232,000
New Jersey Workforce Development Partnership Fund	17,426,000
Pollution Prevention Fund	1,497,000
Public Purpose Buildings Construction Fund	8,000

Public Purpose and Community-Based Facilities

Construction Fund	107,000
Safe Drinking Water Fund	2,333,000
School Fund Investment Account	3,809,000
Shore Protection Fund	495,000
Solid Waste Service Tax Fund	9,000
State Disability Benefit Fund	103,581,000
State Land Acquisition and Development Fund	30,000
State Lottery Fund	845,000,000
State Lottery Fund -- Administration	21,818,000
State Recreation and Conservation Land Acquisition and Development Fund	10,000
State of New Jersey Cash Management Fund	2,540,000
Statewide Transportation and Local Bridge Fund	500,000
Supplemental Workforce Fund for Basic Skills	2,000,000
Tobacco Settlement Fund	114,308,000
Unclaimed Personal Property Trust Fund	244,900,000
Unclaimed Utility Deposits Trust Fund	280,000
Unemployment Compensation Auxiliary Fund	26,297,000
Universal Service Fund	72,570,000
Wage and Hour Trust Fund	75,000
Water Conservation Fund	32,000
Water Supply Fund	4,126,000
Worker and Community Right to Know Fund	3,664,000
Total -- Interfund Transfers	<u>\$1,552,618,000</u>
Total State Revenues, General Fund	<u>\$18,315,371,000</u>
Total Resources, General Fund	<u>\$19,363,246,000</u>

Property Tax Relief Fund

Undesignated Fund Balance, July 1, 2007	\$650,000,000
Gross Income Tax	12,379,000,000
Transfer of Dedicated Sales Tax Revenue to Property Tax Reform Account from General Fund	674,000,000
Total Resources, Property Tax Relief Fund	<u>\$13,703,000,000</u>

Surplus Revenue Fund

Undesignated Fund Balance, July 1, 2007	\$489,798,000
Total Resources, Surplus Revenue Fund	<u>\$489,798,000</u>

Casino Control Fund

Undesignated Fund Balance, July 1, 2007	\$150,000
Investment Earnings	200,000
License Fees	73,689,000
Total Resources, Casino Control Fund	<u>\$74,039,000</u>

Casino Revenue Fund

Undesignated Fund Balance, July 1, 2007	\$10,070,000
Casino Simulcasting Fund	550,000
Gross Revenue Tax	400,745,000
Investment Earnings	3,000,000
Other Casino Taxes and Fees	28,738,000
Total Resources, Casino Revenue Fund	<u>\$443,103,000</u>

Gubernatorial Elections Fund

Undesignated Fund Balance, July 1, 2007	\$700,000
Taxpayers' Designations	<u>700,000</u>
Total Resources, Gubernatorial Elections Fund	<u>\$1,400,000</u>
 Total Resources, All State Funds	 <u>\$34,074,586,000</u>

Federal Revenue

Executive Branch --

Department of Agriculture:

Asian Longhorned Beetle Monitoring	\$3,000,000
Child Care	70,750,000
Child Nutrition -- School Breakfast	48,000,000
Child Nutrition -- School Lunch	180,000,000
Child Nutrition -- Special Milk	1,800,000
Child Nutrition -- Summer Programs	10,728,000
Child Nutrition -- Administration	4,340,000
Cooperative Gypsy Moth Suppression	1,450,000
Farm Risk Management Education Program	272,000
Farmland Preservation	4,525,000
Fish Inspection Services	158,000
Food Stamp - Temporary Emergency Food Assistance Program (TEFAP)	1,550,000
Indemnities - Avian Influenza	400,000
National Animal Identification Infrastructure	80,000
Team Nutrition Training	200,000
Various Federal Programs and Accruals	<u>1,215,000</u>
Subtotal, Department of Agriculture	<u>\$328,468,000</u>

Department of Children and Families:

Restricted Federal Grants	\$10,327,000
Title IV-B Child Welfare Services	5,500,000
Title IV-E Foster Care	<u>99,223,000</u>
Subtotal, Department of Children and Families	<u>\$115,050,000</u>

Department of Community Affairs:

Community Services Block Grant	\$17,165,000
Emergency Shelter Grants Program	1,570,000
Fair Housing Initiatives Grant	100,000
Lead-Based Paint Abatement in Low and Moderate Income Housing	3,000,000
Low Income Home Energy Assistance Program	84,324,000
Moderate Rehabilitation Housing Assistance	11,679,000
National Affordable Housing - HOME Investment Partnerships ..	7,611,000
National Fire Academy Training Program	28,000
Section 8 Housing Voucher Program	174,250,000
Shelter Plus Care Program	6,961,000
Small Cities Block Grant Program	8,360,000
Transitional Housing - Homeless	136,000
Weatherization Assistance Program	<u>5,169,000</u>
Subtotal, Department of Community Affairs	<u>\$320,353,000</u>

Department of Corrections:

Counterterrorism Prison Intelligence	\$800,000
Gang Awareness and Prevention Program: Field Initiated Demo Program Grant	296,000

National Institute of Justice Grant for Corrections Research -	
Escape Study	57,000
Prison Rape Elimination Grant	244,000
Prisoner Reentry Initiative Grant - Camden County	431,000
Project In-Side	655,000
Promoting Responsible Fatherhood	339,000
State Criminal Alien Assistance Program	4,000,000
Various Federal Programs and Accruals	60,000
Subtotal, Department of Corrections	<u>\$6,882,000</u>
Department of Education:	
21st Century Schools	\$19,231,000
AIDS Prevention Education	262,000
Bilingual and Compensatory Education -- Homeless	
Children and Youth	1,185,000
Byrd Scholarship Program	1,200,000
Character Education Partnership	702,000
Drug-Free Schools and Communities -- Administration	1,645,000
Drug-Free Schools and Communities -- Discretionary	6,575,000
Enhancing Education Thru Technology	5,001,000
Even Start Family Literacy Grant -- Discretionary	1,432,000
Improving America's Schools Act -- Consolidated Administration	4,600,000
Individuals with Disabilities Education Act Basic State Grant	338,900,000
Individuals with Disabilities Education Act Preschool Grants	11,515,000
Language Acquisition State Grants	18,300,000
Mathematics and Science Partnerships Grants	2,862,000
Migrant Education -- Administration/Discretionary	1,997,000
Public Charter Schools	4,256,000
School Improvement Grants	2,381,000
State Assessments	10,032,000
State Grants for Improving Teacher Quality	64,090,000
Statewide Longitudinal Data	2,390,000
Step Up - Teacher Recruitment	1,086,000
Title I -- Grants to Local Educational Agencies	255,000,000
Title I -- Part D, Neglected and Delinquent	2,827,000
Title I -- Reading First State Grant	16,579,000
Title V -- Innovative Program Strategies	2,803,000
Various Federal Programs and Accruals	1,354,000
Vocational Education -- Basic Grants - Administration	24,919,000
Vocational Education Technical Preparation	2,263,000
Voluntary School Choice	<u>1,325,000</u>
Subtotal, Department of Education	<u>\$806,712,000</u>
Department of Environmental Protection:	
Air Pollution Maintenance Program	\$6,500,000
Artificial Reef Program -- PSE&G/NJPDES Permit Fees	825,000
Asian Longhorned Beetle Project	2,300,000
Assessing New Jersey's Bays	100,000
Assistance to Firefighters - Wildfire and Arson Prevention	200,000
Atlantic Coastal Cooperative Program	250,000
Atlantic Coastal Fisheries	300,000
Avian Influenza	100,000
Beach Monitoring and Notification	500,000
Bio-Characterization of Commercial Fish	85,000
BioWatch Monitoring	750,000

Boat Access (Fish and Wildlife)	1,000,000
Brownfields	2,000,000
Chronic Wasting Disease	150,000
Clean Lakes Program	500,000
Clean Vessels	1,000,000
Coastal Estuarine Land Program	6,000,000
Coastal Zone Management Implementation	3,400,000
Community Assistance Program	235,000
Consolidated Forest Management	1,080,000
Construction Grants Program	65,000,000
Defensible Space	400,000
Endangered Species	75,000
Endangered and Nongame Species Program State Wildlife Grants ..	1,065,000
Firewise in the Pines	200,000
Fish and Wildlife Health	150,000
Forest Legacy	10,040,000
Forest Resource Management -- Cooperative Forest Fire Control ..	1,700,000
Grassland Habitat Project	200,000
Gypsy Moth Suppression	150,000
Hazardous Waste -- Resource Conservation Recovery Act	4,895,000
Historic Preservation Survey & Planning	950,000
Hunters' and Anglers' License Fund	6,475,000
Investigation and Management of NJ's Nongame Freshwater Fisheries Resources	150,000
Land and Water Conservation Fund	10,000,000
Lower Cohansey Watershed	1,000,000
Marine Fisheries Investigation and Management	1,365,000
Multimedia	750,000
NJ Field Office Bog Turtle Cooperative Agreement	50,000
NJ Landowner Incentive	1,180,000
National Coastal Wetlands Conservation	2,000,000
National Dam Safety Program (FEMA)	90,000
National Geologic Mapping Program	200,000
National Pollutant Discharge Elimination System Implementation Support Program	400,000
National Recreational Trails	1,700,000
Non-Point Source Implementation (319H)	4,000,000
Offshore Beach Replenishment	150,000
Particulate Monitoring Grant	1,000,000
Pesticide Technology	550,000
Pinelands Grant -- Acquisition	6,000,000
Preliminary Assessments/Site Inspections	1,500,000
Radon Program	500,000
Rare Wildlife Strategy Implementation	1,500,000
Regional Environmental Monitoring and Assessment Program Benthic Indicators	400,000
Safe Drinking Water Act	22,200,000
Shortnose Sturgeon Research	150,000
Southern Pine Beetle	100,000
State Recreational Trails	8,825,000
State Wetlands Conservation Plan	250,000
State Wildlife Grant Projects	1,000,000
State and EPA Data Management Grant	2,300,000

Superfund Grants	30,450,000
US Army Corps of Engineers Beachnesters	80,000
Underground Storage Tanks	3,255,000
Urban Community Air Toxics Program	800,000
Various Federal Programs and Accruals	770,000
Water Monitoring and Planning	500,000
Water Pollution Control Program	4,025,000
Wildland and Urban Interface II	100,000
Wildlife Habitat Incentives (WHIP)	150,000
Wildlife Management Area Planning	300,000
Subtotal, Department of Environmental Protection	<u>\$228,315,000</u>
Department of Health and Senior Services:	
Abstinence Education -- Family Health Services (FHS)	\$1,122,000
Asthma Surveillance and Coalition Building	457,000
Bioterrorism Hospital Emergency Preparedness	13,600,000
Birth Defects Surveillance Program	268,000
Breastfeeding Peer Counseling	300,000
Childhood Lead Poisoning	1,400,000
Chronic Disease Prevention and Health Promotion --	
Family Health Services	750,000
Chronic Disease Prevention and Health Promotion Programs--	
Public Health	1,900,000
Clinical Laboratory Improvement Amendments Program	473,000
Comprehensive AIDS Resources Grant	55,000,000
Core Injury Prevention and Control Program	300,000
Demonstration Program to Conduct Health Assessments	627,000
Early Hearing Detection and Intervention (EHDI)	
Tracking, Research	334,000
Early Intervention for Infants and Toddlers with	
Disabilities (Part H)	13,000,000
Eliminating Disparities in Perinatal Health	500,000
Emergency Medical Services for Children (EMSC)	
Partnership Grants	115,000
Emergency Preparedness for Bioterrorism	28,690,000
Enhanced HIV/AIDS Surveillance -- Perinatal	156,000
Environmental Tools for Dementia Care	150,000
Family Planning Program -- Title X	4,200,000
Federal Lead Abatement Program	467,000
Food Inspection	432,000
Fundamental & Expanded Occupational Health	350,000
HIV/AIDS Events W/O Care in NJ	380,000
HIV/AIDS Prevention and Education Grant	18,000,000
HIV/AIDS Surveillance Grant	3,614,000
Housing Opportunities for Persons with AIDS	2,828,000
Housing Opportunities for Incarcerated Persons with AIDS	1,763,000
Immunization Project	7,703,000
Lead Training and Certification Enforcement Program	83,000
Maternal and Child Health (MCH) Early Childhood	
Comprehensive System	140,000
Maternal and Child Health Block Grant	13,000,000
Medicare/Medicaid Inspections of Nursing Facilities	16,472,000
Minority AIDS Demo	150,000
Morbidity and Mortality Review Program	150,000

Morbidity and Risk Behavior Surveillance	520,000
National Cancer Prevention and Control - Public Health	7,588,000
National Family Caregiver Program	5,200,000
New Jersey's Reducing Health Disparities Initiative	160,000
Nurse Aide Certification Program	1,000,000
Nursing Facilities Transition Grant	600,000
Older Americans Act -- Title III	34,500,000
Pediatric AIDS Health Care Demonstration Project	2,850,000
Pregnancy Risk Assessment Monitoring System	750,000
Preventative Health and Health Services Block Grant	4,114,000
Public Employees Occupational Safety and Health - State Plan	900,000
Rape Prevention and Education Program	2,300,000
Research on Ecology of Lyme Disease in US	325,000
Senior Farmers Market Nutrition Program	1,000,000
Supplemental Food Program -- Women, Infants, and Children (WIC)	120,000,000
Surveillance, Epidemiology and End Results (SEER)	1,200,000
Traumatic Brain Injury Surveillance	105,000
Tuberculosis Control Program	6,095,000
United States Department of Agriculture (USDA)	
Older Americans Act -- Title III	3,900,000
Universal Newborn Hearing Screening	250,000
Various Federal Programs and Accruals	8,444,000
Venereal Disease Project	3,882,000
Vital Statistics Component	1,100,000
West Nile Virus -- Laboratory	100,000
West Nile Virus -- Public Health	2,135,000
Women, Infants, and Children (WIC)	
Farmer's Market Nutrition Program	2,600,000
Subtotal, Department of Health and Senior Services	<u>\$400,492,000</u>
Department of Human Services:	
Access to Recovery	\$9,270,000
Block Grant Mental Health Services	12,005,000
Child Care Block Grant	115,220,000
Child Support Enforcement Program	182,278,000
Developmental Disabilities Council	1,601,000
Federal Independent Living	1,153,000
Food Stamp Program	103,697,000
Foster Grandparents Program	1,141,000
Projects for Assistance in Transition from Homelessness (PATH)	1,925,000
Refugee Resettlement Program	5,622,000
Social Service Block Grant	51,587,000
Strategic Prevention Framework	3,663,000
Substance Abuse Block Grant	51,882,000
Temporary Assistance to Needy Families Block Grant	436,673,000
Title XIX Child Residential	75,822,000
Title XIX Community Care Waiver	273,410,000
Title XIX ICF/MR	334,505,000
Title XIX Medical Assistance	3,715,652,000
Title XXI Children's Health Insurance Program	276,928,000
Various Federal Programs and Accruals	4,575,000

Vocational Rehabilitation Act, Section 120	11,100,000
Subtotal, Department of Human Services	<u>\$5,669,709,000</u>
Department of Labor and Workforce Development:	
Adult and Continuing Education -- Workforce Investment Act ..	\$21,061,000
Comprehensive Services for Independent Living	600,000
Current Employment Statistics	2,978,000
Disability Determination Services	52,000,000
Disabled Veterans' Outreach Program	2,900,000
Employment Services	26,100,000
Employment Services -- One Stop Shopping	350,000
Employment Services Cost Reimbursable Grants --	
Migrant Housing	50,000
Employment Services Grants -- Alien Labor Certification	2,403,000
Employment Services Reemployment Services	1,100,000
Federal Public Employees Occupational Safety and Health Act ..	2,100,000
Local Veterans' Employment Representatives	1,700,000
National Council on Aging - Senior Community Services	
Employment Project	3,020,000
Occupational Informational Coordinating Program	175,000
Occupational Safety Health Act -- On-Site Consultation	2,200,000
Occupational Safety and Health Administration	
Data Collection Survey	74,000
Old Age and Survivor Insurance Disability	
Determination Services	1,000,000
One Stop Labor Market Information	1,068,000
Redesigned Occupational Safety and Health (ROSH)	269,000
Rehabilitation of Supplemental Security Income Beneficiaries ...	2,000,000
Supported Employment	975,000
Technical Assistance Training	1,700,000
Technology Related Assistance Project	400,000
Trade Adjustment Assistance Project	4,200,000
Unemployment Insurance	145,892,000
Various Federal Programs and Accruals	251,000
Vocational Rehabilitation Act of 1973	47,943,000
Work Opportunity Tax Credit	750,000
Workforce Investment Act	72,643,000
Workforce Investment Act Title IIID Discretionary Funding	<u>4,000,000</u>
Subtotal, Department of Labor and	
Workforce Development	<u>\$401,902,000</u>
Department of Law and Public Safety:	
Anti Trafficking Task Force	\$600,000
Anti-Gang Initiative	1,000,000
Buffer Zone Protection Program	1,512,000
Bulletproof Vest Partnership	850,000
Chemical Sector Buffer Zone Protection Program	5,508,000
Child Passenger Protection Education	10,000
Child Safety/Child Booster Seats	1,250,000
Citizen Corps Program	520,000
Combating Underage Drinking	350,000
Community Oriented Policing Services (COPS) -- In Schools ...	1,000,000
Convicted Offender In-House (DNA)	850,000
DNA Capacity Enhancement Program Formula Grant	600,000
Domestic Marijuana Eradication Suppression Program	125,000

Drunk Driver Prevention	3,000,000
Emergency Management Performance Grant -- Non-Terrorism ...	5,000,000
Enhanced Wireless Communications	125,000
Equal Employment Opportunity Commission	500,000
Fatality Analysis Reporting System (FARS)	225,000
Flood Mitigation Assistance	3,000,000
Forensic Science Improvement Program	500,000
Hazardous Materials Transportation	300,000
High Intensity Drug Trafficking Area (HIDTA)	50,000
Highway Traffic Safety	6,510,000
Homeland Security Grant Program	25,000,000
Incident Command	1,500,000
Innovative Seat Belt Use	10,000
Internet Crimes Against Children	700,000
Justice Assistance Grant (JAG)	10,000,000
Juvenile Accountability Incentive Block Grant (JAIBG)	1,200,000
Juvenile Justice Delinquency Prevention	2,338,000
Medicaid Fraud Unit	3,729,000
Metropolitan Medical Response System	400,000
Motorcycle Safety	250,000
National Criminal History Program - Office of the Attorney General	1,000,000
No Suspect Casework DNA Backlog Reduction Program	400,000
Northeast Hazardous Waste Project -- Resource Conservation and Recovery Act	128,000
Northern Transportation Security Grant Program	14,000,000
Occupant Protection Grant	1,500,000
Port Security Grant Program - Delaware Bay Sector	4,200,000
Port Security Grant Program - NY/NJ Sector	8,000,000
Pre-Disaster Mitigation Grant (Competitive)	3,000,000
Prevent Operations of Motor Vehicles by Intoxicated Persons	50,000
Project Safe Neighborhoods	1,060,000
Racial Profiling Prevention	700,000
Recreational Boating Safety	3,000,000
Repetitive Flood Claim Program -- FEMA	500,000
Residential Treatment for Substance Abuse	1,000,000
Safety Belt Performance Grants	3,500,000
Safety Incentive Grants	50,000
Severe Repetitive Loss -- FEMA	2,000,000
Southern Transportation Security Grant Program	4,000,000
State Traffic Safety Information System	1,500,000
Title V Funding	1,500,000
Urban Area Security Initiative	38,000,000
Various Federal Programs and Accruals	100,000
Victim Assistance Grants	12,000,000
Victim Compensation Award	7,000,000
Violence Against Women Act	300,000
Violence Against Women Act	4,000,000
Subtotal, Department of Law and Public Safety	<u>\$191,000,000</u>
Department of Military and Veterans' Affairs:	
Administrative Services Activities	\$55,000
Antiterrorism Program Manage	220,000
Armory Renovations and Improvements	2,487,000

Army Facilities Service Contracts	2,500,000
Army National Guard Electronic Security System	300,000
Army National Guard Statewide Security Agreement	500,000
Army National Guard Sustainable Range Program	100,000
Army National Guard Transportation	2,000
Army Training and Technology Lab	800,000
Atlantic City Air Base -- Service Contracts	2,888,000
Atlantic City Environmental	60,000
Atlantic City Operations and Maintenance	75,000
Atlantic City Sustainment, Restoration and Modernization	550,000
Brigadier General Doyle Memorial Cemetery Building Project	8,000,000
Combined Logistics Facility	10,000,000
Coyle Field Atlantic City	24,000
Dining Facility Operations	150,000
Facilities Support Contract	6,500,000
Federal Distance Learning Program	150,000
Fire Fighter/Crash Rescue Service Cooperative Funding Agreement	1,650,000
Hazardous Waste Environmental Protection Program	325,000
McGuire AFB Environmental	60,000
McGuire Air Force Base -- Service Contracts	2,080,000
McGuire Operations and Maintenance	90,000
Medicare Part A Receipts for Resident Care and Operational Costs	5,700,000
National Guard Communications Agreement	780,000
Natural and Cultural Resources Management	5,000
New Jersey National Guard Challenge Youth Program	3,217,000
Training and Equipment -- Pool Sites	450,000
Transitional Housing	360,000
Various Federal Programs and Accruals	74,000
Veterans' Education Monitoring	588,000
Warren Grove Sustainment Restoration and Modernization	5,000
Warren Grove/Coyle Field	40,000
Subtotal, Department of Military and Veterans' Affairs	<u>\$50,785,000</u>
Department of the Public Advocate:	
Guardianship Program	<u>\$223,000</u>
Subtotal, Department of the Public Advocate	<u>\$223,000</u>
Department of State:	
Americorps Grant	\$5,060,000
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	3,500,000
Leveraging Educational Assistance Partnership	1,703,000
National Endowment for the Arts Partnership	760,000
National Endowment for the Humanities Grant	715,000
National Health Service Corps -- Student Loan Repayment Program	300,000
National Telecommunications Information Agency	625,000
Student Loan Administrative Cost Deduction and Allowance	25,123,000
Subtotal, Department of State	<u>\$37,786,000</u>
Department of Transportation:	
Airport Fund	\$10,000,000
Commercial Drivers' License Program	1,410,000
Commercial Vehicle Information Systems and Networks	1,192,000

Highway Planning and Research	18,200,000
Metropolitan Planning Funds	11,500,000
Motor Carrier Safety Assistance Program	11,965,000
NJ Transportation Planning Assistance	4,800,000
New Jersey Maritime Program	1,600,000
Odometer Fraud Grant	30,000
Performance & Registration Information Systems Management ...	459,000
Supportive Services Highway Construction Training Program	<u>500,000</u>
Subtotal, Department of Transportation	<u>\$61,656,000</u>
Department of the Treasury:	
Diamond Shamrock Oil Overcharge Settlement	\$717,000
Division of Gas Expansion	600,000
State Energy Conservation Program	2,671,000
Various Federal Programs and Accruals	<u>200,000</u>
Subtotal, Department of the Treasury	<u>\$4,188,000</u>
The Judiciary:	
Various Federal Programs and Accruals	<u>2,435,000</u>
Subtotal, The Judiciary	<u>\$2,435,000</u>
Special Transportation Trust Fund -- Federal	
Department of Transportation:	
Federal Highway Administration	\$1,086,772,326
Federal Transit Administration	<u>484,514,400</u>
Subtotal, Special Transportation	
Trust Fund -- Federal	<u>\$1,571,286,726</u>
Total -- Federal Revenue	<u>\$10,197,242,726</u>
Grand Total Resources, All Funds	<u>\$44,271,828,726</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, 2008. 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, 2008 with the Director of the Division of Budget and Accounting or held by pre-encumbrances on file as of June 30, 2008 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, 2008 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, 2007 are available for payments applicable to fiscal year 2007 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, 2007 together with an explanation of their status. On or before December 1, 2007, 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, 2007, depicting the financial condition of the State and the results of operation for the fiscal year ending June 30, 2007.

01 LEGISLATURE

70 Government Direction, Management and Control

71 Legislative Activities

0001 Senate

DIRECT STATE SERVICES

01-0001 Senate	<u>\$11,859,000</u>
Total Direct State Services Appropriation, Senate	<u>\$11,859,000</u>

Direct State Services:

Personal Services:

Senators (40)	(1,990,000)
Salaries and Wages	(4,749,000)
Members' Staff Services	(4,400,000)
Materials and Supplies	(135,000)
Services Other Than Personal	(486,000)
Maintenance and Fixed Charges	(72,000)
Additions, Improvements and Equipment	(27,000)

The unexpended balance at the end of the preceding fiscal year in this account is appropriated.

0002 General Assembly

DIRECT STATE SERVICES

01-0002 General Assembly	<u>\$18,274,000</u>
Total Direct State Services Appropriation, General Assembly ...	<u>\$18,274,000</u>

Direct State Services:

Personal Services:

Assemblypersons (80)	(\$3,937,000)
Salaries and Wages	(4,759,000)
Members' Staff Services	(8,800,000)
Materials and Supplies	(108,000)
Services Other Than Personal	(576,000)
Maintenance and Fixed Charges	(90,000)
Additions, Improvements and Equipment	(4,000)

The unexpended balance at the end of the preceding fiscal year in this account is appropriated.

0003 Office of Legislative Services

DIRECT STATE SERVICES

01-0003 Legislative Support Services	<u>\$29,272,000</u>
Total Direct State Services Appropriation, Office of Legislative Services	<u>\$29,272,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$22,015,000)
Materials and Supplies	(1,065,000)
Services Other Than Personal	(2,527,000)
Maintenance and Fixed Charges	(3,181,000)

Special Purpose:

03 State House Express Civics Education Program	(30,000)
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- 03 Affirmative Action and Equal Employment Opportunity (29,000)
- 03 Senator Wynona Lipman Chair in Women's Political Leadership at the Eagleton Institute (100,000)
- 03 Henry J. Raimondo New Jersey Legislative Fellows Program (69,000)
- Additions, Improvements and Equipment (256,000)
- 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.
- Such sums as are required, as determined by the Technology Executive Group of the Legislative Information Systems Committee of the Legislative Services Commission, for the continuation and expansion of existing and emerging computer and information technologies for the Legislature including but not limited to interactive video conferencing, telecommunication capabilities, electronic copying and facsimile transmissions, training and such other technologies in order to sustain a coordinated and comprehensive legislative technology infrastructure that the Legislature deems necessary are appropriated. 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.
- 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.
- Receipts derived from fees and charges for public access to legislative information systems and the unexpended balance at the end of the preceding fiscal year 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.
- The unexpended balance at the end of the preceding fiscal year in this account is appropriated.

77 Legislative Commissions and Committees

DIRECT STATE SERVICES

09-0010 Intergovernmental Relations Commission	\$400,000
09-0014 Joint Committee on Public Schools	335,000
09-0018 State Commission of Investigation	4,922,000
09-0026 Commission on Business Efficiency in the Public Schools	110,000
09-0053 New Jersey Law Revision Commission	321,000
09-0058 State Capitol Joint Management Commission	9,001,000
09-0061 Clean Ocean and Shore Trust Committee	144,000
Total Direct State Services Appropriation, Legislative Commissions and Committees	<u>\$15,233,000</u>

Direct State Services:

Intergovernmental Relations Commission	
09 The Council of State Governments	(\$155,000)
09 National Conference of State Legislatures . . .	(184,000)
09 Eastern Trade Council - The Council of State Governments	(36,000)
09 Northeast States Association for Agriculture Stewardship-The Council of State Governments	(25,000)

Joint Committee on Public Schools
 09 Expenses of Commission (335,000)
 State Commission of Investigation
 09 Expenses of Commission (4,922,000)
 Commission on Business Efficiency in the
 Public Schools
 09 Expenses of Commission (110,000)
 New Jersey Law Revision Commission
 09 Expenses of Commission (321,000)
 State Capitol Joint Management Commission
 09 Expenses of Commission (9,001,000)
 Clean Ocean and Shore Trust Committee
 09 Expenses of Commission (144,000)
 The unexpended balances at the end of the preceding fiscal year in these accounts are appropriated. From the unexpended balance at the end of the preceding fiscal year in the Clean Ocean and Shore Trust Committee account, \$54,000 is transferred to The Council of State Governments account and \$26,000 is transferred to the National Conference of State Legislatures account.
 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.

Legislature, Total State Appropriation \$74,638,000

***Summary of Legislature Appropriations
 (For Display Purposes Only)***

Appropriations by Category:
 Direct State Services \$74,638,000
Appropriations by Fund:
 General Fund \$74,638,000

**06 OFFICE OF THE CHIEF EXECUTIVE
 70 Government Direction, Management and Control
 76 Management and Administration
 DIRECT STATE SERVICES**

01-0300 Chief Executive's Office:
 Executive Management \$5,056,000
 Total Direct State Services Appropriation,
 The Office of the Chief Executive \$5,056,000

Direct State Services:

Personal Services:
 Salaries and Wages (\$4,128,000)
 01 National Governors' Association (158,000)
 01 Coalition of Northeastern Governors (37,000)
 01 Education Commission of the States (108,000)
 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)

Materials and Supplies (89,000)
 Services Other Than Personal (284,000)
 Maintenance and Fixed Charges (85,000)
 Additions, Improvements and Equipment (20,000)
 The unexpended balance at the end of the preceding fiscal year in this account is appropriated.

Office of the Chief Executive, Total State Appropriation \$5,056,000

***Summary of The Office of the Chief Executive Appropriations
 (For Display Purposes Only)***

Appropriations by Category:

Direct State Services \$5,056,000

Appropriations by Fund:

General Fund \$5,056,000

10 DEPARTMENT OF AGRICULTURE

40 Community Development and Environmental Management

49 Agricultural Resources, Planning, and Regulation

DIRECT STATE SERVICES

01-3310 Animal Disease Control \$1,348,000
 02-3320 Plant Pest and Disease Control 2,127,000
 03-3330 Agriculture and Natural Resources 963,000
 05-3350 Food and Nutrition Services 338,000
 06-3360 Marketing and Development Services 2,260,000
 08-3380 Farmland Preservation 1,740,000
 99-3370 Administration and Support Services 462,000
 Total Direct State Services Appropriation, Agricultural
 Resources, Planning and Regulation \$9,238,000

Direct State Services:

Personal Services:

Salaries and Wages (\$5,550,000)
 Materials and Supplies (138,000)
 Services Other Than Personal (159,000)
 Maintenance and Fixed Charges (195,000)

Special Purpose:

02 Asian Longhorned Beetle Monitoring (200,000)
 05 Temporary Emergency Food
 Assistance Program (338,000)
 06 Promotion/Market Development (826,000)
 08 Agricultural Right-to-Farm Program (90,000)
 08 Open Space Administrative Costs (1,650,000)
 99 Expenses of State Board of Agriculture (18,000)
 99 Affirmative Action and Equal
 Employment Opportunity (28,000)
 Additions, Improvements and Equipment (46,000)

Receipts from laboratory test fees are appropriated to support the Animal Health Laboratory program. The unexpended balance at the end of the preceding fiscal year in the Animal Health Laboratory receipt account is appropriated for the same purpose.

Receipts from the seed laboratory testing and certification programs are appropriated for program costs. The unexpended balance at the end of the preceding fiscal year in the seed laboratory testing and certification receipt account is appropriated for the same purpose.

- Receipts from Nursery Inspection fees are appropriated for Nursery Inspection program costs. The unexpended balance at the end of the preceding fiscal year in the Nursery Inspection program 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 at the end of the preceding fiscal year 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 at the end of the preceding fiscal year 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 agriculture chemistry fees not to exceed \$75,000 shall be available to support the organic certification program.
- Receipts from organic certification program fees 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, red meat and poultry inspections.
- An amount equal to receipts generated at the rate of \$.47 per gallon of wine, vermouth, and sparkling wine sold by plenary winery and farm winery licensees 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.
- 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.
- Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove for the Open Space Administrative Costs account is transferred from the Garden State Farmland Preservation Trust Fund to the General Fund, together with an amount not to exceed \$670,000, and is appropriated to the Department of Agriculture for the State Agriculture Development Committee's administration of the Farmland Preservation program subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balance at the end of the preceding fiscal year in the Promotion/Market Development account is appropriated for the same purpose.
- Notwithstanding the provisions of any law or regulation to the contrary, an amount not to exceed \$200,000 shall be transferred from the appropriate funds established in the Open Space Preservation Bond Act of 1989, P.L.1989, c.183, to the State Transfer of Development Rights Bank account and is appropriated to the State Agriculture Development Committee for Transfer of Development Rights administrative costs.
- Receipts derived from the surcharge on vehicle rentals pursuant to section 54 of P.L.2002, c.34 (C.App.A:9-78), not to exceed \$278,000, are appropriated to support the Agro-Terrorism program within the Department of Agriculture.

GRANTS-IN-AID

03-3330 Agriculture and Natural Resources	\$800,000
05-3350 Food and Nutrition Services	4,000,000
06-3380 Marketing and Development Services	75,000
08-3380 Farmland Preservation	<u>300,000</u>
Total Grants-in-Aid Appropriation, Agricultural Resources, Planning and Regulation	
	<u>\$5,175,000</u>
Grants-in-Aid:	
03 Conservation Assistance Program	(\$800,000)

05 Hunger Initiative/Food Assistance Program (4,000,000)

06 Promotion/Market Development (75,000)

08 Soil and Water Conservation Grants (300,000)

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.

Notwithstanding the provisions of any law or regulation to the contrary, \$540,000 shall be transferred from the Department of Environmental Protection's Water Resources Monitoring and Planning - Constitutional Dedication special purpose account to support the Conservation Cost Share program in the Department of Agriculture on or before September 1, 2007. Further additional sums may be transferred pursuant to a Memorandum of Understanding 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 of this program at the end of the preceding fiscal year is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amounts appropriated hereinabove for the Conservation Assistance Program, an amount not to exceed \$600,000 is allocated for the administrative expenses of the Conservation Assistance Program, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances at the end of the preceding fiscal year in the Conservation Assistance Program are appropriated for the same purpose.

Notwithstanding the provisions of any law or regulation to the contrary, \$250,000 shall be transferred from the Department of Environmental Protection's Water Resources Monitoring and Planning - Constitutional Dedication special purpose account and is appropriated for the Animal Waste Management portion of the Conservation Assistance Program in the Division of Agriculture and Natural Resources in the Department of Agriculture.

The unexpended balances at the end of the preceding fiscal year in the Capital Improvements for Storing Food for Food Banks account are appropriated for the same purpose.

STATE AID

05-3350 Food and Nutrition Services \$11,677,000

08-3380 Farmland Preservation 50,000

Total State Aid Appropriation, Agricultural Resources,
Planning and Regulation \$11,727,000

State Aid:

05 School Breakfast Program - State

Aid Grants (\$3,854,000)

05 Non-Public Nutrition Aid - State

Aid Grants (439,000)

05 School Lunch Aid - State Aid Grants (7,384,000)

08 Payments in Lieu of Taxes (50,000)

The unexpended balances at the end of the preceding fiscal year in the School Breakfast - State Aid Grants account are appropriated for the same purpose.

Of the amount hereinabove appropriated for the Department of Agriculture, such sums as the Director of the Division of Budget and Accounting shall determine from the amount listed under School Nutrition in the Department of Agriculture schedule

included in the Governor's Budget Recommendation Document dated February 22, 2007 first shall be charged to the State Lottery Fund.
 The unexpended balances at the end of the preceding fiscal year in the School Lunch and Non-Public Nutrition Aid - State Aid Grants Accounts are appropriated for the same purpose.

CAPITAL CONSTRUCTION

02-3320 Plant Pest and Disease Control \$250,000
 Total Capital Construction Appropriation, Agricultural
 Resources, Planning, and Regulation \$250,000

Capital Construction:

02 Chromatographic Diagnostic Equipment (\$250,000)

Department of Agriculture, Total State Appropriation \$26,390,000

Summary of Department of Agriculture Appropriations (For Display Purposes Only)

Appropriations by Category:

Direct State Services \$9,238,000
 Grants-in-Aid 5,175,000
 State Aid 11,727,000
 Capital Construction 250,000

Appropriations by Fund:

General Fund \$26,390,000

14 DEPARTMENT OF BANKING AND INSURANCE

50 Economic Planning, Development and Security

52 Economic Regulation

DIRECT STATE SERVICES

01-3110 Consumer Protection Services and Solvency Regulation \$20,088,000
 02-3120 Actuarial Services 6,344,000
 03-3130 Regulation of the Real Estate Industry 3,025,000
 04-3110 Public Affairs, Legislative and Regulatory Services 2,039,000
 06-3110 Insurance Fraud Prevention 31,801,000
 07-3170 Supervision and Examination of Financial Institutions 3,793,000
 99-3150 Administration and Support Services 3,221,000
 Total Direct State Services Appropriation, Economic Regulation . \$70,311,000

Direct State Services:

Personal Services:

Salaries and Wages (\$32,741,000)
 Materials and Supplies (332,000)
 Services Other Than Personal (5,396,000)
 Maintenance and Fixed Charges (211,000)

Special Purpose:

01 Rate Counsel - Insurance (1,124,000)
 02 Actuarial Services (600,000)
 06 Insurance Fraud Prosecution Services (29,877,000)
 99 Affirmative Action and Equal
 Employment Opportunity (30,000)

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 at the end of the preceding fiscal year 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.), those 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.
- Receipts in excess of anticipated revenues from examination and licensing fees, bank assessments, fines and penalties, and the unexpended balances at the end of the preceding fiscal year, not to exceed \$400,000, 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 at the end of the preceding fiscal year in the Pinelands Development Credit Bank account is appropriated for the same purpose.
- In addition to the amounts appropriated 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.) and from the assessments of the banking and consumer finance industries pursuant to P.L.2005, c.199 (C.17:1C-33 et seq.) for the purpose of implementing the requirements of those statutes.
- 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 hereinabove appropriated 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.).
- There is appropriated such sums as are necessary to fund the administrative costs of the New Jersey Hospital Care Payment Commission pursuant to P.L.2003, c.112 (C.17B:30-41 et seq.), 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, such sums as the Director of the Division of Budget and Accounting determines are necessary for the administrative costs associated with the "New Jersey Medical Care Access and Responsibility and Patients First Act," P.L.2004, c.17 (C.2A:53A-37 et al.), are

appropriated from the Medical Malpractice Liability Insurance Premium Assistance Fund. Such other sums as the Director of the Division of Budget and Accounting shall determine are necessary on behalf of State employees are appropriated to the Interdepartmental, Unemployment Insurance Liability account for deposit in the Medical Malpractice Liability Insurance Premium Assistance Fund. If annual receipts deposited in the Medical Malpractice Liability Insurance Premium Assistance Fund are higher or lower than the amounts projected for specific spending categories in the "New Jersey Medical Care Access and Responsibility and Patients First Act," the difference shall be pro-rated among those categories in the same proportion as established in section 27 of P.L.2004, c.17 (C.17:30D-29).

Department of Banking and Insurance, Total State Appropriation . \$70,311,000

**Summary of Department of Banking and Insurance Appropriations
(For Display Purposes Only)**

Appropriations by Category:

Direct State Services \$70,311,000

Appropriations by Fund:

General Fund \$70,311,000

16 DEPARTMENT OF CHILDREN AND FAMILIES

50 Economic Planning, Development and Security

55 Social Services Programs

DIRECT STATE SERVICES

01-1610 Child Protective and Permanency Services \$387,818,000
 (From General Fund \$222,659,000)
 (From Federal Funds 162,895,000)
 (From All Other Funds 2,264,000)

02-1620 Child Behavioral Health Services. \$2,754,000
 (From General Fund \$2,119,000)
 (From Federal Funds 635,000)

03-1630 Prevention and Community Partnership Services 767,000
 (From General Fund 767,000)

04-1600 Education Services 37,394,000
 (From General Fund 10,041,000)
 (From Federal Funds 2,160,000)
 (From All Other Funds 25,193,000)

05-1600 Child Welfare Training Academy Services and Operations . . . 12,159,000
 (From General Fund 9,520,000)
 (From Federal Funds 2,639,000)

06-1600 Safety and Security Services 4,575,000

99-1600 Administration and Support Services 79,174,000
 (From General Fund 59,769,000)
 (From Federal Funds 19,405,000)

Total Appropriation, State, Federal
 and All Other Funds \$524,641,000

(From General Fund \$309,450,000)

(From Federal Funds 187,734,000)

(From All Other Funds 27,457,000)

Less:

Federal Funds \$187,734,000

All Other Funds 27,457,000

Total Deductions \$215,191,000

Total Direct State Services Appropriation, Social Services Programs	<u>\$309,450,000</u>
Direct State Services:	
Personal Services:	
Salaries and Wages	(\$413,884,000)
Materials and Supplies	(5,309,000)
Services Other Than Personal	(29,590,000)
Maintenance and Fixed Charges	(35,387,000)
Special Purpose:	
01 Child Protective and Permanency Services	(3,437,000)
01 New Jersey Safe Haven Infant Protection Act	(531,000)
05 NJ Partnership for Public Child Welfare ..	(4,000,000)
06 Safety and Security Services	(4,575,000)
99 Information Technology	(1,524,000)
99 Safety and Permanency in the Courts	(7,188,000)
Additions, Improvements and Equipment	(19,216,000)
Less:	
Federal Funds	187,734,000
All Other Funds	27,457,000
Of the amount hereinabove appropriated for Safety and Permanency in the Courts, an amount not to exceed \$6,688,000 shall be transferred to the Department of Law and Public Safety in accordance with the approved Child Welfare Reform Plan, subject to the approval of the Director of the Division of Budget and Accounting.	
Of the amounts hereinabove appropriated for Safety and Permanency in the Courts, \$1,150,000 is appropriated to the Court Appointed Special Advocates Program.	

GRANTS-IN-AID

01-1610 Child Protective and Permanency Services	\$458,059,000
(From General Fund	\$411,134,000)
(From Federal Funds	43,671,000)
(From All Other Funds	3,254,000)
02-1620 Child Behavioral Health Services	420,010,000
(From General Fund	285,158,000)
(From Federal Funds	134,852,000)
03-1630 Prevention and Community Partnership Services	67,120,000
(From General Fund	58,617,000)
(From Federal Funds	8,503,000)
04-1600 Education Services	27,302,000
(From All Other Funds	27,302,000)
99-1610 Administration and Support Services	<u>2,150,000</u>
(From Federal Funds	2,150,000)
Total Appropriation, State, Federal and All Other Funds	<u>\$974,641,000</u>
(General Fund	\$754,909,000)
(From Federal Fund	189,176,000)
(From All Other Funds	30,556,000)
Less:	
Federal Funds	\$189,176,000
All Other Funds	30,556,000
Total Deductions	\$219,732,000
Total Grants-in-Aid Appropriation, Social Services Programs ..	<u>\$754,909,000</u>
Grants-in-Aid:	
01 Rutgers MSW Program	(\$950,000)

01 Substance Abuse Services	(15,000,000)
01 Group Homes	(10,792,000)
01 Treatment Homes	(3,385,000)
01 Public Awareness for Child Abuse Prevention Program	(293,000)
01 Community Provider Cost of Living Adjustment	(5,337,000)
01 Independent Living and Shelter Care	(28,734,000)
01 Residential Placements	(16,833,000)
01 Family Support Services	(75,721,000)
01 Child Abuse Prevention	(11,965,000)
01 Foster Care	(102,974,000)
01 Subsidized Adoption	(90,460,000)
01 Recruitment of Adoptive Parents	(694,000)
01 Foster Care and Permanency Initiative	(8,190,000)
01 County Human Services Advisory Board - Formula Funding	(7,765,000)
01 New Jersey Homeless Youth Act	(1,576,000)
01 Wynona M. Lipman Child Advocacy Center, Essex County	(521,000)
01 Purchase of Social Services	(67,521,000)
01 Restricted Federal Grants	(9,348,000)
02 Care Management Organizations	(42,872,000)
02 Treatment Homes and Emergency Behavioral Health Services	(263,912,000)
02 Youth Case Managers	(18,017,000)
02 Family Support Organizations	(7,203,000)
02 Mobile Response	(12,643,000)
02 Intensive In-Home Behavioral Assistance .	(39,588,000)
02 Youth Incentive Program	(8,490,000)
02 Outpatient	(5,668,000)
02 Partial Care	(6,772,000)
02 Contracted Systems Administrator	(10,026,000)
02 Community Provider Cost of Living Adjustment	(4,819,000)
03 Area Prevention and Support Services	(7,771,000)
03 School Based Youth Program	(32,942,000)
03 Family Support Services	(11,874,000)
03 Domestic Violence Prevention Services ..	(14,408,000)
03 Amanda Easel Project	(125,000)
04 Educational Program Services	(27,302,000)
99 Children's Justice Act	(483,000)
99 Community Based Child Abuse Prevention .	(866,000)
99 National Center for Child Abuse and Neglect	(801,000)

Less:

Federal Funds 189,176,000

All Other Funds 30,556,000

The sums hereinabove appropriated for the Residential Placements, Group Homes, Treatment Homes, Other Residential Services, 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 Children and Families 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 Domestic Violence Prevention Services, \$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 by the amount of the shortfall.

Funds recovered under P.L.1951, c.138 (C.30:4C-1 et seq.) during the current fiscal year are appropriated for resource families and other out-of-home placements.

Notwithstanding the provisions of any law or regulation to the contrary, the appropriation hereinabove in the Residential Placements account is subject to the following condition: 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 Child Protective and Permanency Services 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 amount hereinabove appropriated for the Purchase of Social Services account, \$1,000,000 is appropriated for the programs administered under the "New Jersey Homeless Youth Act," P.L.1999, c.224 (C.9:12A-2 et seq.), and the Division of Youth and Family Services shall prioritize the expenditure of this allocation to address transitional living services in the division's region that is experiencing the most severe over-capacity.

Notwithstanding the provisions of any law or regulation to the contrary, no funds hereinabove appropriated for Treatment Homes and Emergency Behavioral Health Services, Youth Case Managers, Care Management Organizations, Youth Incentive Program, and Mobile Response shall be expended for any individual served by the Division of Child Behavioral Health Services, with the exception of court-ordered placements or to ensure services necessary to prevent risk of harm to the individual or others, unless that individual makes a full and complete application for Medicaid or NJ FamilyCare, as applicable. Individuals receiving services from appropriations covered by the exceptions above shall apply for Medicaid or NJ FamilyCare, as applicable, in a timely manner, as shall be defined by the Commissioner of Children and Families, after receiving services.

Of the amounts appropriated for the School Based Youth 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.

The unexpended balances at the end of the preceding fiscal year in the Capital Improvements for Child Advocacy Centers account are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

To ensure the proper reallocation of funds in connection with the creation of the Department of Children and Families, of the amounts hereinabove appropriated, the Department

of Children and Families may transfer appropriations to the Department of Human Services, subject to the approval of the Director of the Division of Budget and Accounting.

CAPITAL CONSTRUCTION

Notwithstanding the provisions of any law or regulation to the contrary, there is appropriated an amount not to exceed \$2,400,000 for the State Automated Child Welfare Information System, subject to the approval of the Director of the Division of Budget and Accounting. The Commissioner of the Department of Children and Families shall provide the Office of Management and Budget, the Office of Legislative Services, and the Commission on Capital Budgeting and Planning with two reports, due in September and March, containing the details of the status of project deliverables, release dates of each phase, details of any required change orders, and current cost estimates for the State Automated Child Welfare Information System.

Department of Children and Families,
Total State Appropriation \$1,064,359,000

County-based Differential Response programs funded by the Department of Children and Families to prevent child abuse and neglect shall provide services to families and follow intervention strategies that are defined with the participation of local community-based organizations and shall assure cultural competency to serve families within their respective counties. The Department of Children and Families staff who serve children and families in the field, who have not already received training in cultural competence, will be trained in cultural competency. The Department of Children and Families shall also offer training opportunities in cultural competence to staff of community-based organizations serving children and families under contract to the Department of Children and Families.

Summary of Department of Children and Families Appropriations (For Display Purposes Only)

Appropriations by Category:

Direct State Services \$309,450,000
Grants-in-Aid 754,909,000

Appropriations by Fund:

General Fund \$1,064,359,000

22 DEPARTMENT OF COMMUNITY AFFAIRS

40 Community Development and Environmental Management

41 Community Development Management

DIRECT STATE SERVICES

01-8010 Housing Code Enforcement \$6,529,000
02-8020 Housing Services 5,019,000
06-8015 Uniform Construction Code 8,752,000
13-8027 Codes and Standards 324,000
18-8017 Uniform Fire Code 6,275,000
Total Direct State Services Appropriation, Community
Development Management \$26,899,000

Direct State Services:

Personal Services:

Salaries and Wages (\$20,329,000)
Materials and Supplies (86,000)
Services Other Than Personal (784,000)

Maintenance and Fixed Charges (542,000)

Special Purpose:

02 Prevention of Homelessness (243,000)

02 Neighborhood Preservation - Fair

Housing (P.L.1985, c.222) (2,266,000)

02 Council on Affordable Housing (2,274,000)

18 Local Fire Fighters' Training (375,000)

The amount hereinabove appropriated 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 at the end of the preceding fiscal year 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 at the end of the preceding fiscal year, 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 at the end of the preceding fiscal year 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, except that the amounts attributable to \$0.00075 per cubic foot of new construction and \$0.39 per \$1,000 of other construction shall be dedicated to the Smart Future Planning Grant-in-Aid program. Notwithstanding the provision of law to the contrary, unexpended balances at the end of the preceding fiscal year 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.

The unexpended balance at the end of the preceding fiscal year 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 appropriated 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.

Notwithstanding the provisions of any law or regulation to the contrary, receipts derived from fees associated with the Fire Protection Contractor's Certification program pursuant to P.L.2001, c.289 (C.52:27D-25n et seq.), are appropriated to the Department of Community Affairs Division of Fire Safety, necessary to operate the program subject to the approval of the Director of the Division of Budget and Accounting.

The amount appropriated 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 at the end of the preceding fiscal year are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Pursuant to section 15 of P.L.1983, c.530 (C.55:14K-15), the Commissioner of the Department of Community Affairs shall determine, at least annually, the eligibility of each boarding house resident for rental assistance payments; and notwithstanding the provisions 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 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.

Any receipts from the sale of truth in renting statements, including fees, fines, and penalties, are appropriated.

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, subject to the approval of the Director of the Division of Budget and Accounting.

Any receipts from the Boarding Home Regulation and Assistance program, including fees, fines, and penalties, are appropriated.

There is appropriated from the Urban and Rural Centers Unsafe Demolition Revolving Loan Fund established under P.L.1997, c.125, the sum of \$2,500,000, to be used for building demolition and disposal projects in the municipality of Newark.

GRANTS-IN-AID

01-8010 Housing Code Enforcement	\$919,000
02-8020 Housing Services	14,160,000
18-8017 Uniform Fire Code	<u>8,666,000</u>
Total Grants-in-Aid Appropriation, Community	
Development Management	<u>\$23,745,000</u>

Grants-in-Aid:

01 Cooperative Housing Inspection	(\$919,000)
02 Shelter Assistance	(2,300,000)
02 Prevention of Homelessness	(4,360,000)
02 State Rental Assistance Program	(7,500,000)
18 NJ Fire and EMS Crisis Intervention	
Services Telephone Hotline -- UMDNJ	(95,000)
18 Uniform Fire Code - Local Enforcement	
Agency Rebates	(8,425,000)
18 Uniform Fire Code - Continuing Education ..	(146,000)

The amount hereinabove appropriated 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 at the end of the preceding fiscal year, 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 appropriated 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 at the end of the preceding fiscal year 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.
- In addition to the amount appropriated hereinabove for the State Rental Assistance Program (SRAP), an amount not less than \$20,000,000 is allocated from the Neighborhood Preservation Nonlapsing Revolving Fund to SRAP for the purposes of subsections a. and c. of section 1 of P.L.2004, c.140 (C.52:27D-287.1).
- In addition to the amount hereinabove appropriated for the State Rental Assistance Program, there is appropriated an amount not to exceed \$10,000,000 for the same purpose, subject to the approval of the Joint Budget Oversight Committee, upon a determination by the Commissioner, after consultation with the State Treasurer, that the amounts herein appropriated for both the State Rental Assistance Program and from the Neighborhood Preservation Nonlapsing Revolving Fund are insufficient to fund all State Rental Assistance Program costs and to fund affordable housing units. Appropriations referred to the Joint Budget Oversight Committee shall be deemed approved unless a resolution of disapproval is adopted within 5 working days of receipt of the proposed appropriation.
- The unexpended balance at the end of the preceding fiscal year in the State Rental Assistance Program account is appropriated.
- The amount hereinabove appropriated 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 at the end of the preceding fiscal year in the Shelter Assistance account is appropriated.
- 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.
- 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 at the end of the preceding fiscal year of such

loan fund and any interest thereon, are appropriated for the purposes of P.L.1998, c.115 (C.40:56-71.1 et seq.).

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 \$110,000 shall be withdrawn from the escrow accounts by the New Jersey Meadowlands Commission and paid to the State Treasurer for deposit in the General Fund and the amount so deposited shall be appropriated to the New Jersey Meadowlands Commission to cover operational costs of the Hackensack Meadowlands Municipal Committee.

Notwithstanding the provisions of any law or regulation to the contrary, Revolving Housing Development and Demonstration Grant funds are appropriated to support loans and grants to non-profit entities for the purpose of economic development and historic preservation.

Notwithstanding the provisions of any law or regulation to the contrary, an amount equal to 5% of the Homelessness Prevention Program grants-in-aid appropriation shall be available for program administrative expenses, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Capital Improvements for Homeless Shelters account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

STATE AID

02-8020 Housing Services	<u>\$16,925,000</u>
Total State Aid Appropriation, Community	
Development Management	<u>\$16,925,000</u>

State Aid:

02 Relocation Assistance	(\$250,000)
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)

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.

Of the sum hereinabove appropriated 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 amount hereinabove appropriated 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.

Notwithstanding the provisions of any law or regulation to the contrary, of the amount hereinabove appropriated for Neighborhood Preservation-Fair Housing, an amount not to exceed \$7,000,000 may be used to provide technical assistance grants to non-profit housing organizations and authorities for creating and supporting affordable housing and community development opportunities.

The unexpended balance at the end of the preceding fiscal year in the Neighborhood Preservation-Fair Housing account is appropriated.

Notwithstanding the provisions of any law or regulation 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.

50 Economic Planning, Development and Security

51 Economic Planning and Development

8049 Office of Smart Growth

DIRECT STATE SERVICES

49-8049 Office of Smart Growth	<u>\$2,478,000</u>
Total Direct State Services Appropriation,	
Office of Smart Growth	<u>\$2,478,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$1,596,000)
Materials and Supplies	(51,000)
Services Other Than Personal	(222,000)
Maintenance and Fixed Charges	(6,000)

Special Purpose:

49 Governor's Smart Growth Policy Council	(25,000)
49 Historic Trust/Open Space	
Administrative Costs	(578,000)

The Office of Smart Growth is authorized to collect reasonable fees for the distribution of its publications, and receipts derived from such fees are appropriated for the Office of Smart Growth.

The amount hereinabove for the Historic Trust/Open Space Administrative Costs 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.

Notwithstanding the provisions of any law or regulation to the contrary, an amount not to exceed \$578,000 shall be transferred from the Garden State Historic Preservation Trust Fund to the General Fund and is appropriated to the Department of Community Affairs for Historic Trust/Open Space Administrative Costs.

GRANTS-IN-AID

49-8049 Office of Smart Growth	<u>\$2,295,000</u>
Total Grants-in-Aid Appropriation, Office of Smart Growth	<u>\$2,295,000</u>

Grants-in-Aid:

49 Smart Future Planning Grants	(\$2,295,000)
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55 Social Services Programs

DIRECT STATE SERVICES

05-8050 Community Resources	\$500,000
15-8051 Women's Programs	<u>1,180,000</u>
Total Direct State Services Appropriation, Social	
Services Programs	<u>\$1,680,000</u>

Direct State Services:**Personal Services:**

Salaries and Wages	(\$872,000)
Materials and Supplies	(62,000)
Services Other Than Personal	(166,000)
Maintenance and Fixed Charges	(5,000)

Special Purpose:

05 Center for Hispanic Policy, Research and Development	(75,000)
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	(400,000)

Notwithstanding the provisions of any law or regulation to the contrary, receipts derived from the increases in divorce filing fees enacted in the amendment to N.J.S.22A:2-12 by section 41 of P.L.2003, c.117, are appropriated for transfer to the General Fund as general State revenue, subject to the approval of the Director of the Division of Budget and Accounting.

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.

Additional funds as may be allocated by the federal government for New Jersey's Low Income Home Energy Assistance Block Grant Program (LIHEAP) are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

05-8050 Community Resources	\$15,100,000
15-8051 Women's Programs	<u>3,115,000</u>
Total Grants-in-Aid Appropriation, Social Services Programs ...	<u>\$18,215,000</u>

Grants-in-Aid:

05 Center for Hispanic Policy, Research and Development	(\$4,500,000)
05 Recreation for the Handicapped	(650,000)
05 Special Olympics	(450,000)
05 Grant to ASPIRA	(250,000)
05 Lead Hazard Control Assistance Fund	(6,000,000)
05 Boys and Girls Club of New Jersey	(1,400,000)
05 Big Brothers / Big Sisters	(700,000)
05 Durand Academy and Community Services, Gloucester County -- Land Acquisition	(150,000)
05 The Children's Institute, Verona	(200,000)
05 New Jersey State Association of Jewish Federations -- Naturally Occurring Retirement Communities (NORC) Pilot Program	(250,000)
05 Municipal Park Initiative -- Park Ranger Program	(200,000)
05 The Violence Prevention Institute	(50,000)
05 Center for Great Expectations	(250,000)
05 Latino Regional Health Fairs and Social Service Programs	(50,000)

15 Grants to Hispanic Women's Resource Centers	(500,000)
15 Women's Referral Central	(25,000)
15 Rape Prevention	(1,000,000)
15 Job Training Center for Urban Women Act	(315,000)
15 Grants to Women's Shelters	(25,000)
15 Grants to Displaced Homemaker Centers ..	(1,250,000)

Notwithstanding the provisions of P.L.2003, c.311 (C.52:27D-437.1 et seq.), or any law or regulation to the contrary, the amount hereinabove appropriated for the Lead Hazard Control Assistance Fund is payable from receipts of the portion of the sales tax directed to be credited to the Lead Hazard Control Assistance Fund pursuant to section 11 of P.L.2003, c.311 (C.52:27D-437.11), and there is further appropriated from such receipts an amount not to exceed \$8,000,000, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of section 4 of the "Lead Hazard Control Assistance Act," P.L.2003, c.311 (C.52:27D-437.4), such sums as are necessary are appropriated from the Lead Hazard Control Assistance Fund for administrative costs, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Capital Improvements for Rape Care Centers account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Capital Improvements for Women's Shelters account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

70 Government Direction, Management and Control

75 State Subsidies and Financial Aid

DIRECT STATE SERVICES

04-8030 Local Government Services	<u>\$3,914,000</u>
Total Direct State Services Appropriation, State Subsidies and Financial Aid	<u>\$3,914,000</u>

Direct State Services:

Personal Services:

Local Finance Board Members	(\$84,000)
Salaries and Wages	(3,224,000)
Materials and Supplies	(40,000)
Services Other Than Personal	(193,000)
Maintenance and Fixed Charges	(35,000)

Special Purpose:

04 Municipal Rehabilitation/Recovery Act	(338,000)
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Receipts from the Division of Local Government Services are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Local Unit Alignment, Reorganization, and Consolidation Commission account is appropriated for the same purposes, subject to the approval of the Director of the Division of Budget and Accounting.

STATE AID

04-8030 Local Government Services	<u>\$1,195,643,000</u>
(From General Fund	<u>\$75,071,000</u>)
(From Property Tax Relief Fund	<u>1,120,572,000</u>)

Total State Aid Appropriation, State Subsidies and Financial Aid	<u>\$1,195,643,000</u>
<i>(From General Fund</i>	<i>\$75,071,000)</i>
<i>(From Property Tax Relief Fund</i>	<i>1,120,572,000)</i>
State Aid:	
04 Consolidation Fund (PTRF)	(\$15,000,000)
04 Extraordinary Aid (C.52:27D-118.35) ...	(34,000,000)
04 Consolidated Municipal Property Tax Relief Aid (PTRF)	(835,447,000)
04 County Prosecutors Salary Increase (P.L.1996, c.99)	(821,000)
04 County Prosecutor Funding Initiative Pilot Program	(8,000,000)
04 Municipal Homeland Security Assistance Aid	(32,000,000)
04 Municipal Efficiency Promotion Aid Program (PTRF)	(34,825,000)
04 Domestic Violence Training Cost Reimbursement - Local Law Enforcement Agencies	(250,000)
04 Regional Efficiency Aid Program (PTRF) .	(8,000,000)
04 Trenton Capital City Aid (PTRF)	(37,500,000)
04 Sharing Available Resources Efficiently Program (PTRF)	(4,200,000)
04 Special Municipal Aid Act (PTRF)	(153,000,000)
04 2008 Municipal Property Tax Assistance (PTRF)	(32,600,000)

The amount hereinabove appropriated for Extraordinary Aid shall be charged first to receipts of the supplemental fee established pursuant to section 2 of P.L.2003, c.113 (C.46:15-7.1), credited to the Extraordinary Aid account. Notwithstanding the provisions of any law or regulation to the contrary, the amount appropriated for municipal aid from receipts deposited in the Extraordinary Aid account shall not exceed the amount appropriated hereinabove.

Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove appropriated for Extraordinary Aid shall be distributed subject to the determination of the Director of the Division of Local Government Services.

In addition to the amount hereinabove for the County Prosecutors Salary Increase, there is appropriated an amount not to exceed \$40,000, subject to the approval of the Director of the Division of Budget and Accounting.

The amount appropriated hereinabove for the County Prosecutor Funding Initiative Pilot Program shall be distributed as follows: Camden County, \$1,790,000; Essex County, \$3,622,000; Hudson County, \$1,605,000; and Mercer County, \$983,000.

The amount hereinabove appropriated for the Municipal Homeland Security Assistance Aid program shall be distributed in accordance with an aid formula, based in part on population, to be determined by the Department of Community Affairs. The distribution of such aid is conditioned upon the submission of information by the municipality on the existing budget, staffing, equipment, and operating performance of the municipality's 911 call centers, public safety dispatch and radio communications systems, and services to the Office of Emergency Telecommunications Services within the Department of Treasury, the specific requirements of which will be defined by the Office of Emergency Telecommunications Services.

Loan repayments received in the Regional Efficiency Development Incentive Grant Program (Sharing Available Resources Efficiently Program) account, established

- pursuant to P.L.2003, c.122, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balance at the end of the preceding fiscal year in the Regional Efficiency Development Incentive Grant Program (Sharing Available Resources Efficiently Program) account is appropriated, 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, 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 the provisions of any law or regulation to the contrary, any qualified municipality as defined in section 1 of P.L.1978, c.14 (C.52:27D-178) for the previous fiscal year shall continue to be a qualified municipality thereunder during the current fiscal year.
- The amount hereinabove appropriated for Consolidated Municipal Property Tax Relief Aid shall be distributed on the following schedule: on or before August 1, 45% 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 the provisions of any law or regulation to the contrary, from the amount received from the appropriation to 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.
- Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove appropriated 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 previous fiscal year's annual appropriations act, provided further, however, that from the amount hereinabove appropriated there is transferred to the Energy Tax Receipts Property Tax Relief Fund account such sums as were determined for fiscal year 2003, fiscal year 2006, fiscal year 2007, and fiscal year 2008 pursuant to subsection e. of section 2 of P.L.1997, c.167 (C.52:27D-439) as amended by P.L.1999, c.168, and except that the amount received by the city of Newark shall be further 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. The Director of the Division of Local Government Services shall further take such actions as may be necessary to ensure that the Consolidated Municipal Property Tax Relief Aid appropriated to offset losses from business personal property tax 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, 2007.
- The amount appropriated hereinabove for the Municipal Efficiency Promotion Aid Program (PTRF) shall be distributed to the same municipalities and in the same proportions as the distributions received therefrom during the previous fiscal year.
- Of the amount hereinabove appropriated for the Special Municipal Aid Act program, there is transferred to the Energy Tax Receipts Property Tax Relief Fund an amount not to exceed \$6,985,000, subject to the approval of the Director of the Division of Budget and Accounting.
- 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 the provisions of P.L.2002, c.43 as amended (C.52:27BBB-1 et seq.) to the contrary, any municipality receiving State Aid provided through the "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-118.24 et seq.) appropriation shall be subject to the provisions of the Special Municipal Aid Act and subject to entering into an agreement with the Department of Community Affairs to provide, among other things, for financial oversight.

The amount hereinabove appropriated for the 2008 Municipal Property Tax Assistance Aid program shall be allocated to the same recipients and in the same proportion as the distribution of base formula municipal aid provided through the Consolidated Municipal Property Tax Assistance Aid program and the Energy Tax Receipts Property Tax Relief Fund program, as determined by the Director of the Division of Local Government Services, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of the "Local Budget Law," N.J.S.40A:4-1 et seq., to the contrary, in administering the appropriation hereinabove for the Special Municipal Aid program, 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 the provisions of any law or regulation 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 section 11 of P.L.2003, c.15 (C.40A:2-8.1) 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.

The State Treasurer, in consultation with the Commissioner of the Department of Community Affairs, is empowered to direct the Director of the Division of Budget and Accounting to transfer appropriations from any State department to any other State department as may be necessary to provide a loan for a term not to exceed 30 days to a municipality faced with a fiscal crisis, including but not limited to a potential default on tax anticipation notes. Extension of the term of the loan shall be conditioned on the municipality being an "eligible municipality" pursuant to P.L.1987, c.75 (C.52:27D-118.24 et seq.).

The amount appropriated hereinabove for the Consolidation Fund is appropriated for the operating expenses of the Local Unit Alignment, Reorganization and Consolidation Commission, subject to the approval of the Director of the Division of Budget and Accounting, and for such other purposes as set forth in a spending plan jointly established by the Departments of Community Affairs, Education and Treasury, subject to the approval of the Director of the Division of Budget and Accounting.

The amount appropriated hereinabove for Trenton Capital City Aid is made pursuant to the provisions of the "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-118.24 et seq.) and, in addition, is subject to the City of Trenton entering into an agreement with the Department of Community Affairs providing for the terms and conditions of such aid, which shall include, among other things, financial oversight by the Department of Community Affairs.

Notwithstanding the provisions of P.L.1999, c.61 (C.54:4-8.76 et. seq.) to the contrary, the amount appropriated hereinabove for the Regional Efficiency Aid Program (REAP) shall be distributed to the same municipalities and in the same proportion as was distributed in the previous fiscal year.

Of the amount hereinabove appropriated for the Sharing Available Resources Efficiently (SHARE) Program, an amount may be used to provide technical support programs to assist local units in applying for grants or aid for studying shared services as authorized by P.L.2007, c.63 (C.40A:65-30 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

Of the amount hereinabove appropriated for the Sharing Available Resources Efficiently Program (SHARE), not more than 5% may be used to finance the development of performance measures and training modules and to employ staff as authorized by sections 4 and 9 of P.L.2007, c. 54 (C.52:27D-504 and C.52:27D-18.2).

76 Management and Administration

DIRECT STATE SERVICES

99-8070 Administration and Support Services \$3,707,000

Total Direct State Services Appropriation, Management
and Administrative Services \$3,707,000

Direct State Services:

Personal Services:

Salaries and Wages (\$2,754,000)

Materials and Supplies (8,000)

Services Other Than Personal (93,000)

Maintenance and Fixed Charges (21,000)

Special Purpose:

99 Government Records Council (771,000)

99 Affirmative Action and Equal
Employment Opportunity (60,000)

Notwithstanding the provisions of any law or regulation to the contrary, from the amount appropriated hereinabove for the Government Records Council, the Council shall expend such amount as is necessary to employ staff legal counsel other than counsel provided by the Office of the Attorney General.

Department of Community Affairs, Total State Appropriation . \$1,295,501,000

All moneys comprising repayment of loans or advances from the Mortgage Assistance Fund established under the "New Jersey Mortgage Assistance Bond Act of 1976," P.L.1976, c.94, are appropriated in accordance with the purposes set forth in section 5 of that act.

Notwithstanding the provisions of any law or regulation to the contrary, deposits of any funds into the Revolving Housing Development and Demonstration Grant Fund are subject to prior approval of the Director of the Division of Budget and Accounting.

Summary of Department of Community Affairs Appropriations (For Display Purposes Only)

Appropriations by Category:

Direct State Services \$38,678,000

Grants-in-Aid	44,255,000
State Aid	1,212,568,000
<i>Appropriations by Fund:</i>	
General Fund	\$174,929,000
Property Tax Relief Fund	1,120,572,000

26 DEPARTMENT OF CORRECTIONS***10 Public Safety and Criminal Justice******16 Detention and Rehabilitation*****DIRECT STATE SERVICES**

07-7025 Institutional Control and Supervision	\$492,343,000
08-7025 Institutional Care and Treatment	257,707,000
99-7025 Administration and Support Services	<u>84,804,000</u>
Total Direct State Services Appropriation, System-Wide	
Program Support	<u>\$834,854,000</u>

Direct State Services:**Personal Services:**

Salaries and Wages	(\$547,137,000)
Food in Lieu of Cash	(2,045,000)
Materials and Supplies	(75,226,000)
Services Other Than Personal	(166,690,000)
Maintenance and Fixed Charges	(12,286,000)

Special Purpose:

07 Stabilization and Reintegration Unit	
at Albert C. Wagner	(3,762,000)
07 Gang Management Unit	(839,000)
07 Civilly Committed Sexual	
Offender Program	(8,985,000)
07 Civilly Committed Sexual Offender	
Facility - Annex	(14,688,000)
08 State Match - Residential Substance	
Abuse Treatment Grant	(26,000)
08 State Match - Social Services Block Grant ...	(33,000)
08 State Match - Violence Against	
Women Grant	(26,000)
Additions, Improvements and Equipment	(3,111,000)

In order to permit flexibility and ensure the appropriate levels of services to the civilly committed, appropriated 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.

The unexpended balances at the end of the preceding fiscal year in the Civilly Committed Sexual Offender Facility and the Civilly Committed Sexual Offender Facility- Annex accounts are appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from the Upholstery Program at the Albert C. Wagner Youth Correctional Facility, and any unexpended balance at the end of the preceding fiscal year 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.

7025 System-Wide Program Support**DIRECT STATE SERVICES**

07-7025 Institutional Control and Supervision	\$24,326,000
13-7025 Institutional Program Support	<u>35,617,000</u>
Total Direct State Services Appropriation, System-Wide	
Program Support	<u>\$59,943,000</u>

Direct State Services:**Personal Services:**

Salaries and Wages	(\$39,390,000)
Materials and Supplies	(1,145,000)
Services Other Than Personal	(8,149,000)

Special Purpose:

13 Integrated Information Systems	(7,779,000)
13 State Match - Prison Rape Elimination	
Grant	(200,000)
13 Offender Reentry Program	(1,000,000)
13 Mutual Agreement Program	(1,126,000)
13 DOC/DOT Work Details	(537,000)
13 Video Teleconferencing	(300,000)
Additions, Improvements and Equipment	(317,000)

The unexpended balance at the end of the preceding fiscal year in the Integrated Information Systems account is appropriated to provide funding for the cost of upgrading the Department of Corrections' 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.

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.

GRANTS-IN-AID

13-7025 Institutional Program Support	<u>\$114,420,000</u>
Total Grants-in-Aid Appropriation, System-Wide	
Program Support	<u>\$114,420,000</u>

Grants-in-Aid:

13 Purchase of Service for Inmates	
Incarcerated In County Penal	
Facilities	(\$52,845,000)
13 Purchase of Service for Inmates	
Incarcerated In Out-of-State	
Facilities	(80,000)
13 Purchase of Community Services	(61,495,000)

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 at the end of the preceding fiscal year in the Purchase of Service for Inmates Incarcerated in County Penal Facilities account is appropriated for the same purpose.

Any change by the Department of Corrections in the per diem rates paid for Inmates Incarcerated in County Penal Facilities and for Community Services shall first be approved by the Director of the Division of Budget and Accounting.
The unexpended balance at the end of the preceding fiscal year in the Purchase of Community Services account is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

10 Public Safety and Criminal Justice

17 Parole

DIRECT STATE SERVICES

03-7010 Parole	\$44,569,000
05-7280 State Parole Board	13,442,000
99-7280 Administration and Support Services	3,804,000
Total Direct State Services Appropriation, Parole	<u>\$61,815,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$40,224,000)
Materials and Supplies	(1,070,000)
Services Other Than Personal	(2,151,000)
Maintenance and Fixed Charges	(1,140,000)

Special Purpose:

03 Payments to Inmates Discharged	
From Facilities	(182,000)
03 Parolee Electronic Monitoring Program ...	(5,321,000)
03 Supervision, Surveillance and Gang	
Suppression Program	(2,269,000)
03 Mutual Agreement Program (MAP)	(437,000)
03 Sex Offender Management Unit	(6,613,000)
03 Satellite-based Monitoring of Sex	
Offenders Pilot Program	(2,372,000)
Additions, Improvements and Equipment	(36,000)

From the appropriations hereinabove, the Executive Director shall make payment to the Interstate Commission for Adult Offender Supervision in the amount required for the New Jersey state assessment in the current fiscal year.

GRANTS-IN-AID

03-7010 Parole	<u>\$36,678,000</u>
Total Grants-in-Aid Appropriation, Parole	<u>\$36,678,000</u>

Grants-in-Aid:

03 Re-Entry Substance Abuse Program	(\$3,997,000)
03 Mutual Agreement Program (MAP)	(2,690,000)
03 Day Reporting Program	(11,902,000)
03 Re-Entry Case Management Services	(800,000)
03 Halfway Back Program	(17,289,000)

Any change by the Division of Parole in the per diem rates affecting Special Caseload accounts shall first be approved by the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law or regulation to the contrary, the New Jersey State Parole Board is authorized to expend the amounts appropriated for Re-Entry Substance Abuse Program, Halfway Back Program, Mutual Agreement Program and Day Reporting Program to provide services to ex-offenders who are age 18 or older and under juvenile or adult parole supervision, subject to the approval of the Director of the Division of Budget and Accounting.

The amounts appropriated hereinabove for Re-Entry Case Management Services shall be expended consistent with the recommendations in the final report of the Governor's Task Force on Mental Health.

10 Public Safety and Criminal Justice
19 Central Planning, Direction and Management
DIRECT STATE SERVICES

99-7000 Administration and Support Services \$17,614,000
 Total Direct State Services Appropriation, Central
 Planning, Direction and Management \$17,614,000

Direct State Services:

Personal Services:

Salaries and Wages (\$14,511,000)
 Materials and Supplies (623,000)
 Services Other Than Personal (997,000)
 Maintenance and Fixed Charges (701,000)

Special Purpose:

99 DOC State Match Account - Central Office . . . (50,000)
 99 Affirmative Action and Equal
 Employment Opportunity (655,000)
 Additions, Improvements and Equipment (77,000)

Receipts derived from the Culinary Arts Vocational Program, and any unexpended balance at the end of the preceding fiscal year, are appropriated for the operation of the program, subject to the approval of the Director of the Division of Budget and Accounting.

CAPITAL CONSTRUCTION

99-7000 Administration and Support Services \$3,936,000
 Total Capital Construction Appropriation, Central
 Planning, Direction and Management \$3,936,000

Capital Construction:

99 Critical Repairs (\$3,936,000)

Department of Corrections, Total State Appropriation \$1,129,260,000

The unexpended balance at the end of the preceding fiscal year 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 \$974,226,000
 Grants-in-Aid 151,098,000
 Capital Construction 3,936,000

Appropriations by Fund:

General Fund \$1,129,260,000

34 DEPARTMENT OF EDUCATION**30 Educational, Cultural, and Intellectual Development****31 Direct Educational Services and Assistance****DIRECT STATE SERVICES**

05-5064 Bilingual Education	\$238,000
07-5065 Special Education	<u>59,000</u>
Total Direct State Services Appropriation, Direct Educational Services and Assistance	<u>\$297,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$238,000)
Materials and Supplies	(21,000)
Services Other Than Personal	(37,000)
Maintenance and Fixed Charges	(1,000)

GRANTS-IN-AID

03-5120 Miscellaneous Grants-In-Aid	<u>\$10,000,000</u>
Total Grants-in-Aid Appropriation, Direct Educational Services and Assistance	<u>\$10,000,000</u>

Grants-in-Aid:

03 Preschool Expansion and Enhancement Grants	(\$10,000,000)
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Of the amount appropriated hereinabove for Preschool Expansion and Enhancement Grants, such sums as are necessary for the purpose of paying the cost of an independent needs assessment of existing "non-Abbott" preschool programs shall be transferred to the Office of Early Childhood Education in Direct State Services, subject to the approval of the Director of the Division of Budget and Accounting.

STATE AID

01-5120 General Formula Aid	\$6,224,510,000
(From General Fund	\$252,646,000)
(From Property Tax Relief Fund	5,971,864,000)
02-5120 Nonpublic School Aid	104,664,000
03-5120 Miscellaneous Grants-In-Aid	113,900,000
(From General Fund	4,991,000)
(From Property Tax Relief Fund	108,909,000)
05-5120 Bilingual Education	65,578,000
(From Property Tax Relief Fund	65,578,000)
06-5064 Programs for Disadvantaged Youths	266,310,000
(From Property Tax Relief Fund	266,310,000)
07-5120 Special Education	<u>948,420,000</u>
(From General Fund	52,000,000)
(From Property Tax Relief Fund	896,420,000)
Total State Aid Appropriation, Direct Educational Services and Assistance	<u>\$7,723,382,000</u>
(Total From General Fund	\$414,301,000)
(Total From Property Tax Relief Fund ..	7,309,081,000)

Less:

Stabilization Growth Limitations	\$73,576,000
Growth Savings — Payment Changes	8,450,000
Total Deductions	<u>\$82,026,000</u>
Total State Appropriation, Direct Educational Services and Assistance	<u>\$7,641,356,000</u>

(Total From General Fund \$414,301,000)

(Total From Property Tax Relief Fund . . 7,227,055,000)

State Aid:

01 Core Curriculum Standards Aid	(\$252,646,000)
01 Core Curriculum Standards Aid (PTRF) (2,830,572,000)	
01 Supplemental Core Curriculum Standards Aid (PTRF)	(251,768,000)
01 Additional Formula Aid (PTRF)	(179,378,000)
01 High Expectations for Learning Proficiency PTRF)	(16,900,000)
01 Early Childhood Aid (PTRF)	(330,630,000)
01 Instructional Supplement (PTRF)	(15,621,000)
01 Stabilization Aid (PTRF)	(111,626,000)
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 2 (PTRF)	(2,491,000)
01 Stabilization Aid 3 (PTRF)	(11,402,000)
01 Regionalization Incentive Aid (PTRF)	(18,295,000)
01 Consolidated Aid (PTRF)	(129,684,000)
01 Education Opportunity Aid (PTRF)	(1,727,294,000)
01 Abbott Preschool Expansion Aid (PTRF)	(246,300,000)
01 Early Launch to Learning Initiative (PTRF)	(3,000,000)
01 Abbott-Bordered District Aid (PTRF)	(21,903,000)
01 Full-Day Kindergarten Supplemental Aid (PTRF)	(26,182,000)
01 School Choice (PTRF)	(8,306,000)
01 Aid for Enrollment Adjustments (PTRF)	(16,456,000)
01 Above Average Enrollment Growth (PTRF)	(17,575,000)
02 Nonpublic Textbook Aid	(10,066,000)
02 Nonpublic Handicapped Aid	(30,768,000)
02 Nonpublic Auxiliary Services Aid	(37,429,000)
02 Nonpublic Auxiliary/Handicapped Transportation Aid	(4,944,000)
02 Nonpublic Nursing Services Aid	(14,013,000)
02 Nonpublic Technology Initiative	(7,444,000)
03 Emergency Fund	(200,000)
03 Evening School for the Foreign Born	(211,000)
03 Charter School Aid (PTRF)	(22,643,000)
03 Charter Schools - Council on Local Mandates (PTRF)	(13,335,000)
03 Educational Information and Resource Center	(450,000)
03 Bridge Loan Interest and Approved Borrowing Cost	(50,000)
03 Payments for Institutionalized Children - Unknown District of Residence (PTRF)	(31,710,000)
03 Community Relations Committee of the United Jewish Federation of Metrowest	(30,000)
03 Teacher Quality Mentoring (PTRF)	(2,500,000)

03 Adult and Postsecondary Education	
Grants (PTRF)	(28,721,000)
03 Englewood Implementation Aid	(4,000,000)
03 Adult Education (PTRF)	(10,000,000)
03 NJSIAA Steroid Testing	(50,000)
05 Bilingual Education Aid (PTRF)	(65,578,000)
06 Demonstrably Effective Program	
Aid (PTRF)	(199,512,000)
06 Targeted At-Risk Aid (PTRF)	(66,798,000)
07 Special Education Aid (PTRF)	(896,420,000)
07 Extraordinary Special Education	
Costs Aid	(52,000,000)

Less:

Deductions 82,026,000

Receipts from nonpublic schools handicapped and auxiliary recoveries are appropriated for the payment of additional aid in accordance with section 17 of P.L.1977, c.192 (C.18A:46A-14) and section 14 of P.L.1977, c.193 (C.18A:46-19.8).

Notwithstanding the provisions of section 14 of P.L.1977, c.193 (C.18A:46-19.8) for the purpose of computing Nonpublic Handicapped Aid for pupils requiring the following services, the per pupil amounts for the 2007-2008 school year shall be: \$1,326.17 for an initial evaluation or reevaluation for examination and classification; \$380 for an annual review for examination and classification; \$930 for speech correction; and \$826 for supplementary instruction services, provided however, that the commissioner may adjust the per pupil amounts based upon the nonpublic pupil population and the need for 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 2007-2008 school year for the purposes of computing Nonpublic Auxiliary Services Aid shall equal \$908.80, provided however, that the commissioner may adjust the per pupil amounts based upon the nonpublic pupil population and the need for services.

Notwithstanding the provisions of section 9 of P.L.1991, c.226 (C.18A:40-31), 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, 2006 and the rate per pupil shall be \$77.20.

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.

Such sums received in the "School District Deficit Relief Account," established pursuant to section 5 of P.L.2006, c.15 (C.18A:7A-58), including loan repayments, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove appropriated for Extraordinary Special Education Costs Aid shall be charged first to receipts of the supplemental fee established pursuant to section 2 of P.L.2003, c.113 (C.46:15-7.1) credited to the Extraordinary Aid Account. Notwithstanding the provisions of that law to the contrary, the amount appropriated for Extraordinary Special Education Costs Aid from receipts deposited in the Extraordinary Aid Account shall not exceed the amount appropriated hereinabove.

Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove appropriated for Additional Formula Aid shall be distributed to school districts that are not recipients of Education Opportunity Aid. An eligible district's allocation shall be the sum of the amount allocated in 2006-2007 school year and an amount that equals 3 percent of the total State aid amount payable for the 2006-2007 school year for the following aid categories: Core Curriculum Standards Aid,

Supplemental Core Curriculum Standards Aid, Early Childhood Program Aid, Additional Formula Aid, Instructional Supplement Aid, Demonstrably Effective Program Aid, Stabilization Aid, Stabilization Aid 2, Stabilization Aid 3, Large Efficient District Aid, Aid for Districts with High Senior Citizen Populations, Regionalization Incentive Aid, Adult and Postsecondary Education Grants, Bilingual Education Aid, Special Education Aid, County Vocational Program Aid, Transportation Aid, School Choice, Aid for Enrollment Adjustments, Consolidated Aid, and Above Average Enrollment Growth.

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 affirmative action as is necessary to ensure the effective and efficient expenditure of funds for the implementation of all of the Abbott v. Burke programs, reforms and remedies. In addition, in fulfilling this responsibility, the commissioner shall promulgate regulations to govern the receipt and expenditure of State aid by the Abbott districts and the programs, positions and services supported thereby. Notwithstanding the provisions of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, any such regulations adopted by the commissioner shall be deemed adopted immediately upon filing with the Office of Administrative Law, except that any such regulations related to the submission of district budgets shall be adopted in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), and such regulations shall remain in effect for a minimum of two years, as provided in the May 9, 2006 order in Abbott v. Burke. In order to expeditiously fulfill the responsibilities of the commissioner under Abbott v. Burke, 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.

The amount appropriated hereinabove for Education Opportunity Aid shall provide resources to equalize spending between "I" and "J" districts and "Abbott districts," and provide aid to fund additional needs of "Abbott districts." Notwithstanding the provisions of any law or regulation to the contrary, Education Opportunity Aid shall be provided to each "Abbott district" whose per pupil regular education expenditure for 2007-2008 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 2007-2008. The minimum amount of aid 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 2007-2008 and the actual per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2006-2007 indexed by the actual percentage increase in the per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2006-2007 over the per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2005-2006. In calculating the per pupil regular education expenditure of each "Abbott district" for 2007-2008, regular education expenditure shall equal the sum of the general fund tax levy for 2006-2007, 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 2007-2008 indexed by the district's enrollment growth rate used to determine the estimated enrollments of October 2007; 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, 2007 as reflected on the

Application for State School Aid for 2008-2009. In calculating the actual per pupil regular education expenditure of each "Abbott district" for 2007-2008, regular education expenditure shall equal the sum of the actual general fund tax levy for 2007-2008, 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). 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 2007-2008. In calculating the actual per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2007-2008, regular education expenditure shall equal the sum of the general fund tax levy for 2007-2008, 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 12 as of October 15, 2007 as reflected on the Application for State School Aid for 2008-2009; 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.

Of the amount hereinabove appropriated for Education Opportunity Aid, each "Abbott district's" initial allocation shall be the greater of the amount calculated in accordance with the provisions hereinabove for equalized spending or the district's final adjusted 2006-2007 Education Opportunity Aid, including any supplemental award. The district's Education Opportunity Aid allocation shall be reduced by an amount equal to any general fund tax levy increase required by the commissioner. After calculating the "Abbott district's" actual regular education expenditure, State aid shall be reduced by the difference between the required general fund tax levy increase and the total general fund tax levy increase from 2006-2007 to 2007-2008.

The amount hereinabove appropriated for Education Opportunity Aid shall also be used to ensure that every "Abbott district" is at parity and for any additional aid amount awarded by the commissioner as part of the department's budget review process. Any "Abbott district" that fails to submit any required documentation or fails to submit its annual audit by November 15, 2007 may have its State aid withheld upon the commissioner's request to the Director of the Division of Budget and Accounting. The additional award may be adjusted by a reallocation of the district's undesignated fund balance in excess of two percent based on the annual audit filed pursuant to N.J.S.18A:23-1.

Notwithstanding the provisions of any law or regulation to the contrary, as a condition of receiving Education Opportunity Aid, an "Abbott district" shall examine all available group options for every insurance policy held by the district, including any self-insurance plan administered by the New Jersey School Boards Association Insurance Group on behalf of districts, and shall participate in the most cost-effective plans. As a further condition, all "Abbott districts" shall take steps to maximize the district's participation in the federal Universal Service Program (E-rate) and the ACT telecommunications program offered through the New Jersey Association of School Business Administrators, shall participate in the ACES energy program offered through the New Jersey School Boards Association unless a district can demonstrate that it receives the goods or services at a cost less than or equal to the cost achieved by participants, shall take appropriate steps to maximize the district's participation in the Special Education Medicaid Initiative (SEMI) program, with maximum participation defined by the Commissioner of Education, and shall refinance all outstanding debt for which a three percent net present value savings threshold is achievable. An "Abbott district" that fails to meet any of these requirements may have payment of Education Opportunity Aid withheld until such time as these requirements are met. The

commissioner is authorized to establish any additional condition on the disbursement of Education Opportunity Aid that the commissioner deems appropriate to ensure effective and efficient spending in the "Abbott districts."

Notwithstanding the provisions of any law or regulation to the contrary, as a condition of receiving Education Opportunity Aid, an "Abbott district" shall raise a general fund tax levy which shall be no less than the sum of the general fund tax levy raised in 2006-2007 and the increase in the levy from 2006-2007 to 2007-2008 that may be required by the commissioner. The required levy increase shall be such that an "Abbott district's" total equalized tax rate shall not be below 120 percent of the State average total equalized tax rate unless such increase would result in an increase in the average household's tax liability of more than \$125 when using the 2006 tax data as published by the Department of Community Affairs. The required increase would be further limited by the cap on district tax levy increases pursuant to P.L.2007, c.62.

Notwithstanding the provisions of any law or regulation to the contrary, the allocation of the amount hereinabove appropriated for Education Opportunity Aid to an "Abbott district" shall be reduced by the amount of proceeds received by the district from the sale of district surplus property, which shall be appropriated by the district for regular education operations. Surplus property means that property which is not being replaced by other property under a grant agreement with the New Jersey Schools Construction Corporation.

The amount appropriated hereinabove as Abbott Preschool Expansion Aid is for the purpose of funding the increase in the approved budgeted costs from 2001-2002 to 2007-2008 for the projected expansion of preschool programs in "Abbott districts" with "Abbott" status in 2001-2002. For any district receiving "Abbott" status after 2001-2002, the increase in approved budgeted costs for the purpose of funding will be based on the year "Abbott" status was obtained. Payments of Abbott Preschool Expansion Aid shall be based on documented expansion of the preschool program. Upon the Commissioner of Education's request, "Abbott districts" will be required to provide such supporting documentation as deemed necessary to verify that the actual expansion in the preschool program has occurred in the 2007-2008 fiscal year. Such documentation may include expenditure, enrollment, and attendance data that may be subject to an audit. Appropriate adjustments to a district's Abbott Preschool Expansion Aid amount may be made by the commissioner based on actual need.

From the amount appropriated hereinabove for the Early Launch to Learning Initiative, an amount not to exceed \$325,000 shall be transferred to the Office of Early Childhood Education in Direct State Services for the support of two staff persons and related operational costs to administer the program, 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, amounts appropriated hereinabove for 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; when a charter school is located in an "Abbott district," to distribute an amount equal to the difference between the per pupil T&E amount for a given grade level and the program budget of an "Abbott district" when that "Abbott district's" program budget is below the T&E amount; to distribute \$40 for each student enrolled in the charter school; 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).

The amount hereinabove appropriated for Full-Day Kindergarten Supplemental Aid shall be distributed to "non-Abbott" school districts with October 2006 resident enrollments that include full-day kindergarten students. Eligible "non-Abbott" district allocations shall be calculated by applying the ratio of the district's Core Curriculum Standards Aid calculated pursuant to section 15 of P.L.1996, c.138 (C.18A:7F-15) for fiscal 2002 and the district's T&E budget calculated pursuant to subsection d. of section 13 of P.L.1996, c.138 (C.18A:7F-13) for fiscal 2002 to the product of the district's October 2006 resident full-day kindergarten enrollment and the amount calculated for PW for fiscal 2002 in accordance with subsection a. of section 13 of P.L.1996, c.138 (C.18A:7F-13). For the purposes of this provision, the October 2006 resident enrollment figures refer to the actual resident enrollments as reported to the department on the Application for State School Aid.

The amount hereinabove appropriated for Targeted At-Risk Aid shall be distributed to "non-Abbott" districts with concentrations of low-income pupils greater than or equal to 15 percent as of October 2006 based on data reported to the department on the October 2006 Application for State School Aid (ASSA). A "non-Abbott" district with a concentration rate equal to or greater than 15 percent but less than 20 percent will receive an allocation equal to \$250 per low-income pupil. A "non-Abbott" district with a concentration rate equal to or greater than 20 percent will receive an allocation equal to \$500 per low-income pupil. A recipient district shall be required to obtain the approval of the department for the planned uses of targeted at-risk funds. To facilitate monitoring of the uses of the funds, districts shall be required to maintain separate program and service accounts in the special revenue section of the district's budget and financial records in accordance with GAAP and specifications prescribed by the Commissioner of Education. If a district successfully demonstrates to the department that it is already providing high-quality programs to address the needs of low-income students, Targeted At-Risk Aid may be transferred from the special revenue section of the district's budget to the general revenue section. For the purposes of this section, a low-income pupil is defined as a pupil included in the calculation of modified district enrollment and reported as low-income free or low-income reduced in the ASSA, and low-income concentration rate is defined as the percentage of the low-income pupils to the modified district enrollment as defined in section 3 of P.L.1996, c.138 (C.18A:7F-3).

Notwithstanding the provisions of section 12 of P.L.1995, c.426 (C.18A:36A-12), or any law or regulation to the contrary, the State shall pay on behalf of a resident district an amount not to exceed the difference between the district's 2007-2008 total actual charter school payment and the estimated appropriations used in completing the school district's 2006-2007 budget as stated in the 2006-2007 Potential Charter School Aid notification letter based on actual documented needs.

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 shall transfer the payment for the portion of the tuition payable for which need has been demonstrated.

Notwithstanding the provisions of any law or regulation to the contrary, \$5,700,000 of the amount appropriated hereinabove for Charter School aid shall be used to distribute targeted at-risk aid to charter schools with concentrations of low-income pupils greater

than or equal to 15%, based on actual 2007-2008 enrollment. A charter school with a concentration rate equal to or greater than 15% but less than 20% will receive an allocation equal to \$250 per low-income pupil. A charter school with a concentration rate equal to or greater than 20% will receive an allocation equal to \$500 per low-income pupil. For the purposes of this provision, low-income pupils means pupils from households with a household income that meets the most recent federal poverty guidelines for free milk or free or reduced meals and low-income concentration rate means the percentage of the low-income pupils to total enrollment.

Notwithstanding the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the Commissioner of Education, in consultation with the Commissioner of Human Services, shall adopt immediately upon filing with the Office of Administrative Law such regulations as the Commissioner deems necessary to ensure that funds appropriated to the Department of Human Services for before- and after-school and summer "wrap around" child care are expended in accordance with this act.

Notwithstanding any provision of law or regulation to the contrary, \$2,911,152 of the amount appropriated hereinabove for Core Curriculum Standards Aid shall be distributed to a school district, other than an "Abbott district" or a county vocational school district, with a 2006-2007 per pupil budgeted regular spending amount that is below \$8,656 and that is defined as a "district in need of improvement" or a district with one or more "schools in need of improvement" under the provisions of the federal "No Child Left Behind Act of 2001" and has a 2006-2007 equalized school tax rate of at least 75% of the 2006-2007 State average equalized school tax rate. A qualifying district shall receive 50% of the product of the district's 2006-2007 projected weighted enrollment times the amount calculated as the difference between \$8,656 and the district's 2006-2007 per pupil budgeted regular spending, and shall be used for programs to improve student outcomes. For the purposes of this section, 2006-2007 projected weighted enrollment and 2006-2007 per pupil budgeted regular spending amounts are based on approved budget data transmitted to the Department of Education.

The amount appropriated hereinabove as Adult Education Aid shall be distributed at a rate of \$1,110 per pupil for pupils enrolled in approved adult high schools and post-graduate programs as of October, 2006 as reported in the Application for State School Aid.

32 Operation and Support of Educational Institutions

DIRECT STATE SERVICES

12-5011 Marie H. Katzenbach School for the Deaf	\$14,727,000
<i>(From General Fund</i>	<i>\$3,245,000)</i>
<i>(From All Other Funds</i>	<i>11,482,000)</i>
13-5011 Positive Learning Understanding Support Program	1,028,000
<i>(From All Other Funds</i>	<i>1,028,000)</i>
Total Appropriation, State and All Other Funds	<u>\$15,755,000</u>
<i>(From General Fund</i>	<i>\$3,245,000)</i>
<i>(From All Other Funds</i>	<i>12,510,000)</i>
Less:	
<i>All Other Funds</i>	<i>\$12,510,000</i>
<i>Total Deductions</i>	<i>\$12,510,000</i>
Total Direct State Services Appropriation, Operation and	
Support of Educational Institutions	<u>\$3,245,000</u>
Direct State Services:	
Personal Services:	
Salaries and Wages	(\$12,560,000)

Materials and Supplies (1,770,000)
 Services Other Than Personal (440,000)
 Maintenance and Fixed Charges (770,000)
 Special Purpose:
 12 Transportation Expenses for Students (40,000)
 Additions, Improvements and Equipment (175,000)

Less:

All Other Funds 12,510,000

Notwithstanding the provisions of N.J.S.18A:61-1 and N.J.S.18A:46-13, or any law or regulation to the contrary, in addition to the amount appropriated hereinabove to the Marie H. Katzenbach School for the Deaf for the 2007-2008 academic year, payments from local boards of education to the school at an annual rate and payment schedule adopted by the Commissioner of Education and the Director of the Division of Budget and Accounting are appropriated.

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 at the end of the preceding fiscal year, in the receipt account of the Marie H. Katzenbach School for the Deaf is appropriated for expenses of operating the school.

The unexpended balance at the end of the preceding fiscal year, 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 \$2,400,000
 Total Capital Construction Appropriation, Operation
 and Support of Educational Institutions \$2,400,000

Capital Projects:

12 Fire Protection (\$2,400,000)

Notwithstanding the provisions of any law or regulation to the contrary, accumulated and current year interest earnings in the State Facilities for Handicapped Fund established pursuant to section 12 of P.L.1973, c.149 are appropriated for capital improvements and maintenance of facilities for the eleven regional day schools throughout the State and the Marie H. Katzenbach School for the Deaf as authorized in the State Facilities for Handicapped Bond Act, P.L.1973, c.149, subject to the approval of the Director of the Division of Budget and Accounting.

33 Supplemental Education and Training Programs**DIRECT STATE SERVICES**

20-5062 General Vocational Education \$345,000
 Total Direct State Services Appropriation,
 Supplemental Education and Training Programs \$345,000

Direct State Services:**Personal Services:**

Salaries and Wages (\$294,000)
 Materials and Supplies (26,000)
 Services Other Than Personal (25,000)

STATE AID

20-5062 General Vocational Education \$43,808,000
(From General Fund \$4,860,000)

(From Property Tax Relief Fund 38,948,000)

Total State Aid Appropriation, Supplemental

Education and Training Programs \$43,808,000

(From General Fund \$4,860,000)

(Total From Property Tax Relief Fund 38,948,000)

State Aid:

20 Vocational Education (\$4,860,000)

20 County Vocational Program Aid (PTRF) . . (38,948,000)

34 Educational Support Services

DIRECT STATE SERVICES

30-5063 Educational Programs and Assessment \$28,004,000

31-5060 Grants Management 690,000

32-5061 Professional Development and Licensure 2,966,000

33-5067 Service to Local Districts 6,397,000

35-5069 Early Childhood Education 2,706,000

36-5120 Pupil Transportation 472,000

37-5069 Abbott Implementation 11,120,000

38-5120 Facilities Planning and School Building Aid 2,720,000

40-5064 Student Services 1,398,000

Total Direct State Services Appropriation, Educational

Support Services \$56,473,000

Direct State Services:

Personal Services:

Salaries and Wages (\$15,699,000)

Materials and Supplies (425,000)

Services Other Than Personal (981,000)

Maintenance and Fixed Charges (52,000)

Special Purpose:

30 Statewide Assessment Program (20,725,000)

30 Professional Development - Recruitment . . . (135,000)

30 Continuing Education (152,000)

30 Governor's Literacy Initiative (2,759,000)

30 General Education Development (1,474,000)

35 Early Childhood Education (2,572,000)

37 Abbott Implementation (11,120,000)

40 New Jersey Commission on

Holocaust Education (244,000)

40 Commission on Italian American Heritage

Cultural and Educational Programs (135,000)

From the amount appropriated hereinabove for the Governor's Literacy Initiative, the sum of \$900,000 may be transferred to the Commission for the Blind and Visually Impaired for increased Braille lessons for blind children, subject to the approval of the Director of the Division of Budget and Accounting.

From the amount hereinabove appropriated for the Governor's Literacy Initiative, there is appropriated, \$300,000 for a grant for the Learning Through Listening program at the New Jersey Unit of the Recording for the Blind and Dyslexic.

Receipts from the State Board of Examiners' fees in excess of those anticipated and the unexpended program balances at the end of the preceding fiscal year, are appropriated for the operation of the Professional Development and Licensure programs.

The unexpended balance at the end of the preceding fiscal year in the Statewide Assessment Program account is appropriated for the same purpose.

GRANTS-IN-AID

30-5063 Educational Programs and Assessment	\$6,688,000
40-5064 Student Services	<u>15,000,000</u>
Total Grants-in-Aid Appropriation, Educational Support Services	<u>\$21,688,000</u>

Grants-in-Aid:

30 Liberty Science Center - Educational Services	(\$5,750,000)
30 Governor's Literacy Initiative	(750,000)
30 Teacher Preparation	(188,000)
40 New Jersey After 3	(15,000,000)

The amount hereinabove appropriated for the Liberty Science Center--Educational Services shall be used to provide educational services to students in the "Abbott districts" in the science education component of the core curriculum content standards as established by law.

The amount hereinabove appropriated for the Governor's Literacy Initiative shall be used to provide grants to districts to improve instruction in language arts literacy and mathematics. In awarding such grants, the Commissioner of Education shall use criteria including the School Improvement Status based upon the federal No Child Left Behind Act and student performance on the New Jersey Assessment of Skills and Knowledge.

The sums provided hereinabove for New Jersey After 3 shall be conditioned upon the State Treasurer and the grant recipient entering into a grant agreement; shall be available for grants and reasonable administrative costs of New Jersey After 3, Inc.; and shall be available for funding programs, activities, functions and facilities consistent with recommendations and proposals of the New Jersey After 3 Advisory Committee.

STATE AID

36-5120 Pupil Transportation	\$316,247,000
<i>(From Property Tax Relief Fund</i>	<i>\$316,247,000)</i>
38-5120 Facilities Planning and School Building Aid	625,354,000
<i>(From General Fund</i>	<i>466,963,000)</i>
<i>(From Property Tax Relief Fund</i>	<i>158,391,000)</i>
39-5095 Teachers' Pension and Annuity Assistance	<u>2,264,096,000</u>
<i>(From Property Tax Relief Fund</i>	<i>2,264,096,000)</i>
Total State Aid Appropriation, Educational Support Services ..	<u>\$3,205,697,000</u>
<i>(Total From General Fund</i>	<i>\$466,963,000)</i>
<i>(Total From Property Tax Relief Fund ..</i>	<i>2,738,734,000)</i>

State Aid:

36 Transportation Aid (PTRF)	(\$316,147,000)
36 School Bus Crossing Arms (PTRF)	(100,000)
38 School Building Aid (PTRF)	(112,997,000)
38 School Construction Debt Service Aid (PTRF)	(45,394,000)
38 School Construction & Renovation Fund	(466,963,000)
39 Teachers' Pension and Annuity Fund - Post Retirement Medical (PTRF)	(642,445,000)
39 Teachers' Pension and Annuity Fund (PTRF)	(661,383,000)
39 Social Security Tax (PTRF)	(717,150,000)
39 Teachers' Pension and Annuity Fund - Non-contributory Insurance (PTRF)	(30,952,000)

39 Post Retirement Medical Other Than TPAF (PTRF)	(108,694,000)
39 Debt Service on Pension Obligation Bonds (PTRF)	(103,472,000)

Of the amount hereinabove appropriated for the School Construction and Renovation Fund, an amount equal to the total earnings of investments of the School Fund shall first be charged to such fund.

In addition to the sum hereinabove appropriated for the School Construction and Renovation Fund account 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.

The unexpended balance at the end of the preceding fiscal year in the School Construction and Renovation Fund account is appropriated for the same purpose.

Notwithstanding the provisions of section 1 of P.L.1997, c.53 (C.18A:39-11.1) districts shall not be reimbursed for administrative fees paid to Cooperative Transportation Service Agencies.

For any school district receiving amounts from the amount appropriated hereinabove for Pupil Transportation, and notwithstanding the provisions of N.J.S.18A:39-1 to the contrary, if the 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.

Notwithstanding the provisions of section 2 of P.L.1996, c.96 (C.39:3B-1.2) and section 3 of P.L.1996, c.96 (C.39:3B-1.3), or any law or regulation to the contrary, the amount appropriated hereinabove for School Bus Crossing Arms shall be provided to the owners of newly manufactured vehicles equipped with a crossing control arm upon submission to the Department of Education of a complete application for reimbursement within one year of the vehicle purchase date.

Of the amount appropriated hereinabove for School Building Aid, the calculation of each eligible district's allocation shall include the amount based on school bond and lease purchase agreement payments for interest and principal payable during the 2007-2008 school year pursuant to section 10 of P.L.2000, c.72 (C.18A:7G-10) and the adjustments required based on the difference between the amounts calculated using actual 2005-2006 principal and interest amounts and the amounts allocated and paid in 2005-2006.

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 percent. Notwithstanding the provisions of section 10 of P.L.2000, c.72 (C.18A:7G-10), for the purposes of calculating aid, CCSAID will be equal to the district's Core Curriculum Standards Aid calculated pursuant to section 15 of P.L.1996, c.138 (C.18A:7F-15) for fiscal 2002 and TEBUD shall be equal to the district's T&E budget calculated pursuant to subsection d. of section 13 of P.L.1996, c.138 (C.18A:7F-13) for fiscal 2002.

Such additional sums as may be required for Teachers' Pension and Annuity Fund - Post Retirement Medical are appropriated, as the Director of the Division of Budget and Accounting shall determine.

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.

Such additional sums as may be required for the Teachers' Pension and Annuity Fund - Non-contributory Insurance and Post Retirement Medical Other Than TPAF are appropriated, as the Director of the Division of Budget and Accounting shall determine.

35 Education Administration and Management

DIRECT STATE SERVICES

42-5120 School Finance	\$3,773,000
43-5092 Compliance and Auditing	2,036,000
99-5095 Administration and Support Services	<u>10,564,000</u>
Total Direct State Services Appropriation, Education	
Administration and Management	<u>\$16,373,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$13,892,000)
Materials and Supplies	(301,000)
Services Other Than Personal	(884,000)
Maintenance and Fixed Charges	(67,000)

Special Purpose:

42 Early Childhood Enrollment Audits	(178,000)
43 Internal Auditing	(600,000)
43 Early Childhood Compliance Audits	(298,000)
99 State Board of Education Expenses	(85,000)
99 Affirmative Action and Equal	
Employment Opportunity Program	(68,000)

Receipts derived from fees for school district personnel background checks and unexpended balances at the end of the preceding fiscal year of such receipts are appropriated for the cost of operation.

The unexpended balance at the end of the preceding fiscal year in the Student Registration and Record System account are appropriated for the same purpose.

Costs attributable to EdSmart and EasyIEP shall be paid from revenue received from the Special Education Medicaid Initiative (SEMI) and the Medicaid Administrative Claiming (MAC) programs and are appropriated for these purposes to the Student Registration and Record System account upon recommendation from the Commissioner of Education, subject to the approval of the Director of the Division of Budget and Accounting.

In the event that revenues received from the Special Education Medicaid Initiative (SEMI) and the Medicaid Administrative Claiming (MAC) programs are insufficient to satisfy costs attributable to EdSmart and EasyIEP, there are appropriated to the Student Registration and Record System account such sums as may be required as the Director of the Division of Budget and Accounting shall determine.

CAPITAL CONSTRUCTION

99-5095 Administration and Support Services	<u>\$400,000</u>
Total Capital Construction Appropriation, Education	
Administration and Management	<u>\$400,000</u>

Capital Projects:

99 Fire Sprinkler Systems, Various	
Regional Day Schools	(\$400,000)

Department of Education, Total State Appropriation \$11,002,082,000

Of the amount appropriated hereinabove from the General Fund for the Department of Education, or otherwise available from federal sources, there are appropriated funds

- to establish a School Security Planning and Assurance Unit within the Department of Education, staffed to plan, coordinate, and conduct an on-going comprehensive security assessment and vulnerability reduction program for school sites Statewide, in collaboration with schools and law enforcement, subject to the approval of the Director of the Division of Budget and Accounting.
- Such additional sums as may be necessary are appropriated for implementation of the recommendations of the reorganization study performed in accordance with P.L.2007, JR-3, subject to the approval of the Director of the Division of Budget and Accounting.
- Additional sums as may be necessary for the Department of Education for additional oversight costs as required by P.L.2007, c.53 (C.18A:55-3 et al.), sections 2 through 7 and section 44 of P.L.2007, c.62 (C.18A:7F-37 through 18A:7F-42, 18A:16-19.1) and sections 42 through 58 of P.L.2007, c.63 (C.18A:7-1 through 18A:7-16 and 18A:13-52) for financial oversight of schools and the costs for development of a school funding formula for the consideration of the Governor and the Legislature are appropriated, subject to the approval of the Director of the Division of Budget and Accounting. Provided however, the amount appropriated for costs for the development of a school funding formula shall not exceed \$750,000.
- Upon notification to the Legislative Budget and Finance Officer, the Director of the Division of Budget and Accounting is authorized to adjust the Direct State Services appropriations accounts in the Department of Education to reflect the reorganization of the department, as approved by the State Board of Education in March, 2007. In the case of further reorganization of the department adopted pursuant to P.L.2007, J.R. No. 3, the Legislative Budget and Finance Officer shall be notified at least 10 days in advance of the adjustment made by the Director of the Division of Budget and Accounting. 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 reorganization.
- Of the amount hereinabove appropriated 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 February 22, 2007 first shall be charged to the State Lottery Fund.
- Notwithstanding the provisions of any law or regulation to the contrary, monies directed to be paid to the Department of Education as a result of settlement of litigation by the Board of Public Utilities or to be paid to the Department of Education in connection with a stipulation of settlement in a merger approved by the Board of Public Utilities are appropriated for the purposes specified in the settlement agreement or stipulation, subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balances at the end of the preceding fiscal year 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 the provisions of any law or regulation 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, providing unrestricted balances are available from the General Fund, as determined by the Director of the Division of Budget and Accounting.
- Notwithstanding the provisions of any law or regulation to the contrary, each district shall receive no less of a total State aid amount payable for the 2007-2008 school year than

the sum of the district's total State aid amount payable for the 2006-2007 school year for the following aid categories: Core Curriculum Standards Aid, Supplemental Core Curriculum Standards Aid, Early Childhood Program Aid, Instructional Supplement Aid, Demonstrably Effective Program Aid, Stabilization Aid, Stabilization Aid 2, Stabilization Aid 3, Large Efficient District Aid, Aid for Districts with High Senior Citizen Populations, Regionalization Incentive Aid, Adult and Postsecondary Education Grants, Bilingual Education Aid, Special Education Aid, County Vocational Program Aid, Transportation Aid, High Expectations for Learning Proficiency, Consolidated Aid, School Choice, Abbott-Bordered District Aid, Above Average Enrollment Growth, and Aid for Enrollment Adjustments, taking into consideration the June 2007 payment made in July 2007.

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.

Notwithstanding the provisions of section 8 of P.L.1996, c.138 (C.18A:7F-8), five percent of the total payments to local districts for Education Opportunity Aid, Core Curriculum Standards Aid, Supplemental Core Curriculum Standards Aid, Special Education, Transportation, Early Childhood programs, Demonstrably Effective programs, Instructional Supplement, Bilingual, County Vocational Educational program, other aid pursuant to P.L.1996, c.138, School Choice, Consolidated Aid, Abbott-Bordered District Aid and Additional Formula Aid, as provided by the Department of Education to the local school districts for the 2007-2008 school year in the 2007-08 General Fund and Special Revenue Fund State Aid Payments Schedule, shall be paid on the 8th and 22nd of each month from September through June, with the last school aid payment being subject to the approval of the State Treasurer.

From the amounts hereinabove, such sums as are required to satisfy delayed June 2007 school aid payments are appropriated and the State Treasurer is hereby authorized to make such payment in July 2007.

Notwithstanding the provisions of any law or regulation to the contrary, any school district receiving a final judgment or order against the State to assume the fiscal responsibility for the residential placement of a special education student shall have the amount of the judgment or order deducted from the State aid to be allocated to that district.

Notwithstanding the provisions of any law or regulation to the contrary, the Commissioner of Education may reduce the total State Aid amount payable for the 2007-2008 school year for a district in which an independent audit of the 2006-2007 school year conducted pursuant to N.J.S.18A:23-1 identifies any deviation from the Uniform Minimum Chart of Accounts after the recalculation of the district's actual "Total Administrative Costs" pursuant to N.J.A.C.6A:23-8.2.

Notwithstanding the provisions of any law or regulation to the contrary, the Commissioner of Education may reduce State aid payments to any district by any amounts found to be in violation of restrictions placed on travel expenditures in accordance with regulations adopted by the commissioner.

Notwithstanding the provisions of any law or regulation to the contrary, the Commissioner of Education may withhold State aid payments to a school district that has not submitted in final form the data elements requested for inclusion in a Statewide data warehouse within 60 days of the department's initial request or its request for additional information, whichever is later.

In the event that sufficient balances are not available in the "School District Deficit Relief Account" for amounts recommended by the Commissioner of Education to the State Treasurer for advance State Aid payments in accordance with P.L.2006, c.15 (C.18A:7A-58 et seq.), the Director of the Division of Budget and Accounting is authorized to transfer such sums as required from available balances in State Aid accounts.

Notwithstanding the provisions of "The State Facilities Education Act of 1979," P. L. 1979, c. 207 (C.18A:7B-1 et seq.) and section 24 of P.L.1996, c.138 (C.18A:7F-24), or any law or regulation to the contrary, the amount of Department of Education State aid appropriations made available to the Department of Human Services, the Department of Children and Families, the Department of Corrections or the Juvenile Justice Commission pursuant to P.L.1979, c.207 (C.18A:7B-1 et al.) to defray the costs of educating eligible children in approved facilities under contract with the applicable department shall be made at annual rate and payment schedule adopted by the Commissioner of Education and the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law or regulation to the contrary, Special Education Aid for pupils classified as severe cognitive impairment 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 or the Department of Children and Families, tuition shall be withheld and paid to the respective department.

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.

***Summary of Department of Education Appropriations
(For Display Purposes Only)***

Appropriations by Category:

Direct State Services	\$76,733,000
Grants-in-Aid	31,688,000
State Aid	10,890,861,000
Capital Construction	2,800,000

Appropriations by Fund:

General Fund	\$997,345,000
Property Tax Relief Fund	10,004,737,000

42 DEPARTMENT OF ENVIRONMENTAL PROTECTION

40 Community Development and Environmental Management

42 Natural Resource Management

DIRECT STATE SERVICES

11-4870 Forest Resource Management	\$8,304,000
12-4875 Parks Management	39,084,000
13-4880 Hunters' and Anglers' License Fund	15,080,000
14-4885 Shellfish and Marine Fisheries Management	1,885,000
20-4880 Wildlife Management	1,390,000
21-4895 Natural Resources Engineering	1,318,000
24-4876 Palisades Interstate Park Commission	<u>2,528,000</u>
Total Direct State Services Appropriation, Natural Resource Management	<u>\$69,589,000</u>

Direct State Services:**Personal Services:**

Salaries and Wages	(\$45,740,000)
Employee Benefits	(3,199,000)
Materials and Supplies	(4,782,000)
Services Other Than Personal	(2,192,000)
Maintenance and Fixed Charges	(3,433,000)

Special Purpose:

11 Fire Fighting Costs	(2,759,000)
12 Green Acres/Open Space Administration ..	(4,683,000)
12 Liberty State Park Commission	(11,000)
12 Natural Lands Trust	(79,000)
12 Natural Areas Council	(3,000)
20 Matching Grant for Wildlife Habitat Federal Grants	(382,000)
20 Endangered Species Tax Check - Off Donations	(158,000)
20 Black Bear Management	(850,000)
21 Dam Safety	(1,318,000)

In addition to the amount hereinabove appropriated for Forest Resource Management, an amount not to exceed \$500,000 shall be made available from the Water Resources Monitoring and Planning-Constitutional Dedication special purpose account, to support nonpoint source pollution and watershed management programs in the Bureau of Forestry.

Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove for the Green Acres/Open Space Administration account is transferred from the Garden State Preservation Trust to the General Fund, together with an amount not to exceed \$468,000, and is appropriated to the Department of Environmental Protection for Green Acres/Open Space Administration, subject to the approval of the Director of the Division of Budget and Accounting.

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 at the end of the preceding fiscal year of such receipts, are appropriated for Parks Management, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from police court, stands, concessions, and self-sustaining activities operated or supervised by the Palisades Interstate Park Commission, and the unexpended balance at the end of the preceding fiscal year of such receipts, are appropriated.

Of the amount hereinabove for the Hunters' and Anglers' License Fund, the first \$11,000,000 is payable out of that fund and any amount remaining therein and the unexpended balance at the end of the preceding fiscal year of the receipts 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 from the fund 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 waterfowl stamps and 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 at the end of the preceding fiscal year, 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 \$3,166,000 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 \$1,058,000 is allocated from the capital construction appropriation for HR-6 Flood Control for costs attributable to the operation and administration of the State Flood Control Program, subject to the approval of the Director of the Division of Budget and Accounting.
- An amount not to exceed \$440,000 is allocated from the capital construction appropriation for Shore Protection Fund Projects for the operation and maintenance of the Bayshore Flood Control facility.
- An amount not to exceed \$68,000 is allocated from the 2003 Dam, Lake, Stream and Flood Control Project Fund-Flood Control account in accordance with the "Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003," P.L.2003, c.162, for costs attributable to flood control, subject to the approval of the Director of the Division of Budget and Accounting.
- An amount not to exceed \$255,000 is allocated from the 2003 Dam, Lake and Stream Project Revolving Loan Fund-Dam Safety account in accordance with the "Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003," P.L.2003, c.162, for costs attributable to dam safety, subject to the approval of the Director of the Division of Budget and Accounting.
- Of the amount hereinabove appropriated for the Recreational Land Development and Conservation - Constitutional Dedication account, an amount not to exceed five percent of the appropriation shall be allocated for costs associated with the administration of the program pursuant to the amendments effective December 7, 2006 to Article VIII, Section II, paragraph 6 of the State Constitution.

GRANTS-IN-AID

Loan repayments received from dam rehabilitation projects pursuant to P.L.1999, c.347, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

CAPITAL CONSTRUCTION

21-4895 Natural Resources Engineering	\$30,790,000
29-4875 Environmental Management - CBT Dedication	<u>21,924,000</u>
Total Capital Construction Appropriation, Natural Resource Management	<u>\$52,714,000</u>

Capital Projects:

Bureau of Parks:

- 29 Recreational Land Development and
Conservation - Constitutional
Dedication (\$21,924,000)

Natural Resources Engineering:

- 21 Shore Protection Fund Projects (25,000,000)
21 HR-6 Flood Control (5,790,000)

The amount hereinabove appropriated 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.

The amounts hereinabove appropriated for Recreational Land Development and Conservation - 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.

43 Science and Technical Programs

DIRECT STATE SERVICES

05-4840 Water Supply	\$8,157,000
15-4890 Land Use Regulation	13,061,000
18-4810 Science, Research and Technology	3,073,000
29-4850 Environmental Management -- CBT Dedication	<u>19,224,000</u>
Total Direct State Services Appropriation, Science and Technical Programs	<u>\$43,515,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$9,634,000)
Materials and Supplies	(68,000)
Services Other Than Personal	(2,126,000)
Maintenance and Fixed Charges	(82,000)

Special Purpose:

05 Administrative Costs Water Supply Bond Act of 1981 - Management	(2,165,000)
05 Administrative Costs Water Supply Bond Act of 1981 - Watershed and Aquifer	(1,649,000)
05 Administrative Costs Water Supply Bond Act of 1981 - Planning and Standards	(312,000)
05 Water/Wastewater Operators Licenses	(43,000)
05 Safe Drinking Water Fund	(2,333,000)
15 Tidelands Resource Council	(12,000)
15 Tidelands Peak Demands	(2,849,000)
15 Office of Permit Information and Assistance	(580,000)
15 Highlands Permitting	(2,188,000)
18 Hazardous Waste Research	(250,000)
29 Water Resources Monitoring and Planning - Constitutional Dedication	(19,224,000)

The amounts hereinabove appropriated 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 \$88,000, for costs attributable to administration of water supply programs, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove appropriated for the Safe Drinking Water Fund account is appropriated from receipts received pursuant to the "Safe Drinking Water Act," P.L.1977, c.224 (C.58:12A-1 et seq.), together with an amount not to exceed \$1,289,000, for administration of the Safe Drinking Water program and the Private Well Testing 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.

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 appropriated for the Environmental Management - CBT Dedication 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 at the end of the preceding fiscal year in the Water Resources Monitoring and Planning-Constitutional Dedication special purpose account is appropriated to be used in a manner consistent with the requirements of the constitutional dedication.

Notwithstanding the provisions of any law or regulation to the contrary, funds appropriated in the Water Resources Monitoring and Planning- Constitutional Dedication special purpose account shall be made available to support nonpoint source pollution and watershed management programs, consistent with the constitutional dedication, within the Department of Environmental Protection in the amounts of \$1,536,000 for Water Monitoring and Standards, \$1,392,000 for New Jersey Geological Survey, \$157,000 for Watershed Management, \$500,000 for Forestry Management, and \$790,000 transferred to the Department of Agriculture to support the Conservation Cost Share program, at a level of \$540,000, and the Conservation Assistance Program, at a level of \$250,000, on or before September 1, 2007.

Notwithstanding the provisions of the "Spill Compensation and Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.) and the "Safe Drinking Water Act," P.L.1977, c.224 (C.58:12A-1 et seq.), the Commissioner of the Department of Environmental Protection may utilize from the funds appropriated from those sources hereinabove such sums as the Commissioner may determine as necessary to broaden the department's research efforts to address emerging environmental issues.

In addition to the federal funds amount hereinabove for the Water Supply program classification, such additional sums that may be received from the federal government for the Drinking Water State Revolving Fund program are appropriated.

Receipts in excess of those anticipated for Water Allocation Fees, and the unexpended balance at the end of the preceding fiscal year of such receipts, are appropriated to the Department of Environmental Protection to offset the costs of the Water Supply program, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the individual amounts anticipated for Coastal Area Facility Review Act, Freshwater Wetlands, Stream Encroachment, Waterfront Development, and Wetlands fees, and the unexpended balance at the end of the preceding year of such receipts, are appropriated for administrative costs associated with Land Use Regulation, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year, of the amounts appropriated pursuant to P.L.2004, c.71 from the Water Supply Fund established in Section 14 of the "Water Supply Bond Act of 1981," P.L.1981, c.261, is appropriated to the Department of Environmental Protection to be used for water supply demonstration projects consistent with the "Water Supply Bond Act of 1981," P.L.1981, c.261, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amounts anticipated for Well Permits/Well Drillers/Pump Installers Licenses, and the unexpended balances at the end of the preceding year of such receipts, are appropriated to the Department of Environmental Protection for the

Water Supply Program and for the Private Well Testing Program, 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, in addition to the amounts appropriated hereinabove, there is appropriated to the Department of Environmental Protection from the Clean Energy Fund the amount of \$2,000,000 for an Ocean/Wind Power Ecological Baseline Study.

GRANTS-IN-AID

07-4850 Water Monitoring and Standards	\$400,000
29-4850 Environmental Management - CBT Dedication	<u>2,700,000</u>
Total Grants-in-Aid Appropriation, Science and Technical Programs	<u>\$3,100,000</u>

Grants-in-Aid:

07 Lake Hopatcong Commission	(\$400,000)
29 Watershed Restoration Projects	(2,700,000)

The unexpended balance at the end of the preceding fiscal year in the Stormwater Management Grants account is appropriated.

Of the amounts appropriated for the Stormwater Management Grants program, such sums as are necessary or required may be transferred to the Water Resources Monitoring and Planning - Constitutional Dedication special purpose account, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove appropriated for Watershed Restoration Projects 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 at the end of the preceding fiscal year in the Watershed Restoration Projects account is appropriated.

There is appropriated to the Lake Hopatcong Commission such sums as may be collected from a boat registration surcharge, authorized pursuant to pending legislation, for the purposes of continuing operations of the Commission.

44 Site Remediation and Waste Management

DIRECT STATE SERVICES

23-4910 Solid and Hazardous Waste Management	\$6,042,000
27-4815 Remediation Management and Response	29,552,000
29-4815 Environmental Management -- CBT Dedication	<u>13,155,000</u>
Total Direct State Services Appropriation, Site Remediation and Waste Management	<u>\$48,749,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$15,544,000)
Materials and Supplies	(166,000)
Services Other Than Personal	(1,866,000)
Maintenance and Fixed Charges	(389,000)

Special Purpose:

23 Office of Dredging and Sediment Technology	(375,000)
27 Hazardous Discharge Site Cleanup Fund - Responsible Party	(16,215,000)
27 Underground Storage Tanks	(919,000)
29 Cleanup Projects Administrative Costs - Constitutional Dedication	(13,155,000)
Additions, Improvements and Equipment	(120,000)

- The amount hereinabove for the Office of Dredging and Sediment Technology is appropriated from the 1996 Dredging and Containment Facility Fund, created pursuant to section 18 of P.L.1996, c.70, the "Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development Bond Act of 1996," together with an amount not to exceed \$228,000 for the administration of the Dredging and Sediment Technology program, subject to the approval of the Director of the Division of Budget and Accounting.
- 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.).
- In addition to site specific charges, the amounts hereinabove for the Remediation Management and Response program classification, 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 \$6,593,000 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 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 \$10,552,000 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 and the Remediation Management and Response program classification, such additional sums that may be received from the federal government for the Superfund Grants program are hereby appropriated.
- The amount hereinabove appropriated for the Environmental Management - CBT Dedication 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 at the end of the preceding fiscal year 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 in excess of the amount anticipated from Solid Waste Utility Regulation, and the unexpended balance at the end of the preceding fiscal year of such receipts, are appropriated to the Solid and Hazardous Waste Management program classification for costs incurred to oversee the State's recycling efforts and other solid waste program activities.
- There is appropriated from the Clean Communities Program Fund such sums as may be available to meet the following requirements: 1) 25% of the estimated annual balance up to \$4,000,000, as determined by the Director of the Division of Budget and Accounting, to the State Recycling Fund established pursuant to section 5 of P.L.1981, c.278 (C.13:1E-96); 2) \$300,000 of the estimated annual balance to the Department of Environmental Protection for an organization under contract with the Department which meets the requirements pursuant to subsection d. of section 6 of P.L.2002, c.128 (C.13:1E-218); and 3) the balance, as determined by the Director of the Division of Budget and Accounting, of the Clean Communities Program Fund established pursuant to section 5 of P.L.2002, c.128 (C.13:1E-217) for the purposes set forth in subsections a., b., c., and d. of that section.

Receipts derived from the sale of salvaged materials are appropriated to offset costs incurred in the cleanup and removal of hazardous substances.

Receipts deposited to the Resource Recovery Investment Tax Fund and the Solid Waste Services Tax Fund are 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.

Notwithstanding the provisions of P.L.1954, c.48 (C.52:34-6 et seq.), monies appropriated to the Department of Environmental Protection from the Clean Communities Program Fund shall be provided by the Department to the Clean Communities Council pursuant to a contract between the Department and the Clean Communities Council to implement the requirements of the Clean Communities Program pursuant to subsection d. of section 6 of P.L.2002, c.128 (C.13:1E-218).

There is hereby appropriated from the Petroleum Underground Storage Tank Remediation, Upgrade, and Closure Fund an amount not to exceed \$1,000,000 for costs associated with the Department's administration of the loan and grant program for the upgrade, replacement or closure of underground storage tanks that store or were used to store hazardous substances pursuant to the amendments effective December 8, 2005 to Article VIII, Section II, paragraph 6 of the State Constitution. The unexpended balance at the end of the preceding fiscal year in the Private Underground Tank Administrative Costs - Constitutional Dedication account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Passaic River Cleanup Litigation account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated to the Department of Environmental Protection from those facilities submitting environmental assessments required for licensing pursuant to subsection f. of section 7 of P.L.2006, c.47 (C.9:3A-7) and section 5 of P.L.1983, c.492 (C.30:5B-5) such sums as may be collected to offset the Department's cost related to the environmental inspection of day care facilities.

CAPITAL CONSTRUCTION

29-4815 Environmental Management - CBT Dedication	<u>\$64,310,000</u>
Total Capital Construction Appropriation, Site	
Remediation and Waste Management	\$64,310,000

Capital Projects:

29 Hazardous Substance Discharge	
Remediation - Constitutional	
Dedication	(\$27,770,000)
29 Hazardous Substance Discharge	
Remediation Loans and Grants -	
Constitutional Dedication	(36,540,000)

The amounts hereinabove appropriated for Hazardous Substance Discharge Remediation - Constitutional Dedication and Hazardous Substance Discharge Remediation Loans and Grants - 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, such sums as necessary, as determined by the Director of the Division of Budget and Accounting, shall be made available for site remediation

costs associated with State-owned properties and State-owned underground storage tanks.

All natural resource damages recovered by the State shall be deposited in the Hazardous Discharge Site Cleanup Fund established pursuant to section 1 of P.L.1985, c.247 (C.58:10-23.34), and are appropriated for the direct and indirect costs of restoration, associated consulting and legal services, and grants to local governments and nonprofit organizations to further implement restoration activities of the Office of Natural Resource Restoration.

Funds made available for the remediation of the discharges of hazardous substances pursuant to the amendments effective December 4, 2003, to Article VIII, Section II, paragraph 6 of the State Constitution and appropriated hereinabove, shall be allocated to the Economic Development Authority's Hazardous Discharge Site Remediation Fund and the Department of the Treasury's Brownfield Site Reimbursement Fund, subject to the approval of the Director of the Division of Budget and Accounting.

45 Environmental Regulation

DIRECT STATE SERVICES

01-4820 Radiation Protection	\$7,066,000
02-4892 Air Pollution Control	17,327,000
08-4891 Water Pollution Control	8,282,000
09-4860 Public Wastewater Facilities	<u>3,176,000</u>
Total Direct State Services Appropriation, Environmental Regulation	<u>\$35,851,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$20,041,000)
Materials and Supplies	(255,000)
Services Other Than Personal	(4,908,000)
Maintenance and Fixed Charges	(203,000)

Special Purpose:

01 Nuclear Emergency Response	(2,410,000)
01 Quality Assurance - Lab Certification Programs	(1,743,000)
02 Pollution Prevention	(1,497,000)
02 Toxic Catastrophe Prevention	(1,173,000)
02 Worker and Community Right to Know Act	(1,057,000)
02 Oil Spill Prevention	(2,564,000)

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 at the end of the preceding fiscal year in the Nuclear Emergency Response account, together with receipts in excess of the amount anticipated, not to exceed \$1,069,000, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated 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.

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 \$607,000, for administration of the Pollution Prevention 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.

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, and the receipts in excess of the amount anticipated, not to exceed \$524,000, 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 \$1,227,000, 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 in excess of the amount anticipated from fees and permit receipts from the Title V Operating Permits, and the unexpended balance at the end of the preceding fiscal year of such receipts, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

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.

Receipts in excess of those anticipated from Air Permitting Minor Source Fees are appropriated to the Department of Environmental Protection for expansion of the Air Pollution Control program, of which \$1,000,000 shall be made available for County Environmental Health Act agencies to inspect non-major source facilities, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provision of subsection b. of section 1 of P.L.2005, c.202 (C.58:11B-10.2) or any law or regulation to the contrary, in addition to the amount anticipated to the General Fund from the Environmental Infrastructure Financing Program Administrative Fee, there is appropriated \$1,889,000 to the Department of Environmental Protection for associated administrative and operating expenses, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amount hereinabove for the Diesel Risk Mitigation Fund - Constitutional Dedication, an amount not to exceed \$1,150,000 shall be appropriated for costs associated with the administration of the program pursuant to the amendments effective December 8, 2005, to Article VIII, Section II, paragraph 6 of the State Constitution. The unexpended balance at the end of the preceding fiscal year in the Diesel Risk Mitigation Fund Administrative Costs - Constitutional Dedication account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

29-4892 Environmental Management - CBT Dedication \$24,847,000
Total Grants-in-Aid Appropriation, Environmental Regulation . . . \$24,847,000

Grants-in-Aid:

29 Diesel Risk Mitigation Fund -
Constitutional Dedication (\$24,847,000)

The amount hereinabove appropriated for the Diesel Risk Mitigation Fund - 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. The unexpended balance at the end of the preceding fiscal year in the Diesel Risk Mitigation Fund - Constitutional Dedication account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting. Notwithstanding any other law to the contrary, funds appropriated from the Diesel Risk Mitigation Fund - Constitutional Dedication account may be used to reimburse the owner of a regulated vehicle or regulated equipment as defined by section 2 of P.L.2005, c.219 (C.26:2C-8.27) for the cost of repowering or rebuilding a diesel engine if repowering or rebuilding results in a reduction of fine particle diesel emissions from that engine as approved by the Department of Environmental Protection and in accordance with rules adopted pursuant thereto. Any reimbursement shall be subject to conditions and limitations provided in P.L.2005, c.219 (C.26:2C-8.26 et seq.) and rules adopted pursuant thereto and shall not exceed the amount of the lowest priced retrofit device on the State Contract at the prescribed best available retrofit technology level for the subject vehicle or equipment type.

46 Environmental Planning and Administration

DIRECT STATE SERVICES

26-4805 Regulatory and Governmental Affairs	\$2,005,000
99-4800 Administration and Support Services	<u>18,887,000</u>
Total Direct State Services Appropriation, Environmental Planning and Administration	<u>\$20,892,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$17,973,000)
Materials and Supplies	(96,000)
Services Other Than Personal	(1,055,000)
Maintenance and Fixed Charges	(170,000)

Special Purpose:

99 New Jersey Environmental Management System	(1,500,000)
99 Affirmative Action and Equal Employment Opportunity	(98,000)

STATE AID

99-4800 Administration and Support Services	<u>\$17,263,000</u>
(From General Fund	\$7,763,000)
(From Property Tax Relief Fund	9,500,000)
Total State Aid Appropriation, Environmental Planning and Administration	<u>\$17,263,000</u>
(From General Fund	\$7,763,000)
(From Property Tax Relief Fund	9,500,000)

State Aid:

99 Mosquito Control, Research, Administration and Operations	(\$1,515,000)
99 Payment in Lieu of Taxes (PTRF)	(9,500,000)
99 Administration and Operations of the Highlands Council	(3,000,000)
99 Administration, Planning and Development Activities of the Pinelands Commission	(3,248,000)

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 at the end of the preceding fiscal year in the Mosquito Control, Research, Administration and Operations account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

If the amount appropriated herein for Payment in Lieu of Taxes is insufficient to compensate municipalities for land owned by the State for recreation and conservation 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 law or regulation 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.

47 Compliance and Enforcement DIRECT STATE SERVICES

02-4855 Air Pollution Control	\$4,586,000
04-4835 Pesticide Control	2,468,000
08-4855 Water Pollution Control	6,161,000
15-4855 Land Use Regulation	1,998,000
23-4855 Solid and Hazardous Waste Management	<u>6,347,000</u>
Total Direct State Services Appropriation, Compliance and Enforcement	<u>\$21,560,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$17,184,000)
Materials and Supplies	(182,000)
Services Other Than Personal	(2,722,000)
Maintenance and Fixed Charges	(512,000)

Special Purpose:

15 Tidelands Peak Demands	(960,000)
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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>\$3,453,000</u>
Total State Aid Appropriation, Compliance and Enforcement ...	<u>\$3,453,000</u>

State Aid:

08 County Environmental Health Act (\$3,453,000)

Department of Environmental Protection,

Total State Appropriation \$405,843,000

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. If receipts are less than anticipated, the appropriation shall be reduced proportionately. In addition, there is appropriated an amount not to exceed \$3,445,000 from the same source for other administrative costs, including legal services, 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, with regard to the fee-related appropriations provided hereinabove, 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 the provisions of any law or regulation to the contrary, 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 law or regulation to the contrary, of the amounts appropriated for site remediation, 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.

Receipts in excess of the amount anticipated for Air Pollution, Clean Water Enforcement, Land Use, Solid Waste, and Hazardous Waste fines are appropriated for the expansion of compliance, enforcement and permitting efforts in the Department, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of those anticipated from New Jersey Pollutant Discharge Elimination System/Stormwater Permits, and the unexpended balance at the end of the preceding fiscal year of such receipts, are appropriated to the Department of Environmental Protection to offset the costs of the Water Pollution Control Program, 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 law or regulation to the contrary, of the amounts appropriated for water resource evaluation studies and monitoring, the Department of Environmental Protection may enter into contracts with the United States Geological Survey to provide the State's match to joint funding agreements for water resource evaluation studies and monitoring analyses.

Of the amount hereinabove appropriated for the Hazardous Substance Discharge Remediation Loans and Grants-Constitutional Dedication account, an amount not to exceed \$2,000,000 shall be allocated for costs associated with the State Underground Storage Tank Inspection Program, pursuant to the amendments effective December 4, 2003, to Article VIII, Section II, paragraph 6 of the State Constitution. The unexpended balance at the end of the preceding fiscal year in the Underground Storage

Tank Inspection Program account is appropriated, 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, of the amounts appropriated for environmental restoration and mitigation, the Department of Environmental Protection may enter into agreements with the United States Army Corps of Engineers to provide the State's matching share to any federally authorized restoration or mitigation projects.

***Summary of Department of Environmental Protection Appropriations
(For Display Purposes Only)***

Appropriations by Category:

Direct State Services	\$240,156,000
Grants in Aid	27,947,000
State Aid	20,716,000
Capital Construction	117,024,000

Appropriations by Fund:

General Fund	\$396,343,000
Property Tax Relief Fund	9,500,000

46 DEPARTMENT OF HEALTH AND SENIOR SERVICES

20 Physical and Mental Health

21 Health Services

DIRECT STATE SERVICES

01-4215 Vital Statistics	\$1,678,000
02-4220 Family Health Services	2,178,000
03-4230 Public Health Protection Services	30,784,000
08-4280 Laboratory Services	8,048,000
12-4245 AIDS Services	<u>1,991,000</u>
Total Direct State Services Appropriation, Health Services	<u>\$44,679,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$16,035,000)
Materials and Supplies	(2,229,000)
Services Other Than Personal	(937,000)
Maintenance and Fixed Charges	(153,000)

Special Purpose:

02 WIC Farmers Market Program	(87,000)
02 Breast Cancer Public Awareness Campaign	(90,000)
02 Identification System for Children's Health and Disabilities	(300,000)
02 Public Awareness Campaign for Black Infant Mortality	(500,000)
03 New Jersey Domestic Security Preparedness	(1,450,000)
03 Medical Emergency Disaster Preparedness for Bioterrorism	(4,000,000)
03 Cancer Registry	(400,000)
03 Cancer Investigation and Education	(500,000)
03 Emergency Medical Services for Children ...	(50,000)
03 School Based Programs and Youth Anti-Smoking	(7,000,000)
03 Anti-Smoking Programs	(4,000,000)

- 03 New Jersey State Commission on
Cancer Research (1,000,000)
 - 03 Medical Waste Management Program (720,000)
 - 03 Animal Welfare (300,000)
 - 03 Worker and Community Right to
Know Program (2,288,000)
 - 03 New Jersey Coalition to Promote
Cancer Prevention, Early Detection
and Treatment (200,000)
 - 08 New Jersey Domestic Security
Preparedness (1,800,000)
 - 08 West Nile Virus - Laboratory (640,000)
- The unexpended balance at the end of the preceding fiscal year in the New Jersey Emergency Medical Service Helicopter Response Program account is appropriated.
- Notwithstanding the provisions of any law or regulation to the contrary, there is appropriated \$150,000 from the "Emergency Medical Technician Training Fund" to fund the Emergency Medical Services for Children program.
- Notwithstanding the provisions of any law or regulation to the contrary, there is appropriated from the "Emergency Medical Technician Training Fund" \$79,000 for Emergency Medical Services and \$125,000 for the First Response EMT Cardiac Training Program.
- The amount hereinabove appropriated 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 at the end of the preceding fiscal year 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 at the end of the preceding fiscal year in the Medical Waste Management Program 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 al.), is appropriated.
- 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 appropriated for the Worker and Community Right to Know account is payable out of the "Worker and Community Right to Know Fund," and the receipts in excess of the amount anticipated, not to exceed \$764,000, are appropriated. If receipts to that fund are less than anticipated, the appropriation shall be reduced proportionately.
- Receipts derived from the agency surcharge on vehicle rentals pursuant to section 54 of P.L.2002, c.34 (C.App.A:9-78), not to exceed \$4,722,000, are appropriated for the Medical Emergency Disaster Preparedness for Bioterrorism program and shall be deposited into a dedicated account, the expenditure of which shall be 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 amounts hereinabove appropriated for the two anti-smoking programs (School Based Programs and Youth Anti-Smoking, and Anti-Smoking Programs) shall be charged to the proceeds of the increase in the cigarette tax, established pursuant to P.L.2002, c.33.

Notwithstanding the provisions of section 4 of P.L.1997, c.264 (C.26:2H-18.58g), \$11,000,000 is appropriated for anti-smoking programs (School Based Programs and Youth Anti-Smoking, and Anti-Smoking Programs).

In order to permit flexibility in the handling of the various appropriations for anti-tobacco initiative accounts hereinabove, funds may be transferred to and from the following items of appropriations: School Based Programs and Youth Anti-Smoking, and Anti-Smoking Programs. Such transfers are 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.

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.), 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.

GRANTS-IN-AID

02-4220 Family Health Services	\$140,134,000
<i>(From General Fund</i>	<i>\$139,605,000)</i>
<i>(From Casino Revenue Fund</i>	<i>529,000)</i>
03-4230 Public Health Protection Services	72,403,000
12-4245 AIDS Services	<u>30,607,000</u>
Total Grants-in-Aid Appropriation, Health Services	<u>\$243,144,000</u>
<i>(From General Fund</i>	<i>\$242,615,000)</i>
<i>(From Casino Revenue Fund</i>	<i>529,000)</i>

Grants-in-Aid:

03 Tamiflu Prescription Medicine	(\$6,000,000)
02 Family Planning Services	(7,509,000)
02 Hemophilia Services	(1,371,000)
02 Special Health Services for Handicapped Children	(2,366,000)
02 Chronic Renal Disease Services	(483,000)
02 Federally Qualified Health Centers -- Services to the Homeless	(500,000)
02 Pharmaceutical Services for Adults with Cystic Fibrosis	(357,000)
02 Birth Defects Registry	(33,000)
02 Statewide Birth Defects Registry (CRF)	(529,000)
02 Community Provider Cost of Living Adjustment, Family Health Services	(3,925,000)
02 Maternal and Child Health Services	(5,747,000)
02 Lead Poisoning Program	(927,000)
02 Poison Control Center	(551,000)
02 Early Childhood Intervention Program ...	(97,009,000)
02 Cleft Palate Programs	(685,000)
02 Tourette Syndrome Association of New Jersey	(1,250,000)

02 Cancer Screening - Early Detection and Education Program	(5,672,000)
02 SIDS Assistance Act	(207,000)
02 Services to Victims of Huntington's Disease	(313,000)
02 Postpartum Education Campaign	(2,500,000)
02 Postpartum Screening	(2,000,000)
02 New Jersey Council on Physical Fitness and Sports	(50,000)
02 Federally Qualified Health Centers - Services to Family Care Clients	(5,000,000)
02 Mobile Health Van Pilot Program	(900,000)
02 Camden Eye Center	(250,000)
03 Tuberculosis Services	(1,630,000)
03 Implementation of Comprehensive Cancer Control Program	(1,500,000)
03 Community Provider Cost of Living Adjustment, Public Health Protection	(141,000)
03 Immunization Services	(880,000)
03 AIDS Communicable Disease Control	(471,000)
03 Cancer Institute of New Jersey	(25,250,000)
03 Cancer Research	(29,850,000)
03 Cancer Institute of New Jersey, South Jersey Program -- Debt Service	(6,400,000)
03 Worker and Community Right to Know	(281,000)
12 Community Provider Cost of Living Adjustment, AIDS Services	(1,609,000)
12 AIDS Grants	(18,698,000)
12 Rapid AIDS Testing	(4,200,000)
12 AIDS Resource Foundation	(100,000)
12 AIDS Drug Distribution Program	(6,000,000)
Of the amounts hereinabove appropriated for Family Planning Services, \$2,500,000 shall be appropriated to the Office of Maternal and Child Health in the Department of Health and Senior Services for family planning.	
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.	
Of the amount hereinabove appropriated for Cancer Screening-Early Detection and Education Program, an amount may be transferred to Direct State Services in the Department of Health and Senior Services to cover administrative costs of the program, subject to the approval of the Director of the Division of Budget and Accounting.	
There is appropriated \$570,000 from the Alcohol Education, Rehabilitation and Enforcement Fund to fund the Fetal Alcohol Syndrome Program.	
Of the amount hereinabove appropriated for the Implementation of Comprehensive Cancer Control Program, an amount may be transferred to Direct State Services in the Department of Health and Senior Services to cover administrative costs of the program and to the corresponding program in Family Health Services in the Department of Health and Senior Services for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.	
From the amount hereinabove appropriated for the Cancer Institute of New Jersey, \$250,000 is appropriated to the Ovarian Cancer Research Fund.	
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, established 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.

Notwithstanding the provisions of any law or regulation to the contrary, in order to maximize prescription drug coverage under the Medicare Part D program established pursuant to the federal "Medicare Prescription Drug, Improvement, and Modernization Act of 2003," the AIDS Drug Distribution Program (ADDP) shall be designated the authorized representative for the purposes of coordinating benefits with the Medicare Part D program, including enrollment and appeals of coverage determinations. ADDP is authorized to represent program beneficiaries in the pursuit of such coverage. ADDP representation shall not result in any additional financial liability on behalf of such program beneficiaries and shall include, but need not be limited to, the following actions: application for the premium and cost-sharing subsidies on behalf of eligible program beneficiaries; pursuit of appeals, grievances, or coverage determinations; and facilitated enrollment in a prescription drug plan or Medicare Advantage Prescription Drug plan. If the beneficiary declines enrollment in any Medicare Part D plan, the beneficiary shall be barred from all benefits of the ADDP Program.

Notwithstanding the provisions of any law or regulation to the contrary, the appropriation hereinabove to the AIDS Drug Distribution Program (ADDP) is conditioned upon the Department of Health and Senior Services coordinating the benefits of ADDP with the prescription drug benefits of the Medicare Part D program established pursuant to the federal "Medicare Prescription Drug, Improvement, and Modernization Act of 2003" as the primary payer. The ADDP benefit and reimbursement shall only be available to cover the beneficiary cost share to in-network pharmacies and for deductible and coverage gap costs, as determined by the Commissioner of Health and Senior Services, associated with enrollment in Medicare Part D for ADDP beneficiaries, and for Medicare Part D premium costs for ADDP beneficiaries.

Notwithstanding the provisions of any law or regulation to the contrary, effective January 1, 2006, no funds appropriated in the AIDS Drug Distribution Program (ADDP) account shall be available as payment as an ADDP benefit to any pharmacy that is not enrolled as a participating pharmacy in a pharmacy network under the Medicare Part D program established pursuant to the federal "Medicare Prescription Drug, Improvement, and Modernization Act of 2003."

Commencing with the start of the fiscal year, and consistent with the requirements of the federal "Medicare Prescription Drug, Improvement, and Modernization Act of 2003" (MMA), no funds hereinabove appropriated from the AIDS Drug Distribution Program (ADDP) account shall be expended for any individual enrolled in the ADDP program unless the individual provides all data that may be necessary to enroll the individual in the Medicare Part D program established pursuant to the MMA, including data required for the subsidy assistance, as outlined by the Centers for Medicare and Medicaid Services.

In order to permit flexibility in the handling of appropriations, amounts may be transferred to and from the various items of appropriation within the AIDS Services program classification 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.

Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove appropriated for the Early Childhood Intervention Program shall be conditioned on the Early Childhood Intervention Program's family cost sharing program involving a progressive charge for each hour of direct services provided to the

- child and/or the child's family in accordance with the child's Individualized Family Service Plan, based upon household size and gross income as set forth in the New Jersey Early Intervention System Family Cost Participation Handbook (June 2007).
- There are hereby appropriated such sums as are required to pay all amounts due from the State pursuant to any contract entered into between the State Treasurer and the New Jersey Health Care Facilities Financing Authority pursuant to section 6 of P.L.2000, c.98 (C.26:2I-7.1) in connection with the hospital asset transformation program.
- The unexpended balance at the end of the preceding fiscal year in the AIDS Drug Distribution Program account is appropriated, 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, any additional federal disproportionate share hospital matching funds received as a result of the conversion to a municipal hospital known as Hoboken University Medical Center are appropriated for the Hoboken University Medical Center in an amount to be determined by the Division of Medical Assistance and Health Services, subject to the approval of the Director of Budget and Accounting.
- The amount appropriated hereinabove for the Mobile Health Van Pilot Program shall be allocated by the Department to three health care entities, one in each of the northern, southern and central regions of New Jersey. In selecting the entities, the Department shall consider the concentration of Medicaid recipients and uninsured residents in the area and the capacity of the entity to service the maximum number of clients in its region.
- The Commissioner shall allocate the amount hereinabove appropriated for Federally Qualified Health Care Centers - Services to the Homeless to provide not less than \$50,000 to each of the five centers that received State funds in Fiscal Year 2007 for serving the homeless, and in allocating funds in excess of that amount to each center shall consider factors including, but not limited to, the number, type and location of available services, the growth in health care visits, and the availability of extended hours and specialty care services.
- From the amount hereinabove appropriated for Cancer Research, \$29,850,000 shall be allocated as follows: Cancer Institute of New Jersey, Newark, \$7,000,000; Cancer Institute of New Jersey, South Jersey, \$7,000,000; Robert Wood Johnson University Hospital, New Brunswick, \$7,000,000; St. Barnabas Medical Center, \$925,000; The Cancer Center at Hackensack University Medical Center, \$7,000,000; and Garden State Cancer Center, \$925,000. Each recipient of these funds shall report to the Joint Budget Oversight Committee not later than June 1, 2008 concerning the expenditure of its allocated funds.
- The unexpended balance at the end of the preceding fiscal year in the Cancer Research account is appropriated.
- The unexpended balance at the end of the preceding fiscal year in the Cancer Institute of New Jersey Research, South Jersey Program - Debt Service account is appropriated to the program for cancer-related capital equipment and expenditures, site acquisition and pre-development expenses.

STATE AID

03-4230 Public Health Protection Services	<u>\$2,400,000</u>
Total State Aid Appropriation, Health Services	<u>\$2,400,000</u>

State Aid:

03 Public Health Priority Funding (\$2,400,000)

The capitation for Public Health Priority Funding is set not to exceed \$.40 for the fiscal year ending June 30, 2008 for the purposes prescribed in P.L.1966, c.36 (C.26:2F-1 et seq.).

Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove appropriated for the Public Health Priority Funding shall not be allocated to county health departments.

22 Health Planning and Evaluation
DIRECT STATE SERVICES

06-4260 Long Term Care Systems	\$5,762,000
07-4270 Health Care Systems Analysis	<u>2,682,000</u>
Total Direct State Services Appropriation, Health Planning and Evaluation	<u>\$8,444,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$6,026,000)
Materials and Supplies	(96,000)
Services Other Than Personal	(506,000)
Maintenance and Fixed Charges	(200,000)

Special Purpose:

- 06 Nursing Home Background Checks/
Nursing Aide Certification Program (979,000)
 - 06 Implement Patient Safety Act (600,000)
 - 06 Additions, Improvements and Equipment (37,000)
- 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 subject to a plan approved by the Director of the Division of Budget and Accounting.
- 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 at the end of the preceding fiscal year of such receipts are appropriated for the cost of this program, subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balance at the end of the preceding fiscal year in the Implement Patient Safety Act account is appropriated.

GRANTS-IN-AID

07-4270 Health Care Systems Analysis	<u>\$201,462,000</u>
Total Grants-in-Aid Appropriation, Health Planning and Evaluation.	<u>\$201,462,000</u>

Grants-in-Aid:

- 07 Health Care Subsidy Fund Payments . . (\$201,462,000)
- 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 the provisions of any law or regulation 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 or regulation to the contrary, the amounts hereinabove appropriated for Health Care Subsidy Fund Payments shall be charged to the revenues derived from the \$0.35 increase in the cigarette tax rate imposed pursuant to P.L.2004, c.67.

- In addition to the amounts hereinabove appropriated, \$1,000,000 is appropriated to the Health Care Subsidy Fund Payments account from the hospital and other health care initiatives account, established pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62).
- Of the amounts hereinabove appropriated for Health Care Subsidy Fund Payments, \$5,000,000 shall be appropriated to the NJ FamilyCare program in the Department of Human Services to provide health care for uninsured children.
- Notwithstanding the provisions of any law or regulation to the contrary, all revenues collected from the tax on cosmetic medical procedures pursuant to P.L.2004, c.53 (C.54:32E-1) shall be deposited in the Health Care Subsidy Fund established pursuant to section 8 of P.L.1992, c.160 (C.26:2H-18.58).
- An amount not to exceed \$2,000,000 is appropriated to the Department of Health and Senior Services from the Health Care Subsidy Fund Payments account to fund the Infant Mortality Reduction Program and an amount not to exceed \$2,000,000 is appropriated to the Department of Health and Senior Services from the Health Care Subsidy Fund Payments account to fund the Primary Care Physician and Dentist Loan Redemption Program.
- Notwithstanding any provision of law or regulation to the contrary, the appropriation for Health Care Subsidy Fund Payments shall be conditioned upon the following provisions: (1) in State fiscal year 2008, Charity Care subsidies shall be calculated according to statutory formula at N.J.S.A. 26:2H-18.59i (P.L. 2004, c.113), except that in section 3.b.(4), the value 43% shall be replaced with the value 50% and source data used shall be Charity Care Claims data, Acute Care Hospital Cost Report data, and Medicare Cost Report data, each from calendar year 2005 yielding a calendar year 2005 based subsidy calculation; (2) hospitals shall be aggregated into hospital systems only as necessary to match the list of hospitals that were allocated subsidies in State fiscal year 2007; (3) for each eligible hospital the difference shall be calculated between its calendar year 2005 based subsidy calculation and its total State fiscal year 2007 charity care allocation (after reallocation if any), hospital assistance grant, and other grants (State fiscal year 2007 totaling \$702,850,000 for all hospitals); (4) with State fiscal year 2007 other grants totaling \$49,050,000 defined as Jersey City Medical Center \$25,700,000, Solaris Health System \$1,800,000, Our Lady of Lourdes Medical Center \$1,500,000, Palisades Medical Center \$1,000,000, St. Barnabas Medical Center \$350,000, St. Joseph's Regional Medical Center \$10,000,000, Hoboken University Hospital \$4,000,000, and Trinitas Hospital \$4,700,000; (5) if an eligible hospital's calendar year 2005 based subsidy calculation is more than its total State fiscal year 2007 amount, each eligible hospital shall receive the amount it received in total State fiscal year 2007 plus 20% of the difference calculated above; (6) if an eligible hospital's calendar year 2005 based subsidy calculation is less than its total State fiscal year 2007 amount, each eligible hospital shall receive the amount it received in total State fiscal year 2007 minus 10% of the difference calculated above. The resulting number will constitute each eligible hospital's State fiscal year 2008 Charity Care subsidy allocation. A proportionate reduction will be applied if necessary such that the State fiscal year 2008 Charity Care subsidy allocation for all hospitals totaled shall not exceed \$716,124,172.
- Notwithstanding any law or regulation to the contrary, as a condition of the receipt of any monies hereunder by an acute care hospital that is requesting an advance of Charity Care/Medicaid or payments from the "Health Care Facilities Improvement Fund" or any payments over and above this Act, the hospital shall comply with a request by the Commissioner of the Department of Health and Senior Services for a review of its finances and operations to ensure that access to health care is maintained and public funds are utilized for their intended purpose, the cost of such review to be borne by the

acute care hospital, and shall comply with any financial and operational performance requirements imposed by the Commissioner as deemed necessary as a result of the review.

25 Health Administration

DIRECT STATE SERVICES

99-4210 Administration and Support Services	<u>\$3,498,000</u>
Total Direct State Services Appropriation, Health Administration	<u>\$3,498,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$1,377,000)
Materials and Supplies	(49,000)
Services Other Than Personal	(488,000)

Special Purpose:

99 Office of Minority and Multicultural Health	(1,500,000)
99 Affirmative Action and Equal Employment Opportunity	(84,000)

26 Senior Services

DIRECT STATE SERVICES

22-4275 Medical Services for the Aged	\$5,097,000
24-4275 Pharmaceutical Assistance to the Aged and Disabled	9,215,000
55-4275 Programs for the Aged	1,333,000
(From General Fund	<u>\$462,000</u>)
(From Casino Revenue Fund	<u>871,000</u>)
57-4275 Office of the Public Guardian	<u>850,000</u>
Total Direct State Services Appropriation, Senior Services	<u>\$16,495,000</u>
(Total From General Fund	<u>15,624,000</u>)
(Total From Casino Revenue Fund	<u>871,000</u>)

Direct State Services:

Personal Services:

Salaries and Wages	(\$9,676,000)
Salaries and Wages (CRF)	(658,000)
Employee Benefits (CRF)	(138,000)
(Total From General Fund	<u>9,676,000</u>)
(Total From Casino Revenue Fund	<u>796,000</u>)
Materials and Supplies	(163,000)
Materials and Supplies (CRF)	(14,000)
Services Other Than Personal	(2,904,000)
Services Other Than Personal (CRF)	(47,000)
Maintenance and Fixed Charges	(437,000)
Maintenance and Fixed Charges (CRF)	(2,000)

Special Purpose

22 Fiscal Agent - Medical Services for the Aged	(550,000)
24 Payments to Fiscal Agent - PAA	(1,723,000)
55 Federal Programs for the Aging (State Share)	(143,000)
Additions, Improvements and Equipment	(28,000)
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 in the Department of Human

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 the Department of Health and Senior Services may reimburse the county welfare agency in the amount of 25% of the gross recovery.

Notwithstanding the provisions of any law or regulation 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 balance at the end of the preceding fiscal year in the Payments to Fiscal Agent - PAA account are appropriated.

Such sums as may be necessary, not to exceed \$1,730,000, may be credited from the Energy Assistance program account in the Board of Public Utilities to the Lifeline program account and shall be applied in accordance with a Memorandum of Understanding between the President of the Board of Public Utilities and the Commissioner of Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from the Office of the Public Guardian for Elderly Adults are appropriated.

GRANTS-IN-AID

22-4275 Medical Services for the Aged	\$895,297,000
<i>(From General Fund</i>	<i>\$866,168,000)</i>
<i>(From Casino Revenue Fund</i>	<i>29,129,000)</i>
24-4275 Pharmaceutical Assistance to the Aged and Disabled	292,491,000
<i>(From General Fund</i>	<i>56,898,000)</i>
<i>(From Casino Revenue Fund</i>	<i>235,593,000)</i>
55-4275 Programs for the Aged	<u>29,680,000</u>
<i>(From General Fund</i>	<i>15,003,000)</i>
<i>(From Casino Revenue Fund</i>	<i>14,677,000)</i>
Total Grants-in-Aid Appropriation, Senior Services	<u>\$1,217,468,000</u>
<i>(Total From General Fund</i>	<i>\$938,069,000)</i>
<i>(Total From Casino Revenue Fund</i>	<i>279,399,000)</i>

Grants-in-Aid:

22 Assisted Living Program	(\$27,540,000)
22 Community Care Alternatives (CRF)	(28,858,000)
22 Global Budget Long	
Term Care Initiative	(13,000,000)
22 Payments for Medical Assistance	
Recipients--Nursing Homes	(699,900,000)
22 Medical Day Care Services	(96,851,000)
22 Medicaid High Occupancy -	
Nursing Homes	(9,000,000)
22 ElderCare Initiatives	(19,877,000)
22 Home Care Expansion (CRF)	(71,000)
22 Hearing Aid Assistance for the Aged	
and Disabled (CRF)	(200,000)
24 Pharmaceutical Assistance to the	
Aged - Claims	(9,835,000)
24 Pharmaceutical Assistance to the Aged	
and Disabled - Claims	(29,323,000)

24	Pharmaceutical Assistance to the Aged and Disabled - Claims (CRF)	(235,593,000)
24	Senior Gold Prescription Assistance Program	(17,740,000)
55	Purchase of Social Services	(9,629,000)
55	ElderCare Advisory Commission Initiatives	(2,500,000)
55	Community Provider Cost of Living Adjustment	(565,000)
55	Alzheimer's Disease Program	(867,000)
55	Demonstration Adult Day Care Center Program - Alzheimer's Disease	(500,000)
55	Demonstration Adult Day Care Center Program - Alzheimer's Disease (CRF)	(2,724,000)
55	Adult Protective Services	(942,000)
55	Adult Protective Services (CRF)	(1,842,000)
55	Senior Citizen Housing - Safe Housing and Transportation (CRF)	(1,726,000)
55	Respite Care for the Elderly (CRF)	(5,359,000)
55	Congregate Housing Support Services (CRF)	(2,006,000)
55	Home Delivered Meals Expansion (CRF) . .	(1,020,000)

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 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, 2008 are appropriated for payments to providers in the same program class from which the recovery originated.

The Division of Medical Assistance and Health Services in the Department of Human 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 of Medical Assistance and Health Services and the 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.

Notwithstanding the provisions of any law or regulation to the contrary, a sufficient portion of receipts generated or savings realized in the Medical Services for the Aged or Pharmaceutical Assistance to the Aged and Disabled Grants-In-Aid accounts from initiatives included in the current fiscal year appropriations act 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.

- 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 any law or regulation to the contrary, payments from the Payments for Medical Assistance Recipients-Nursing Homes account shall be made at 50% only for bedhold days at facilities with total occupancy rates at 90% or higher based on the occupancy percentage reported on each facility's latest cost report; however, nursing homes shall hold a bed for a Medicaid beneficiary who is hospitalized for up to ten days.
- The funds hereinabove appropriated for Payments for Medicaid Assistance Recipients--High Occupancy-Nursing Homes shall be distributed for patient services among those nursing homes where the Medicaid patient day occupancy level is at or above 75%. Each such facility shall receive its distribution through a prospective per diem adjustment using actual days reported on the most recent cost report.
- The amounts hereinabove appropriated for payments for the Pharmaceutical Assistance to the Aged and Disabled program, P.L.1975, c.194 (C.30:4D-20 et seq.), and the Senior Gold Prescription Discount Program, P.L.2001, c.96 (C.30:4D-43 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.), and the Senior Gold Prescription Discount Program, P.L.2001, c.96 (C.30:4D-43 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, PAAD or Senior Gold Prescription Discount Program benefits shall be void, and no PAAD and Senior Gold Prescription Discount Program payments shall be made as a result of any such provision.
- Of the amount hereinabove appropriated in the Pharmaceutical Assistance to the Aged and Disabled-Claims program, notwithstanding the provisions of section 3 of P.L.1975, c.194 (C.30:4D-22) to the contrary, the co-payment in the Pharmaceutical Assistance to the Aged and Disabled program shall be \$5.00.
- Notwithstanding the provisions of any law or regulation to the contrary, effective July 1, 2003, no State funds are appropriated for a Drug Utilization Review Council in the Department of Health and Senior Services and therefore the functions of the Council shall cease.
- Notwithstanding the provisions of any law or regulation to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.), and the Senior Gold Prescription Discount Program, pursuant to P.L.2001, c.96 (C.30:4D-43 et seq.), shall be expended, when PAAD or Senior Gold is the primary payer, 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. Furthermore, rebates from pharmaceutical manufacturing companies for prescriptions purchased by the PAAD program and the Senior Gold Prescription Discount Program shall continue during the current fiscal year, 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 Senior Gold Prescription Discount Program. All revenues from such rebates during the

current fiscal year are appropriated for the PAAD program and the Senior Gold Prescription Discount Program.

Notwithstanding the provisions of any other law or regulation to the contrary, no funds appropriated in the Pharmaceutical Assistance to the Aged and Disabled program classification and the Senior Gold Prescription Drug Discount Program account shall be expended for prescription claims with no Medicare Part D coverage except under the following conditions: (a) reimbursement for the cost of single source brand name legend drugs and non-legend drugs shall be on the basis of Average Wholesale Price less a 12.5% discount and reimbursement for the cost of multisource generic drugs shall be in accordance with the federal Deficit Reduction Act of 2005 upon final adoption of regulations by the Department of Health and Human Services; (b) the current prescription drug dispensing fee structure set as a variable rate of \$3.73 to \$4.07 shall remain in effect through the current fiscal year, including the current increments for patient consultation, impact allowances and allowances for 24-hour emergency services; and (c) multisource generic and single source brand name drugs shall be dispensed without prior authorization but multisource brand name drugs shall require prior authorization issued by the Department of Health and Senior Services or its authorizing agent, however, a 10-day supply of the multisource brand name drug shall be dispensed pending receipt of prior authorization. Certain multisource brand name drugs with a narrow therapeutic index, other drugs recommended by the Drug Utilization Review Board or brand name drugs with a lower cost per unit than the generic may be excluded from prior authorization by the Department of Health and Senior Services.

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 the provisions of any law or regulation to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program and the Senior Gold Prescription Discount Program are available to pharmacies that 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 shall not be required to bill Medicare directly for Medicare Part B drugs and supplies, but must agree to allow PAAD to bill Medicare on their behalf by completing and submitting an electronic data interchange (EDI) form to PAAD. Beneficiaries are responsible for the applicable PAAD or Senior Gold Prescription Discount Program co-payment.

Notwithstanding the provisions of any law or regulation to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled program and the Senior Gold Prescription Discount Program shall be used to pay for 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. Furthermore, no payments for erectile dysfunction therapy will be made on behalf of sex offenders.

Notwithstanding the provisions of any law or regulation to the contrary, the Pharmaceutical Assistance to the Aged and Disabled program in the Department of Health and Senior Services shall have the authority to coordinate benefits with any voluntary prescription drug mail-order program in a Medicare Part D plan provider network. The mail-order program may waive, discount or rebate the beneficiary co-pay and mail-order pharmacy providers may dispense up to a 90-day supply on prescription refills with the voluntary participation of the beneficiary, subject to the approval of the Commissioner

of Health and Senior Services and the Director of the Division of Budget and Accounting.

At any point during the year, and notwithstanding the provisions of any law or regulation to the contrary, subject to the approval of a plan by the Commissioner of Health and Senior Services, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.), or the Senior Gold Prescription Discount Program, pursuant to P.L.2001, c.96 (C.30:4D-43 et seq.), shall be expended, when PAAD or Senior Gold is the primary payer, 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 on the same basis as provided for in section 1927(a) through (c) of the federal Social Security Act, 42 U.S.C.s.1396r-8(a)-(c).

From the amount hereinabove appropriated for the Senior Gold Prescription Discount Program, an amount not to exceed \$3,850,000 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.

Notwithstanding the provisions of any law or regulation 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.8:85-3.16 shall not apply to those facilities receiving enhanced rates of reimbursement pursuant to N.J.A.C.8:85-2.21. 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% of licensed bed days shall be used.

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 between the various items of appropriation within the Medical Services for the Aged and Programs for the Aged program classifications to ensure the continuity of long-term care support services for beneficiaries receiving services within 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.

Notwithstanding the provisions of any law or regulation to the contrary, effective January 1, 2005, no payment for Medicaid Adult or Pediatric Medical Day Care services, as hereinabove appropriated in the Medical Day Care Services account, shall be provided unless the services are prior authorized by professional staff designated by the Department of Health and Senior Services.

From the amount hereinabove appropriated for Payments for Medical Assistance Recipients-Nursing Homes, the Commissioner of Health and Senior Services shall increase the reasonableness limit for total nursing care up to 120% of the median costs in the Medicaid nursing home rate-setting system during the current fiscal year.

Such sums as may be necessary, not to exceed \$70,840,000, for payments for the Lifeline Credit and Tenants' Lifeline Assistance programs, may be credited from the Energy Assistance program account in the Board of Public Utilities to the Lifeline program account and shall be applied in accordance with a Memorandum of Understanding between the President of the Board of Public Utilities and the Commissioner of Health and Senior Services, subject to the approval of the Director of the Division of Budgeting and Accounting.

Such sums as may be necessary are appropriated from the General Fund for the payment of increased nursing home rates to reflect the costs incurred due to the payment of a nursing home provider assessment, pursuant to the "Nursing Home Quality of Care

- Improvement Fund Act," P.L.2003, c.105 (C.26:2H-92 et seq.) and P.L.2004, c.41, 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 appropriation hereinabove for Medical Day Care Services is conditioned upon rate increases for the nursing home provider assessment not being included in the calculation of the Adult/Pediatric Day Care payment rates.
- Notwithstanding the provisions of any law or regulation to the contrary, the appropriations hereinabove to the Pharmaceutical Assistance to the Aged and Pharmaceutical Assistance to the Aged and Disabled (PAAD) programs is conditioned upon the Department of Health and Senior Services coordinating the benefits of the PAAD programs with the prescription drug benefits of the federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003 as the primary payer due to the current federal prohibition against State automatic enrollment of PAAD recipients in the new federal program. The PAAD benefit and reimbursement shall only be available to cover the beneficiary cost share to in-network pharmacies and for deductible and coverage gap costs (as determined by the Commissioner of Health and Senior Services) associated with enrollment in Medicare Part D for beneficiaries of the PAAD and Senior Gold programs, and for Medicare Part D premium costs for PAAD beneficiaries.
- Notwithstanding the provisions of any law or regulation to the contrary, effective January 1, 2006, no funds appropriated in the Pharmaceutical Assistance to the Aged or Pharmaceutical Assistance to the Aged and Disabled (PAAD) and Senior Gold program accounts shall be available as payment as a PAAD or Senior Gold benefit to any pharmacy that is not enrolled as a participating pharmacy in a pharmacy network under Medicare Part D.
- Consistent with the requirements of the federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003 and the current federal prohibition against State automatic enrollment of Pharmaceutical Assistance to the Aged and Pharmaceutical Assistance to the Aged and Disabled (PAAD) recipients, no funds hereinabove appropriated from the PAAD accounts shall be expended for any individual unless the individual enrolled in a PAAD program provides all data that may be necessary to enroll the individual in Medicare Part D, including data required for the subsidy assistance, as outlined by the Centers for Medicare and Medicaid Services.
- Notwithstanding the provisions of any law or regulation to the contrary, the appropriations hereinabove for the Pharmaceutical Assistance to the Aged, Pharmaceutical Assistance to the Aged and Disabled, and Senior Gold programs shall be conditioned upon the following provision: no funds shall be appropriated for the refilling of a prescription drug until such time as the original prescription is 85% finished.
- Notwithstanding the provisions of any law or regulation to the contrary, in order to maximize prescription drug coverage under Medicare Part D, the Pharmaceutical Assistance to the Aged and Disabled (PAAD) Program shall be designated the authorized representative for the purposes of coordinating benefits with Medicare Part D, including enrollment and appeals of coverage determinations. PAAD is authorized to represent program beneficiaries in the pursuit of such coverage. PAAD representation shall not result in any additional financial liability on behalf of such program beneficiaries and shall include, but need not be limited to, the following actions: application for the premium and cost-sharing subsidies on behalf of eligible program beneficiaries; pursuit of appeals, grievances, or coverage determinations; facilitated enrollment in a prescription drug plan or Medicare Advantage Prescription Drug plan. If the beneficiary declines enrollment in any Medicare Part D plan, the beneficiary shall be barred from all benefits of the PAAD Program.

- Notwithstanding the provisions of any law or regulation to the contrary, the appropriation hereinabove for the ElderCare Initiatives program shall be conditioned upon the following provision: State funded home and community care (Jersey Assistance for Community Caregiving (JACC)) benefits paid incorrectly on behalf of JACC beneficiaries may be recovered from individuals found ineligible.
- The monies hereinabove appropriated for the Global Budget Long-Term Care Initiative shall only be expended if federal approvals are received for such a program and only if federal Medicaid reimbursement or other federal matching funds are available to support the State appropriation.
- The amounts hereinabove appropriated for Payments for Medical Assistance Recipients-Nursing Homes, Assisted Living Program, Community Care Alternatives, Medical Day Care Services, Global Budget Long-Term Care Initiative, and Medicaid High Occupancy-Nursing Homes are conditioned upon the Commissioner of Health and Senior Services making changes to such programs to make them consistent with the federal Deficit Reduction Act of 2005.
- Notwithstanding the provisions of any law or regulation to the contrary, in order to maximize drug coverage under Medicare Part D, the appropriation for the Senior Gold Prescription Discount Program is conditioned on the Senior Gold Prescription Discount Program being designated the authorized representative for the purpose of coordinating benefits with the Medicare drug program, including appeals of coverage determinations. Senior Gold is authorized to represent program beneficiaries in the pursuit of such coverage. Senior Gold representation shall include, but not to be limited to the following actions: pursuit of appeals, grievances, or coverage determinations.
- Notwithstanding the provisions of any law or regulation to the contrary, all financial recoveries obtained through the efforts of any entity authorized to undertake the prevention and detection of Medicaid fraud, waste and abuse, are appropriated to Medical Services for the Aged in the Division of Senior Services.
- Notwithstanding any law or regulation to the contrary, resources in the Global Budget Long-Term Care line item may be supplemented with transfers from the Medical Services for the Aged Program accounts, 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, persons receiving services through the Demonstration Adult Day Care Center Program – Alzheimer's Disease may receive services if appropriate medical documentation is provided to the Department of Health and Senior Services to justify those expenditures. A medical day services provider that is providing services through the Demonstration Adult Day Care Center Program – Alzheimer's Disease shall be reimbursed at not less than 85% of the free-standing Adult Day Medical Medicaid day rate. A social day services provider that is providing services through the program shall be reimbursed at not less than 70% of the free-standing Adult Day Medical Medicaid Day rate. A medical or social day services provider that is providing services through the program shall not be subject to the 25% matching requirement set forth in section 3 of P.L. 1988 c. 114 (C.26:2M-11) or the requirement to submit a cost proposal to the Department of Health and Senior Services as set forth in N.J.A.C.8:92-3.2. The Demonstration Adult Day Care Center Program - Alzheimer's Disease shall reimburse the agency the difference between the client co-pay and the agreed upon rate. The Department of Health and Senior Services shall authorize enrollment of persons in the Demonstration Adult Day Care Center Program -- Alzheimer's Disease for a maximum of three days per week. The department shall not require participants in the program to pay for services provided through the program in excess of the amounts currently required under N.J.A.C.8:92-1.1 et seq.

- 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 current fiscal year 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.) to the contrary, funds appropriated for the Home Care Expansion Program (HCEP) 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 HCEP. Individuals enrolled in the HCEP 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 any law or regulation 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 current fiscal year's annual appropriations act 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 for 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.
- Of the amount hereinabove appropriated in the Pharmaceutical Assistance to the Aged and Disabled-Claims program, notwithstanding the provisions of section 3 of P.L.1975, c.194 (C.30:4D-22) to the contrary, the co-payment in the Pharmaceutical Assistance to the Aged and Disabled program shall be \$5.00.
- Notwithstanding the provisions of any law or regulation to the contrary, effective July 1, 2003, no State funds are appropriated for a Drug Utilization Review Council in the Department of Health and Senior Services, and therefore, the functions of the Council shall cease.
- Notwithstanding the provisions of any law or regulation to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.), shall be expended, when

PAAD is the primary payer, 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. Furthermore, rebates from pharmaceutical manufacturing companies for prescriptions purchased by the PAAD program and the Senior Gold Prescription Discount Program shall continue during the current fiscal year, provided that the manufacturers' rebates for the Senior Gold Prescription Discount Program shall apply only to the amount paid by the State under the Senior Gold Prescription Discount Program. All revenues from such rebates during the current fiscal year are appropriated for the PAAD program and the Senior Gold Prescription Discount Program.

Notwithstanding the provisions of any law or regulation to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program are available to pharmacies that 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 shall not be required to bill Medicare directly for Medicare Part B drugs and supplies, but must agree to allow PAAD to bill Medicare on their behalf by completing and submitting an electronic data interchange (EDI) form to PAAD. Beneficiaries are responsible for the applicable PAAD co-payment.

Notwithstanding the provisions of any law or regulation to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and the Disabled program shall be used to pay for quantities of erectile dysfunction therapy medication in excess of four treatments per month. Moreover, payment shall 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. Furthermore, no payments for erectile dysfunction therapy will be made on behalf of sex offenders.

Notwithstanding the provisions of any other law or regulation to the contrary, no funds appropriated in the Pharmaceutical Assistance to the Aged and Disabled program classification and the Senior Gold Prescription Drug Discount Program account shall be expended for prescription claims with no Medicare Part D coverage except under the following conditions: (a) reimbursement for the cost of single source brand name legend drugs and non-legend drugs shall be on the basis of Average Wholesale Price less a 12.5% discount and reimbursement for the cost of multisource generic drugs shall be in accordance with the federal Deficit Reduction Act of 2005 upon final adoption of regulations by the Department of Health and Human Services; (b) the current prescription drug dispensing fee structure set as a variable rate of \$3.73 to \$4.07 shall remain in effect through the current fiscal year, including the current increments for patient consultation, impact allowances and allowances for 24-hour emergency services; and (c) multisource generic and single source brand name drugs shall be dispensed without prior authorization but multisource brand name drugs shall require prior authorization issued by the Department of Health and Senior Services or its authorizing agent, however, a 10-day supply of the multisource brand name drug shall be dispensed pending receipt of prior authorization. Certain multisource brand name drugs with a narrow therapeutic index, other drugs recommended by the Drug Utilization Review Board or brand name drugs with a lower cost per unit than the generic may be excluded from prior authorization by the Department of Health and Senior Services.

Notwithstanding the provisions of any law or regulation to the contrary, the Pharmaceutical Assistance to the Aged and Disabled program in the Department of Health and Senior Services shall have the authority to coordinate benefits with any voluntary prescription drug mail-order program in the network of a Medicare Part D plan. The mail-order

program may waive, discount or rebate the beneficiary copay and mail-order pharmacy providers may dispense up to a 90-day supply on prescription refills with the voluntary participation of the beneficiary, subject to the approval of the Commissioner of Health and Senior Services and the Director of the Division of Budget and Accounting.

At any point during the year, and notwithstanding the provisions of any law or regulation to the contrary, subject to the approval of a plan by the Commissioner of Health and Senior Services, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.), or the Senior Gold Prescription Discount Program, pursuant to P.L.2001, c.96 (C.30:4D-43 et seq.), shall be expended, when PAAD or Senior Gold is the primary payer, 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 on the same basis as provided for in section 1927 (a) through (c) of the federal Social Security Act, 42 U.S.C. s.1396r-8(a)-(c).

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.

Notwithstanding the provisions of any law or regulation to the contrary, of the amount hereinabove appropriated for the Respite Care for the Elderly (CRF) account, \$600,000 shall be charged to the Casino Simulcasting Fund.

Notwithstanding the provisions of any law or regulation to the contrary, the appropriations hereinabove to the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program is conditioned upon the Department of Health and Senior Services coordinating the benefits of the PAAD program with the prescription drug benefits of the federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003 as the primary payer due to the current federal prohibition against State automatic enrollment of PAAD recipients in the new federal program. The PAAD benefit and reimbursement shall only be available to cover the beneficiary cost share to in-network pharmacies and for deductible and coverage gap costs (as determined by the Commissioner of Health and Senior Services) associated with enrollment in Medicare Part D for beneficiaries of the PAAD and Senior Gold programs, and for Medicare Part D premium costs for PAAD beneficiaries.

Notwithstanding the provisions of any law or regulation to the contrary, effective January 1, 2006, no funds appropriated in the Pharmaceutical Assistance to the Aged and Disabled (PAAD) and Senior Gold program accounts shall be available as payment as a PAAD or Senior Gold benefit to any pharmacy that is not enrolled as a participating pharmacy in a pharmacy network under Medicare Part D.

Consistent with the requirements of the federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003 and the current federal prohibition against State automatic enrollment of Pharmaceutical Assistance to the Aged and Disabled (PAAD) recipients, no funds hereinabove appropriated from the PAAD account shall be expended for any individual enrolled in the PAAD program unless the individual provides all data that may be necessary to enroll the individual in Medicare Part D, including data required for the subsidy assistance, as outlined by the Centers for Medicare and Medicaid Services.

Notwithstanding the provisions of any law or regulation to the contrary, in order to maximize prescription drug coverage under Medicare Part D, the Pharmaceutical Assistance to the Aged and Disabled (PAAD) Program shall be designated the authorized representative for the purposes of coordinating benefits with Medicare Part D, including enrollment and appeals of coverage determinations. PAAD is authorized to represent program beneficiaries in the pursuit of such coverage. PAAD

representation shall not result in any additional financial liability on behalf of such program beneficiaries and shall include, but need not be limited to, the following actions: application for the premium and cost-sharing subsidies on behalf of eligible program beneficiaries; pursuit of appeals, grievances, or coverage determinations; facilitated enrollment in a prescription drug plan or Medicare Advantage Prescription Drug plan. If the beneficiary declines enrollment in any Medicare Part D plan, the beneficiary shall be barred from all benefits of the PAAD Program.

Notwithstanding the provisions of any law or regulation to the contrary, the appropriations hereinabove for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program and the Senior Gold Prescription Discount Program shall be conditioned upon the following provision: no funds shall be appropriated for the refilling of a prescription drug until such time as the original prescription is 85% finished.

The amounts hereinabove appropriated for the Community Care Alternatives program are conditioned upon the Commissioner of Health and Senior Services making changes to such program to make it consistent with the federal Deficit Reduction Act of 2005.

Notwithstanding the provisions of any other law or regulation to the contrary, persons receiving services through the Demonstration Adult Day Care Center Program – Alzheimer's Disease may receive services if appropriate medical documentation is provided to the Department of Health and Senior Services to justify those expenditures. A medical day services provider that is providing services through the Demonstration Adult Day Care Center Program – Alzheimer's Disease shall be reimbursed at not less than 85% of the free-standing Adult Day Medical Medicaid day rate. A social day services provider that is providing services through the program shall be reimbursed at not less than 70% of the free-standing Adult Day Medical Medicaid Day rate. A medical or social day services provider that is providing services through the program shall not be subject to the 25% matching requirement set forth in section 3 of P.L. 1988 c.114 (C.26:2M-11) or the requirement to submit a cost proposal to the Department of Health and Senior Services as set forth in N.J.A.C.8:92-3.2. The Demonstration Adult Day Care Center Program - Alzheimer's Disease shall reimburse the agency the difference between the client co-pay and the agreed upon rate. The Department of Health and Senior Services shall authorize enrollment of persons in the Demonstration Adult Day Care Center Program – Alzheimer's Disease for a maximum of three days per week. The department shall not require participants in the program to pay for services provided through the program in excess of the amounts currently required under N.J.A.C.8:92-1.1 et seq.

STATE AID

55-4275 Programs for the Aged	<u>\$7,152,000</u>
Total State Aid Appropriation, Senior Services	<u>\$7,152,000</u>

State Aid:

55 County Offices on Aging	(\$2,498,000)
55 Older Americans Act - State Share	(4,654,000)

Department of Health and Senior Services,	
Total State Aid Appropriation	<u>\$1,744,742,000</u>

Consistent with the provisions of P.L.2005, c.237, the \$40,000,000 from this surcharge is appropriated to fund federally qualified health centers. Any unexpended balance at the end of the preceding fiscal year in the Health Care Subsidy Fund received through the hospital and other health care initiatives account during fiscal year 2007 is appropriated. 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.
- 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 law or regulation 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 or regulation 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 law or regulation 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 the provisions of any law or regulation 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.

***Summary of Department of Health and Senior Services Appropriations
(For Display Purposes Only)***

Appropriations by Category:

Direct State Services	\$73,116,000
Grants-in-Aid	1,662,074,000

State Aid	9,552,000
<i>Appropriations by Fund:</i>	
General Fund	\$1,463,943,000
Casino Revenue Fund	280,799,000

54 DEPARTMENT OF HUMAN SERVICES*20 Physical and Mental Health**23 Mental Health Services**7700 Division of Mental Health Services***DIRECT STATE SERVICES**

99-7700 Administration and Support Services	<u>\$13,479,000</u>
Total Direct State Services Appropriation, Division of Mental Health Services	<u>\$13,479,000</u>

Direct State Services:**Personal Services:**

Salaries and Wages	(\$11,789,000)
Materials and Supplies	(79,000)
Services Other Than Personal	(429,000)
Maintenance and Fixed Charges	(155,000)

Special Purpose:

99 Fraud and Abuse Initiative	(300,000)
99 Governor's Council on Mental Health Stigma	(350,000)

Additions, Improvements and Equipment

(377,000)
The amounts hereinabove appropriated for the Governor's Council on Mental Health Stigma shall be expended consistent with the recommendations in the final report of the Governor's Task Force on Mental Health.

Of the amounts hereinabove appropriated for Salaries and Wages, \$330,000 shall be expended consistent with the recommendations in the final report of the Governor's Task Force on Mental Health as follows: \$330,000 for the Office of Disaster Mental Health.

GRANTS-IN-AID

08-7700 Community Services	<u>\$299,859,000</u>
Total Grants-in-Aid Appropriation, Division of Mental Health Services	<u>\$299,859,000</u>

Grants-in-Aid:

08 Olmstead Support Services	(\$22,136,000)
08 Community Care	(259,568,000)
08 National Alliance on Mental Illness -- New Jersey	(90,000)
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)

The amount appropriated hereinabove for the Community Mental Health Centers and the amount appropriated to the University of Medicine and Dentistry of New Jersey are first charged to the federal disproportionate share hospital reimbursements anticipated as Medicaid uncompensated care, and, as a condition for such appropriation, the University of Medicine and Dentistry of New Jersey shall be required to provide fiscal reports to the Division of Mental Health Services and the Office of State Comptroller,

including all applicable expenses incurred for programs supported in whole or in part with the above appropriations, as well as all applicable revenues generated from the provision of such program services, as well as any other revenues used to support such services, in such a format and frequency as required by the Division of Mental Health Services.

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.

Revenues that may be received from fees derived from the licensing of all community mental health programs as specified in N.J.A.C.10:190-1.1 et seq. are appropriated to the Division of Mental Health Services to offset the costs of performing the required reviews.

Of the amounts hereinabove appropriated for Community Care, \$37,459,000 shall be expended consistent with the recommendations in the final report of the Governor's Task Force on Mental Health as follows: \$14,106,000 for Mental Health Screening Centers; \$2,637,000 for Self-Help Centers; \$4,993,000 for psychiatric services; \$5,125,000 for support services for permanent supportive housing; \$789,000 for supported employment services; \$600,000 for jail diversion in Atlantic County; \$600,000 for jail diversion in Essex County; \$600,000 for jail diversion in Union County; \$729,000 for additional jail diversion programs; \$2,868,000 for bilingual and culturally competent services; \$1,062,000 for treatment of co-occurring disorders; \$1,000,000 for Short-Term Care Facilities; \$850,000 for Community Health Law Project; and \$1,500,000 for Special Case Management services.

STATE AID

08-7700 Community Services	<u>\$122,039,000</u>
Total State Aid Appropriation, Division of	
Mental Health Services	<u>\$122,039,000</u>

State Aid:

08 Support of Patients in County
 Psychiatric Hospitals (\$122,039,000)

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.

The unexpended balance at the end of the preceding fiscal year in the Support of Patients in County Psychiatric Hospitals account is appropriated.

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 State Aid appropriation for the costs of maintaining patients in State and county psychiatric hospitals shall be based on the same percent as costs are shared between the State and counties.

The amount appropriated for 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. In addition,

any revision or expansion to the number of inpatient beds or inpatient services provided at such hospitals which will have a material impact on the amount of State Aid payments made for such services, must first be approved by the Department of Human Services before such change is implemented.

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.

In addition to the amounts hereinabove appropriated for the Support of Patients in County Psychiatric Hospitals, in the event that the Assistant Commissioner of the Division of Mental Health Services determines that in order to provide the least restrictive setting appropriate a patient should be admitted to a county psychiatric hospital in a county other than the one in which the patient is domiciled rather than to a State psychiatric hospital, there are hereby appropriated such additional sums as may be required, as determined by the Assistant Commissioner of the Division of Mental Health Services, to reimburse a county for the extra costs, if any, which were incurred in connection with the care of such patient in a county psychiatric hospital which exceeded the cost of care which would have been incurred had the patient been placed in a State psychiatric hospital, subject to the approval of the Director of Budget and Accounting.

7710 Greystone Park Psychiatric Hospital

DIRECT STATE SERVICES

10-7710 Patient Care and Health Services	\$54,207,000
99-7710 Administration and Support Services	<u>11,732,000</u>
Total Direct State Services Appropriation, Greystone Park Psychiatric Hospital	<u>\$65,939,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$59,387,000)
Materials and Supplies	(3,306,000)
Services Other Than Personal	(1,766,000)
Maintenance and Fixed Charges	(898,000)

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	\$53,784,000
99-7720 Administration and Support Services	<u>9,707,000</u>
Total Direct State Services Appropriation, Trenton Psychiatric Hospital	<u>\$63,491,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$57,117,000)
Materials and Supplies	(2,954,000)
Services Other Than Personal	(1,991,000)
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	\$20,210,000
99-7725 Administration and Support Services	<u>2,095,000</u>
Total Direct State Services Appropriation, Ann Klein Forensic Center	<u>\$22,305,000</u>

Direct State Services:**Personal Services:**

Salaries and Wages	(\$20,376,000)
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	\$69,990,000
99-7740 Administration and Support Services	<u>11,824,000</u>
Total Direct State Services Appropriation, Ancora Psychiatric Hospital	<u>\$81,814,000</u>

Direct State Services:**Personal Services:**

Salaries and Wages	(\$73,795,000)
Materials and Supplies	(3,610,000)
Services Other Than Personal	(2,756,000)
Maintenance and Fixed Charges	(917,000)

Special Purpose:

10 Interim Assistance	(120,000)
Additions, Improvements and Equipment	(616,000)

7760 Senator Garrett W. Hagedorn Gero-Psychiatric Hospital**DIRECT STATE SERVICES**

10-7760 Patient Care and Health Services	\$28,767,000
99-7760 Administration and Support Services	<u>7,275,000</u>
Total Direct State Services Appropriation, Senator Garrett W. Hagedorn Gero-Psychiatric Hospital	<u>\$36,042,000</u>

Direct State Services:**Personal Services:**

Salaries and Wages	(\$32,177,000)
Materials and Supplies	(1,941,000)
Services Other Than Personal	(1,199,000)
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 are appropriated for the same purpose.

The unexpended balances at the end of the preceding fiscal year 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>\$24,249,000</u>
Total Direct State Services Appropriation, Division of Medical Assistance and Health Services	<u>\$24,249,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$13,919,000)
Materials and Supplies	(180,000)
Services Other Than Personal	(2,155,000)
Maintenance and Fixed Charges	(308,000)

Special Purpose:

21 Payments to Fiscal Agents	6,588,000)
21 Professional Standards Review Organization--Utilization Review	(1,009,000)
21 Drug Utilization Review Board -- Administrative Costs	(90,000)

The unexpended balances at the end of the preceding fiscal year, in the Payments to Fiscal Agent 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.1991, c.187 (C.26:2H-18.24 et seq.), and for subsidized children's health insurance in the NJ FamilyCare program established in P.L.2005, c.156 (C.30:4J-8 et al.) 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 the provisions of any law or regulation 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 monthly basis of the Medicaid, NJ FamilyCare, Charity Care, and Work First New Jersey General Assistance eligibility files and/or adjudicated claims files against that third party's eligibility file, including indication of coverage derived from the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, and/or adjudicated claims file for the purpose of coordination of benefits, utilizing, if necessary, social security numbers as common identifiers.

Notwithstanding the provisions of any law or regulation 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 or regulation 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.

Notwithstanding the provisions of any other law or regulation to the contrary, the appropriation to the Division of Medical Assistance and Health Services is conditioned upon the Division of Medical Assistance and Health Services continuing to be responsible for third party liability and the prevention and detection of fraud, waste and abuse in the Medicaid, NJ FamilyCare and Work First New Jersey General Assistance Medical Programs and shall refer those matters, as appropriate, to the Office of the Insurance Fraud Prosecutor, Division of Criminal Justice for enforcement pursuant to 42 U.S.C. 1396(a) and P.L.1968, c.413 (C.30:4D-7 et seq.) This provision shall remain in effect until the Medicaid Inspector General is appointed and the Medicaid Inspector General's office becomes operational pursuant to the "Medicaid Program Integrity and Protection Act," P.L.2007, c.58 (C.30:4D-53 et seq.).

GRANTS-IN-AID

22-7540	General Medical Services	\$2,621,118,000
	Total Grants-in-Aid Appropriation, Division of Medical Assistance and Health Services	<u>\$2,621,118,000</u>

Grants-in-Aid:

22	Payments for Medical Assistance	
	Recipients - Adult Mental Health Residential	(\$26,323,000)
22	Managed Care Initiative	(756,749,000)
22	Hospital Relief Offset Payments	(70,845,000)
22	Payments for Medical Assistance	
	Recipients - ICF/MR	(6,394,000)
22	Payments for Medical Assistance	
	Recipients - Inpatient Hospital	(328,660,000)
22	Payments for Medical Assistance	
	Recipients - Prescription Drugs	(547,158,000)
22	Payments for Medical Assistance	
	Recipients - Outpatient Hospital	(189,682,000)
22	Payments for Medical Assistance	
	Recipients - Physician Services	(41,005,000)
22	Payments for Medical Assistance	
	Recipients - Home Health Care	(12,787,000)
22	Payments for Medical Assistance	
	Recipients - Medicare Premiums	(118,043,000)
22	Payments for Medical Assistance	
	Recipients - Dental Services	(12,459,000)
22	Payments for Medical Assistance	
	Recipients - Psychiatric Hospital	(9,740,000)
22	Payments for Medical Assistance	
	Recipients - Medical Supplies	(25,633,000)
22	Payments for Medical Assistance	
	Recipients - Clinic Services	(45,497,000)
22	Payments for Medical Assistance	
	Recipients - Transportation Services	(58,647,000)
22	Payments for Medical Assistance	
	Recipients - Other Services	(16,925,000)
22	Unit Dose Contract Services	(4,815,000)
22	Consulting Pharmacy Services	(4,130,000)
22	Eligibility Determination Services	(4,729,000)

22 Health Benefit Coordination Services	(8,556,000)
22 General Assistance Medical Services . . .	(143,965,000)
22 NJ FamilyCare - Affordable and Accessible Health Coverage Benefits . . .	(181,611,000)
22 Programs for Assertive Community Treatment	(6,765,000)

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 Payments for Medical Assistance Recipients-Adult Mental Health Residential and Payments for Medical Assistance Recipients-Other Services accounts within the General Medical Services program classification in the Division of Medical Assistance and Health Services and the Payments for Medical Assistance Recipients-Personal Care and the Payments for Medical Assistance Recipients-Other Services accounts in the Division of Disability Services in the Department of Human Services. Amounts may also be transferred to and from various items of appropriations within the General Medical Services program classification of 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 Aging and Community Services in the Department of Health and Senior Services. All such transfers are 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 appropriated 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.

Notwithstanding the provisions of any law or regulation to the contrary, all object accounts appropriated in the General Medical Services program classification shall be conditioned upon the following provision: 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 appropriated 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 and pregnant women in the Medicaid (Title XIX) program and the NJ FamilyCare program as defined in P.L.2005, c.156 (C.30:4J-8 et al.).

Notwithstanding the provisions of P.L.1962, c.222 (C.44:7-76 et seq.), the Medical Assistance for the Aged program is eliminated.

Notwithstanding the provisions of any law or regulation to the contrary, all object accounts appropriated in the General Medical Services program classification shall be conditioned upon the following provision: 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.

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 current fiscal year 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 the provisions of any law or regulation 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 the provisions of any law or regulation 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.
- Notwithstanding the provisions of any law or regulation to the contrary, and subject to the notice provisions of 42 CFR 447.205, of the amount hereinabove appropriated for Payments for Medical Assistance Recipients-Adult Mental Health Residential, personal care assistant services shall be limited to no more than 25 hours per week.
- 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 that is 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 the funds necessary for the contracted utilization review of these hospital services are 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.
- Such sums as may be necessary are available from the Health Care Subsidy Fund to supplement Payments for Medical Assistance Recipients-Inpatient Hospital, 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, 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.
- Notwithstanding the provisions of any law or regulation to the contrary, the NJ FamilyCare program benefit service packages, premium contributions, copayment 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 NJ FamilyCare program do not exceed the amount appropriated hereunder.
- Notwithstanding the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the Commissioner of Human Services shall adopt immediately upon filing with the Office of Administrative Law such regulations as the Commissioner deems necessary to ensure that monies expended for the NJ FamilyCare 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 the provisions of any law or regulation to the contrary, those hospitals that are eligible to receive a Hospital Relief Subsidy Fund (HRSF) payment as appropriated hereinabove in the Payments for Medical Assistance Recipients-Inpatient Hospital program shall receive enhanced payments from the Medicaid program for providing services to Medicaid and NJ 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). Interim payments shall be made from the Hospital Relief Offset Payments account, 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, shall 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 the Division of Budget and Accounting. The total of these payments shall be reduced by an amount equal to any increase in Medicaid and NJ FamilyCare fee-for-service payments to New Jersey hospitals enacted herein or subsequent to this legislation.

Notwithstanding the provisions of any law or regulation to the contrary, for those hospitals that qualify for a Hospital Relief Subsidy Fund payment, the State 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 NJ FamilyCare fee-for-service beneficiaries. Payments shall be made from and are appropriated hereinabove in the Hospital Relief Offset Payments 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 NJ 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 Payments 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 established pursuant to P.L.1992, c.160 (C.26:2H-18.51 et seq.) 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 current fiscal year 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 law or regulation to the contrary, and subject to the notice provisions of 42 CFR 447.205 where applicable, no funds appropriated for prescription drugs in the Payments for Medical Assistance Recipients - Prescription Drugs or General Assistance Medical Services account shall be expended except under the following conditions: (a) reimbursement for the cost of single source brand name legend drugs and non-legend drugs shall be on the basis of Average Wholesale Price less a 12.5% discount and reimbursement for the cost of multisource generic drugs shall be in accordance with the federal Deficit Reduction Act of 2005 upon final adoption of regulations by the Department of Health and Human Services; (b) the current prescription drug dispensing fee structure set as a variable rate of \$3.73 to \$4.07 shall remain in effect through the current fiscal year, including the current increments for patient consultation, impact allowances and allowances for 24-hour emergency services; and (c) multisource generic and single source brand name drugs shall be dispensed without prior authorization but multisource brand name drugs shall require prior authorization issued by the Division of Medical Assistance and Health Services or its authorizing agent, however, a 10-day supply of the multisource brand name drug shall be dispensed pending receipt of prior authorization. Certain multisource brand name drugs with a narrow therapeutic index, other drugs recommended by the Drug Utilization Review Board or brand name drugs with a lower cost per unit than the generic may be excluded from prior authorization by the Division of Medical Assistance and Health Services.
- Notwithstanding the provisions of any law or regulation to the contrary, and subject to the notice provisions of 42 CFR 447.205, approved nutritional supplements which are funded hereinabove in the Payments for Medical Assistance Recipients-Prescription Drug program shall be reimbursed in accordance with a fee schedule set by the Director of the Division of Medical Assistance and Health Services.
- No funding shall be provided from the General Assistance Medical Services 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).
- Notwithstanding the provisions of any law or regulation to the contrary, the appropriation in the General Assistance Medical Services account hereinabove shall be conditioned upon the following provisions which shall apply to the dispensing of prescription drugs through that account: (a) 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 (b) 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 all requirements pertaining to drug substitution and federal upper limits for MAC drugs as administered by the State Medicaid Program.
- 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 law or regulation to the contrary, the appropriations in the Payments for Medical Assistance Recipients-Prescription Drugs, General Assistance Medical Services, and NJ FamilyCare accounts shall be conditioned upon the following provision: each prescription order for protein nutritional supplements and specialized infant formulas dispensed 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 appropriated 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 NJ KidCare A - Administration account to improve access to medical services and quality care through such activities as outreach, education, and awareness, subject to the approval of the Director of the Division of Budget and Accounting.
- Non-contracted hospitals providing emergency services to Medicaid or NJ FamilyCare members enrolled in the managed care program shall accept, as payment in full, the amounts that the non-contracted hospital would receive from Medicaid for the emergency services and/or any related hospitalization if the beneficiary were enrolled in Medicaid fee-for-service.
- 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 that 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 appropriated for Payments for Medical Assistance Recipients-Clinic Services, an amount not to exceed \$1,900,000 is allocated for limited prenatal medical care provided by clinics, or in the case of radiology and clinical laboratory services ordered by a clinic, 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.
- The Division of Medical Assistance and Health Services (DMAHS), in coordination with the county welfare agencies, shall continue a program to outstation eligibility workers in disproportionate share hospitals and federally qualified health centers.
- The amount appropriated hereinabove for Payments for Medical Assistance Recipients-Other Services, NJ FamilyCare, and NJ KidCare may be used 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 and NJ FamilyCare 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 the provisions of any law or regulation 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.

Of the amount hereinabove appropriated for Eligibility Determination, an amount not to exceed \$630,000 is allocated for increased eligibility determination costs related to immigrant services.

Premiums received from families enrolled in the NJ FamilyCare program established pursuant to P.L.2005, c.156 (C.30:4J-8 et al.) are appropriated for NJ FamilyCare payments.

Of the amount hereinabove appropriated 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 Commissioners of Human Services and Health and Senior Services shall establish a system to utilize unopened prescription drugs at nursing facilities issued to patients at such facilities and which have not exceeded their expiration date.

Notwithstanding the provisions of any law or regulation to the contrary, from the amount appropriated hereinabove for the Payments for Medical Assistance Recipients-Inpatient Hospital program, the Commissioner of Human Services shall establish a disease management program to improve the quality of care for beneficiaries of the Division of Medical Assistance and Health Services and reduce costs in the General Medical Services program.

Notwithstanding the provisions of any law or regulation to the contrary, no funds appropriated for the Medicaid program as hereinabove appropriated in the Payments for Medical Assistance Recipients-Prescription Drugs account are available to any pharmacy that does not agree to allow Medicaid to bill on its behalf any third party, as defined in subsection m. of section 3 of P.L.1968, c.413 (C.30:4D-3), by participating in a billing agreement executed between the State and the pharmacy.

Notwithstanding the provisions of any law or regulation to the contrary, effective January 1, 2005, inpatient hospital reimbursements for Medical Assistance services for dually eligible individuals shall exclude Medicare Part A crossover payments according to a plan designed by the Commissioner of Human Services and approved by the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of N.J.A.C.10:49-7.1 et seq. to the contrary, and subject to approval by the federal government, the Division of Medical Assistance and Health Services shall increase reimbursement for ambulance services, including BLS emergency and nonemergency ambulance services and specialty care transport services, provided to Medicaid recipients who are also Medicare eligible to the applicable Medicare rate.

Notwithstanding the provisions of any law or regulation to the contrary, and subject to the notice provisions of 42 CFR 447.205 where applicable, the appropriation in the Payments for Medical Assistance Recipients-Physician Services account shall be conditioned upon the following provisions: (a) reimbursement for the cost of physician-administered drugs shall be consistent with reimbursement for legend and non-legend drugs; and (b) reimbursement for selected high cost physician-administered drugs shall be limited to those drugs supplied by manufacturers who have entered into the federal Medicaid Drug Rebate Agreement and are subject to drug rebate rules and regulations consistent with this agreement. The Division of Medical Assistance and Health Services shall collect and submit utilization and coding information to the Secretary of the United States Department of Health and Human Services for all single source drugs administered by physicians.

Notwithstanding the provisions of any law or regulation to the contrary, the appropriation in the Payments for Medical Assistance Recipients-Clinic Services, Payments for Medical Assistance Recipients-Prescription Drugs, Payments for Medical Assistance

Recipients-Physician Services, Payments for Medical Assistance Recipients-Medical Supplies and Payments for Medical Assistance Recipients-Other Services shall be conditioned upon the following provision: no funds shall be expended for partial care services, pharmaceutical services, chiropractic services, medical supplies, or podiatry services to any provider who was not a Medicaid/NJ FamilyCare approved provider of partial care services, pharmaceutical services, chiropractic services, medical supplies, or podiatry services, respectively, prior to July 1, 2006 with the exception of new providers whose services are deemed necessary to meet special needs by the Division of Medical Assistance and Health Services.

Notwithstanding the provisions of any law or regulation to the contrary, the appropriation hereinabove for Payments for Medical Assistance Recipients-Prescription Drugs shall be conditioned upon the following provision: no funds shall be appropriated for the refilling of a prescription drug until such time as the original prescription is 85% finished.

Notwithstanding the provisions of any law or regulation to the contrary, the appropriation hereinabove for Payments for Medical Assistance Recipients-Outpatient Hospital shall be conditioned upon the following provision: certifications shall not be granted for new or re-locating off-site hospital-based entities in accordance with N.J.A.C.10:52-1.3 with the exception of providers whose services are deemed necessary to meet special needs by the Division of Medical Assistance and Health Services.

Of the amount hereinabove appropriated for Payments for Medical Assistance Recipients-Prescription Drugs, such sums as are necessary are available for payment of Medicare Part D copayments and for certain pharmaceuticals not included in the Part D provider formularies for those individuals who are dually eligible for Medicaid and Medicare. These funds shall only be available to cover copayments and non-formulary drugs to pharmacies participating in the federal Medicare Part D program. Payments for pharmaceuticals not included in the Part D formularies may be subject to prior authorization. The Department of Human Services may require proof of appeal or may appeal the Medicare Part D formulary decision on behalf of a dual-eligible client.

Notwithstanding the provisions of any law or regulation to the contrary, no funds appropriated in the Payments for Medical Assistance Recipients-Prescription Drugs line item shall be expended for the payment of claims for pharmaceuticals not included in the Part D provider formularies of Medicare Part D eligibles unless participating pharmaceutical manufacturing companies execute contracts with the Department of Human Services providing for the payment of rebates to the State on the same basis as provided for in section 1927 (a) through (c) of the federal Social Security Act, 42 U.S.C. s.1396r-8(a) - (c). All rebates received are appropriated for the Medical Assistance Recipients-Prescription Drugs account.

Notwithstanding the provisions of any law or regulation to the contrary, commencing at the beginning of the current fiscal year, distribution of the Graduate Medical Education (GME) Medicaid payment to eligible acute care teaching hospitals shall not include federal funds without federal approval.

The amounts hereinabove appropriated for Adult Mental Health Residential, Managed Care, Hospital Relief Offset Payments, ICF/MR, Inpatient Hospital, Prescription Drugs, Outpatient Hospital, Physician Services, Home Health Care, Medicare Premiums, Dental Services, Psychiatric Hospital, Medical Supplies, Clinic Services, Transportation Services, Other Services, Eligibility Determination Services, and Health Benefit Coordination Services are conditioned upon the Commissioner of Human Services making changes to such programs to make them consistent with the federal Deficit Reduction Act of 2005.

- The unexpended balance at the end of the preceding fiscal year in the NJ FamilyCare-Affordable and Accessible Health Coverage Benefits account is appropriated for the same purpose and may also be transferred to any appropriation in the General Medical Services program classification for payment for services to NJ FamilyCare clients. All such transfers are 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 the provisions of any law or regulation to the contrary, all financial recoveries obtained through the efforts of any entity authorized to undertake the prevention and detection of Medicaid fraud, waste and abuse, are appropriated to General Medical Services in the Division of Medical Assistance and Health Services.
- Notwithstanding the provisions of any law or regulation to the contrary, the appropriation hereinabove for Payments for Medical Assistance Recipients-Outpatient Hospital shall be subject to the following condition: hospitals may provide continued services to eligible individuals age 22 or older in partial hospitalization programs in need of additional care beyond the 24 month limit and shall bill for these extended services at the community partial care rate of \$77 per day. Costs related to such services shall be excluded from outpatient hospital costs settlements.
- Notwithstanding the provisions of any law or regulation to the contrary, an amount not to exceed \$1,200,000 shall be transferred from the Medical Malpractice Liability Insurance Premium Assistance Fund to the General Fund and appropriated to the Division of Medical Assistance and Health Services for the Managed Care Initiative.
- In accordance with the "Family Health Care Coverage Act," P.L.2005, c.156 (C.30:4J-8 et seq.), rebates collected during the current fiscal year from the pharmaceutical manufacturing companies for prescription expenditures made to providers on behalf of General Assistance Medical Services clients are appropriated to NJ FamilyCare - Affordable and Accessible Health Coverage Benefits.
- Notwithstanding the provisions of any law or regulation to the contrary, the Commissioner of Human Services is authorized to utilize savings not to exceed \$8,000,000 in the Payments for Medical Assistance Recipients-Outpatient Hospital account that materialize as a result of the annualization of the February 5, 2007 Outpatient Hospital Psychiatric Reimbursement changes for individuals age 22 and older. Utilization of the savings not to exceed \$8,000,000 shall be for outpatient hospital psychiatric service rate adjustments in the Medicaid program and/or reinvestment into community based psychiatric services for individuals age 22 and older. An amount not to exceed \$8,000,000 may be transferred to the Community Care appropriation within the Division of Mental Health Services to support outpatient hospital and community based psychiatric services for individuals age 22 and older, subject to the approval of the Director of the Division of Budget and Accounting.

27 Disability Services
7545 Division of Disability Services
DIRECT STATE SERVICES

27-7545 Disability Services	<u>\$1,263,000</u>
Total Direct State Services Appropriation, Division of	
Disability Services	<u>\$1,263,000</u>
Direct State Services:	
Personal Services:	
Salaries and Wages	(\$1,090,000)
Materials and Supplies	(4,000)
Services Other Than Personal	(160,000)
Maintenance and Fixed Charges	(9,000)

GRANTS-IN-AID

27-7545 Disability Services	<u>\$171,473,000</u>
(From General Fund	\$91,145,000)
(From Casino Revenue Fund	80,328,000)
Total Grants-in-Aid Appropriation, Division of Disability Services	<u>\$171,473,000</u>
(From General Fund	\$91,145,000)
(From Casino Revenue Fund	80,328,000)

Grants-in-Aid:

27 Personal Assistance Services Program	(\$7,171,000)
27 Personal Assistance Services Program (CRF)	(3,734,000)
27 Community Supports to Allow Discharge from Nursing Homes	(2,000,000)
27 Payments for Medical Assistance Recipients - Personal Care	(75,213,000)
27 Payments for Medical Assistance Recipients - Personal Care (CRF)	(60,092,000)
27 Payments for Medical Assistance Recipients - Waiver Initiatives	(4,934,000)
27 Payments for Medical Assistance Recipients - Waiver Initiatives (CRF)	(16,502,000)
27 Payments for Medical Assistance Recipients - Other Services	(1,652,000)
27 Eastern Christian Children's Retreat	(175,000)

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 Payments for Medical Assistance Recipients-Adult Mental Health Residential and Payments for Medical Assistance Recipients-Other Services accounts within the General Medical Services program classification in the Division of Medical Assistance and Health Services and the Payments for Medical Assistance Recipients-Personal Care and the Payments for Medical Assistance Recipients-Other Services accounts in the Division of Disability Services in the Department of Human Services. Amounts may also be transferred to and from various items of appropriations within the General Medical Services program classification of 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 Aging and Community Services in the Department of Health and Senior Services. All such transfers are 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 the provisions of any law or regulation to the contrary, and subject to the notice provisions of 42 CFR 447.205, of the amount appropriated hereinabove for Payments for Medical Assistance Recipients-Personal Care, personal care assistant services shall be authorized prior to the beginning of services by the Director of the Division of Disability Services. The hourly weekend rate shall not exceed \$16.00.

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	<u>\$11,092,000</u>
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<i>(From General Fund</i>	<i>\$3,440,000)</i>	
<i>(From Federal Funds</i>	<i>7,652,000)</i>	
Total Appropriation, State and Federal Funds		<u>\$11,092,000</u>
<i>(From General Fund</i>	<i>\$3,440,000)</i>	
<i>(From Federal Funds</i>	<i>7,652,000)</i>	
Less:		
<i>Federal Funds</i>	<i>\$7,652,000</i>	
<i>Total Deductions</i>	<i>\$7,652,000</i>	
Total Direct State Services Appropriation,		
Division of Developmental Disabilities		<u>\$3,440,000</u>
Direct State Services:		
Personal Services:		
Salaries and Wages	(\$10,348,000)	
Materials and Supplies	(64,000)	
Services Other Than Personal	(250,000)	
Maintenance and Fixed Charges	(99,000)	
Special Purpose:		
99 Developmental Disabilities Council	(306,000)	
Additions, Improvements and Equipment	(25,000)	
Less:		
<i>Federal Funds</i>	<i>7,652,000</i>	
An amount not to exceed \$223,000 from receipts from individuals for whom the Division of Developmental Disabilities in the Department of Human Services is the representative payee is appropriated for participation in the Foster Grandparents and Senior Companions programs.		

7601 Community Programs
DIRECT STATE SERVICES

01-7601 Purchased Residential Care		\$4,442,000
<i>(From General Fund</i>	<i>\$1,485,000)</i>	
<i>(From Federal Funds</i>	<i>2,957,000)</i>	
02-7601 Social Supervision and Consultation		31,717,000
<i>(From General Fund</i>	<i>1,881,000)</i>	
<i>(From Federal Funds</i>	<i>29,836,000)</i>	
03-7601 Adult Activities		<u>2,511,000</u>
<i>(From General Fund</i>	<i>1,420,000)</i>	
<i>(From Federal Funds</i>	<i>1,091,000)</i>	
Total Appropriation, State and Federal Funds		<u>\$38,670,000</u>
<i>(From General Fund</i>	<i>\$4,786,000)</i>	
<i>(From Federal Funds</i>	<i>33,884,000)</i>	
Less:		
<i>Federal Funds</i>	<i>\$33,884,000</i>	
<i>Total Deductions</i>	<i>\$33,884,000</i>	
Total Direct State Services Appropriation,		
Community Programs		<u>\$4,786,000</u>
Direct State Services:		
Personal Services:		
Salaries and Wages	(\$37,440,000)	
Materials and Supplies	(76,000)	
Services Other Than Personal	(408,000)	
Maintenance and Fixed Charges	(491,000)	
Additions, Improvements and Equipment	(255,000)	

Less:

Federal Funds 33,884,000

GRANTS-IN-AID

01-7601 Purchased Residential Care \$604,493,000
 (From General Fund *\$358,096,000)*
 (From Casino Revenue Fund *22,934,000)*
 (From Federal Funds *184,833,000)*
 (From All Other Funds *38,630,000)*
 02-7601 Social Supervision and Consultation 82,887,000
 (From General Fund *56,467,000)*
 (From Casino Revenue Fund *2,208,000)*
 (From Federal Funds *24,212,000)*
 03-7601 Adult Activities 146,997,000
 (From General Fund *95,023,000)*
 (From Casino Revenue Fund *7,374,000)*
 (From Federal Funds *44,600,000)*
 Total State, Federal and All Other Funds \$834,377,000
 (From General Fund *\$509,586,000)*
 (From Casino Revenue Fund *32,516,000)*
 (From Federal Funds *253,645,000)*
 (From All Other Funds *38,630,000)*

Less:

Federal Funds \$253,645,000
All Other Funds 38,630,000
Total Deductions \$292,275,000
 Total Grants-in-Aid Appropriation,
 Community Programs. \$542,102,000

Grants-in-Aid:

01 Dental Program for Non-
 Institutionalized Children (\$814,000)
 01 Private Institutional Care (68,426,000)
 01 Private Institutional Care (CRF) (1,311,000)
 01 Skill Development Homes (29,775,000)
 01 Skill Development Homes (CRF) (1,141,000)
 01 Group Homes (482,411,000)
 01 Group Homes (CRF) (20,354,000)
 01 Family Care (133,000)
 01 Family Care (CRF) (128,000)
 01 Addressing the Needs of the
 Autism Community (5,000,000)
 02 Essex ARC - Expanded Respite Care
 Services for Families with
 Autistic Children (75,000)
 02 Autism Respite Care (1,000,000)
 02 Developmental Disabilities Council (1,183,000)
 02 Home Assistance (42,583,000)
 02 Home Assistance (CRF) (1,657,000)
 02 Purchase of After School and
 Camp Services (1,339,000)
 02 Purchase of After School and Camp
 Services (CRF) (551,000)
 02 Real Life Choices (24,280,000)

02 Social Services	(4,048,000)
02 Case Management	(471,000)
02 New Jersey Institute of Disabilities	(250,000)
02 New Jersey Center for Outreach Services for the Autism Community (COSAC) -- Adult Resources Initiative Project	(350,000)
02 Aspergers Syndrome Vocational, Education and Social Training (VEST) Program, Jewish Family Services, Inc., Teaneck	(100,000)
03 Purchase of Adult Activity Services	(139,623,000)
03 Purchase of Adult Activity Services (CRF) .	(7,374,000)

Less:

Federal Funds 253,645,000

All Other Funds 38,630,000

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 community residences 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.

Cost recoveries from skill development homes during the current fiscal year, not to exceed \$12,500,000, are appropriated for the continued operation of the Skill Development Homes program, 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 law or regulation to the contrary, the Director of the Division of Developmental Disabilities is authorized to waive statutory, regulatory, or licensing requirements in the use of funds appropriated hereinabove for the operation of the Self Determination program including participants from the Community Services Waiting List Reduction Initiatives-FY 1997 through FY 2002, subject to the approval of a plan by the Director of the Division of Developmental Disabilities, which allowed an individual to be removed from the waiting list. This waiver also applies to those persons identified as part of the Community Transition Initiative-FY2001 and FY2002, and the Community Nursing Care Initiative-FY2002, who chose self-determination.

Cost recoveries from developmentally disabled patients and residents collected during the current fiscal year, not to exceed \$26,130,000, are appropriated for the continued operation of the Group Homes program, subject to the approval of the Director of the Division of Budget and Accounting.

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 the provisions of any law or regulation 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.).

Notwithstanding the provisions of any law or regulation to the contrary, expenditures of federal Community Care Waiver funds received for community-based programs in the Division of Developmental Disabilities are limited to \$273,410,000. Federal funding received above this level must be approved by the Director of the Division of Budget and Accounting in accordance with a plan submitted by the Department of Human Services.

In order to permit flexibility in the handling of appropriations and assure timely payment of provider services, funds may be transferred within the Grants-in-Aid accounts within the Division of Developmental Disabilities, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Capital Improvements for Olmstead Group Homes account is appropriated.

The unexpended balance at the end of the preceding fiscal year in the Asperger's Syndrome Pilot Program account is appropriated.

Of the amount appropriated hereinabove for Addressing the Needs of the Autism Community, \$500,000 is allocated for the Autism Center at the University of Medicine and Dentistry of New Jersey - New Jersey Medical School.

Amounts required to return persons with mental retardation or developmental disabilities presently residing in out-of-State institutions to community residences 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.

Cost recoveries from skill development homes during the current fiscal year, not to exceed \$12,500,000, are appropriated for the continued operation of the Skill Development Homes program, 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 current fiscal year, not to exceed \$26,130,000, are appropriated for the continued operation of the Group Homes program, 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	\$9,551,000
<i>(From General Fund</i>	<i>\$549,000)</i>
<i>(From Federal Funds</i>	<i>9,002,000)</i>
99-7610 Administration and Support Services	<u>3,728,000</u>
<i>(From General Fund</i>	<i>895,000)</i>
<i>(From Federal Funds</i>	<i>2,833,000)</i>
Total Appropriation, State and Federal Funds	<u>\$13,279,000</u>
<i>(From General Fund</i>	<i>\$1,444,000)</i>
<i>(From Federal Funds</i>	<i>11,835,000)</i>
Less:	
<i>Federal Funds</i>	<i>\$11,835,000</i>
<i>Total Deductions</i>	<i><u>\$11,835,000</u></i>
Total Direct State Services Appropriation, Green Brook Regional Center	<u>\$1,444,000</u>
Direct State Services:	
Personal Services:	
Salaries and Wages	(\$11,835,000)

Materials and Supplies (875,000)
 Services Other Than Personal (259,000)
 Maintenance and Fixed Charges (210,000)
 Additions, Improvements and Equipment (100,000)

Less:

Federal Funds **11,835,000**

7620 Vineland Developmental Center**DIRECT STATE SERVICES**

05-7620 Residential Care and Habilitation Services \$51,733,000

(From General Fund **\$6,286,000)**

(From Federal Funds **45,447,000)**

99-7620 Administration and Support Services 14,027,000

(From General Fund **11,688,000)**

(From Federal Funds **2,339,000)**

Total Appropriation, State and Federal Funds \$65,760,000

(From General Fund **\$17,974,000)**

(From Federal Funds **47,786,000)**

Less:

Federal Funds **\$47,786,000**

Total Deductions **\$47,786,000**

Total Direct State Services Appropriation,
 Vineland Developmental Center \$17,974,000

Direct State Services:**Personal Services:**

Salaries and Wages (\$58,313,000)

Materials and Supplies (5,050,000)

Services Other Than Personal (1,462,000)

Maintenance and Fixed Charges (673,000)

Special Purpose:

05 Family Care (6,000)

Additions, Improvements and Equipment (256,000)

Less:

Federal Funds **47,786,000**

7630 North Jersey Developmental Center**DIRECT STATE SERVICES**

05-7630 Residential Care and Habilitation Services \$43,217,000

(From General Fund **\$2,997,000)**

(From Federal Funds **40,220,000)**

99-7630 Administration and Support Services 9,580,000

(From General Fund **7,500,000)**

(From Federal Funds **2,080,000)**

Total Appropriation, State and
 Federal Funds \$52,797,000

(From General Fund **\$10,497,000)**

(From Federal Funds **42,300,000)**

Less:

Federal Funds **\$42,300,000**

Total Deductions **\$42,300,000**

Total Direct State Services Appropriation,
 North Jersey Developmental Center \$10,497,000

Direct State Services:

Personal Services:

Salaries and Wages	(\$46,832,000)
Materials and Supplies	(3,069,000)
Services Other Than Personal	(2,050,000)
Maintenance and Fixed Charges	(587,000)
Additions, Improvements and Equipment	(259,000)

Less:

Federal Funds **42,300,000**

7640 Woodbine Developmental Center**DIRECT STATE SERVICES**

05-7640 Residential Care and Habilitation Services \$37,574,000

(From General Fund **\$3,582,000**)

(From Federal Funds **33,992,000**)

99-7640 Administration and Support Services 13,578,000

(From General Fund **9,362,000**)

(From Federal Funds **4,216,000**)

Total Appropriation, State and Federal Funds \$51,152,000

(From General Fund **\$12,944,000**)

(From Federal Funds **38,208,000**)

Less:

Federal Funds **\$38,208,000**

Total Deductions **\$38,208,000**

Total Direct State Services Appropriation,
Woodbine Developmental Center \$12,944,000

Direct State Services:

Personal Services:

Salaries and Wages	(\$44,517,000)
Materials and Supplies	(4,391,000)
Services Other Than Personal	(1,411,000)
Maintenance and Fixed Charges	(576,000)
Additions, Improvements and Equipment	(257,000)

Less:

Federal Funds **38,208,000**

7650 New Lisbon Developmental Center**DIRECT STATE SERVICES**

05-7650 Residential Care and Habilitation Services \$77,421,000

(From General Fund **\$20,273,000**)

(From Federal Funds **57,148,000**)

99-7650 Administration and Support Services 13,537,000

(From General Fund **6,908,000**)

(From Federal Funds **6,629,000**)

Total Appropriation, State and Federal Funds \$90,958,000

(From General Fund **\$27,181,000**)

(From Federal Funds **63,777,000**)

Less:

Federal Funds **\$63,777,000**

Total Deductions **\$63,777,000**

Total Direct State Services Appropriation,
New Lisbon Developmental Center \$27,181,000

Direct State Services:

Personal Services:

Salaries and Wages	(\$78,240,000)
Materials and Supplies	(3,806,000)
Services Other Than Personal	(7,147,000)
Maintenance and Fixed Charges	(814,000)
Additions, Improvements and Equipment	(951,000)

Less:

Federal Funds 63,777,000

**7660 Woodbridge Developmental Center
DIRECT STATE SERVICES**

05-7660 Residential Care and Habilitation Services	\$52,278,000
(From General Fund	\$8,850,000)
(From Federal Funds	43,369,000)
(From All Other Funds	59,000)
99-7660 Administration and Support Services	9,448,000
(From General Fund	7,346,000)
(From Federal Funds	2,102,000)
Total Appropriation, State, Federal and All Other Funds	\$61,726,000
(From General Fund	\$16,196,000)
(From Federal Funds	45,471,000)
(From All Other Funds	59,000)

Less:

Federal Funds \$45,471,000

All Other Funds 59,000

Total Deductions \$45,530,000

Total Direct State Services Appropriation,
Woodbridge Developmental Center

\$16,196,000

Direct State Services:

Personal Services:

Salaries and Wages	(\$52,081,000)
Materials and Supplies	(4,246,000)
Services Other Than Personal	(4,106,000)
Maintenance and Fixed Charges	(468,000)
Additions, Improvements and Equipment	(825,000)

Less:

Federal Funds 45,471,000

All Other Funds 59,000

**7670 Hunterdon Developmental Center
DIRECT STATE SERVICES**

05-7670 Residential Care and Habilitation Services	\$40,229,000
(From General Fund	\$5,127,000)
(From Federal Funds	35,102,000)
99-7670 Administration and Support Services	12,944,000
(From General Fund	8,752,000)
(From Federal Funds	4,192,000)
Total Appropriation, State and Federal Funds	\$53,173,000
(From General Fund	\$13,879,000)
(From Federal Funds	39,294,000)

Less:

Federal Funds \$39,294,000

Total Deductions	<u>\$39,294,000</u>
Total Direct State Services Appropriation, Hunterdon Developmental Center	<u>\$13,879,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$45,627,000)
Materials and Supplies	(5,618,000)
Services Other Than Personal	(1,084,000)
Maintenance and Fixed Charges	(567,000)
Additions, Improvements and Equipment	(277,000)

Less:

Federal Funds	<u>39,294,000</u>
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The State appropriation is based on ICF/MR revenues of \$330,505,000 provided that if the ICF/MR revenues exceed \$330,505,000 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.

In addition to the amount hereinabove appropriated for Operation and Support of Educational Institutions of the Division of Developmental Disabilities, such other sums provided in Interdepartmental accounts for Employee Benefits, as the Director of the Division of Budget and Accounting shall determine, are considered as appropriated on behalf of the Developmental Centers and are available for matching federal funds.

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	<u>\$8,203,000</u>
99-7560 Administration and Support Services	<u>1,564,000</u>
Total Direct State Services Appropriation, Commission for the Blind and Visually Impaired	<u>\$9,767,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$8,372,000)
Materials and Supplies	(123,000)
Services Other Than Personal	(407,000)
Maintenance and Fixed Charges	(80,000)

Special Purpose:

11 Technology for the Visually Impaired	(765,000)
Additions, Improvements and Equipment	(20,000)

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 at the end of the preceding fiscal year of such receipts is appropriated.

Notwithstanding the provisions of N.J.S.18A:61-1 and N.J.S.18A:46-13, or any law or regulation 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, each local board of education 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 at the end of the preceding fiscal year in the Technology for the Visually Impaired account are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove appropriated, the amount of \$900,000 is transferred from the Governor's Literacy Initiative to the Commission for the Blind and Visually Impaired for increased Braille lessons for blind children, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

11-7560 Services for the Blind and Visually Impaired	<u>\$4,256,000</u>
Total Grants-in-Aid Appropriation, Commission for the Blind and Visually Impaired	<u>\$4,256,000</u>

Grants-in-Aid:

11 Camp Marcella	(\$52,000)
11 Psychological Counseling	(156,000)
11 Recording for the Blind, Inc.	(53,000)
11 Educational Services for Children	(2,170,000)
11 Services to Rehabilitation Clients	(1,825,000)

50 Economic Planning, Development, and Security

53 Economic Assistance and Security

7550 Division of Family Development

DIRECT STATE SERVICES

15-7550 Income Maintenance Management	<u>\$129,917,000</u>
(From General Fund	\$28,535,000)
(From Federal Funds	88,880,000)
(From All Other Funds	12,502,000)
Total Appropriation, State, Federal and All Other Funds	<u>\$129,917,000</u>
(From General Fund	\$28,535,000)
(From Federal Funds	88,880,000)
(From All Other Funds	12,502,000)

Less:

Federal Funds	\$88,880,000
All Other Funds	12,502,000
Total Deductions	<u>\$101,382,000</u>
Total Direct State Services Appropriation, Division of Family Development	<u>\$28,535,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$30,610,000)
Materials and Supplies	(749,000)
Services Other Than Personal	(30,694,000)
Maintenance and Fixed Charges	(1,490,000)

Special Purpose:

15 Electronic Benefit Transfer/ Distribution System	(2,933,000)
15 Work First New Jersey - Technology Investment	(60,597,000)
15 SSI Attorney Fees	(2,600,000)

Additions, Improvements and Equipment (244,000)

Less:

Federal Funds **88,880,000**

All Other Funds **12,502,000**

Receipts derived from counties and local governments for data processing services and the unexpended balance at the end of the preceding fiscal year of such receipts are appropriated.

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.

The unexpended balances at the end of the preceding fiscal year in accounts where expenditures are required to comply with Maintenance of Effort requirements as specified in the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," Pub.L. 104-193, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

15-7550 Income Maintenance Management \$550,797,000

(From General Fund **\$270,707,000)**

(From Federal Funds **260,090,000)**

(From All Other Funds **20,000,000)**

Total Appropriation, State and Federal Funds \$550,797,000

(From General Fund **\$270,707,000)**

(From Federal Funds **260,090,000)**

(From All Other Funds **20,000,000)**

Less:

Federal Funds **\$260,090,000**

All Other Funds **\$20,000,000**

Total Deductions **\$280,090,000**

Total Grants-in-Aid Appropriation, Division of
Family Development **\$270,707,000**

Grants-in-Aid:

15 DFD Homeless Prevention Initiative (\$2,965,000)

15 Restricted Grants (5,448,000)

15 Work First New Jersey - Training
Related Expenses (18,230,000)

15 Work First New Jersey - Support
Services (76,301,000)

15 Work First New Jersey - Community
Housing for Teens (212,000)

15 Work First New Jersey -
Breaking the Cycle (1,055,000)

15 Work First New Jersey - Child Care (379,453,000)

15 Kinship Care Initiatives (7,137,000)

15 Housing Diversion/Subsidy Program (43,000)

15 Domestic Violence Prevention
Training and Assessment (471,000)

15 Pre-Early Childhood Education (1,873,000)

15 Mental Health Assessments (3,395,000)

15 Wage Supplement Program (1,000,000)

15 Kinship Care Guardianship and Subsidy (3,083,000)

15 Minority Male Initiative	(202,000)
15 Social Services for the Homeless	(11,767,000)
15 Substance Abuse Initiatives	(38,162,000)

Less:

Federal Funds	260,090,000
All Other Funds	20,000,000

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.

The unexpended balances at the end of the preceding fiscal year in accounts where expenditures are required to comply with Maintenance of Effort requirements as specified in the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," Pub.L. 104-193 are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amounts appropriated for Work First New Jersey, amounts may be transferred to the various departments in accordance with the Division of Family Development's agreements, subject to the approval of the Director of the Division of Budget and Accounting. Any unobligated balances remaining from funds transferred to the departments shall be transferred back to the Division of Family Development subject to the approval of the Director of the Division of Budget and Accounting.

The appropriation hereinabove for the Income Maintenance Management program classification is subject to the following condition: 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.

Notwithstanding any law to the contrary, in addition to the amounts hereinabove for the Work First New Jersey Support Services, an amount not to exceed \$20,000,000 is appropriated from the Workforce Development Partnership Fund established pursuant to 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 the provisions of any law or regulation to the contrary, in addition to the amounts hereinabove appropriated for Work First New Jersey Support Services, an amount not to exceed \$20,000,000 may be appropriated from the Workforce Development Partnership Fund established pursuant to section 9 of P.L. 1992, c.43 (C.34:15D-9) to the Division of Family Development for Work First New Jersey Support Services in the event federal funding is reduced pursuant to work participation requirements as specified in section 7102 of the federal Deficit Reduction Act of 2005 (Pub.L. 109-171), 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, no funds appropriated hereinabove for before- and after-school and summer "wrap around" child care shall be expended except in accordance with the following condition: effective September 1, 2007, families with incomes above 300% of the federal poverty level who reside in "Abbott districts" shall not be eligible for free "wrap around" child care.

STATE AID

15-7550 Income Maintenance Management	<u>\$727,981,000</u>
(From General Fund)	\$287,127,000)

<i>(From Federal Funds</i>	440,854,000)	
Total Appropriation, State and Federal Funds		<u>\$727,981,000</u>
<i>(From General Fund</i>	\$287,127,000)	
<i>(From Federal Funds</i>	440,854,000)	
Less:		
<i>Federal Funds</i>	\$440,854,000	
<i>Total Deductions</i>	\$440,854,000	
Total State Aid Appropriation, Division of		
Family Development		<u>\$287,127,000</u>
State Aid:		
15 County Administration Funding	(\$249,928,000)	
15 Work First New Jersey - Client Benefits ..	(119,624,000)	
15 Earned Income Tax Credit Program	(18,393,000)	
15 General Assistance Emergency		
Assistance Program	(68,548,000)	
15 Payments for Cost of General Assistance ..	(67,675,000)	
15 Work First New Jersey - Emergency		
Assistance	(67,836,000)	
15 Payments for Supplemental		
Security Income	(83,134,000)	
15 State Supplemental Security Income		
Administrative Fee to SSA	(18,188,000)	
15 General Assistance County		
Administration	(26,005,000)	
15 Food Stamp Administration - State	(8,600,000)	
15 Fair Labor Standards Act-Minimum		
Wage Requirements (TANF)	(50,000)	

Less:**Federal Funds** **440,854,0000**

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.44:10-1 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, 2008 are appropriated.

Receipts from State administered municipalities during the preceding fiscal year 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 the provisions of any law or regulation 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 at the end of the preceding fiscal year in accounts where expenditures are required to comply with Maintenance of Effort requirements as specified in the federal "Personal Responsibility and Work Opportunity Reconciliation

- Act of 1996," Pub.L.104-193, and in the Payments for Cost of General Assistance and General Assistance-Emergency Assistance Program accounts are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.
- 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 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 established pursuant to 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.
- In addition to the amounts hereinabove appropriated, such additional sums as may be required are appropriated to maintain funding for county welfare agencies in administering their child support programs, subject to the approval of the Director of the Division of Budget and Accounting.

7555 Division of Addiction Services

DIRECT STATE SERVICES

09-7555 Addiction Services	<u>\$1,136,000</u>
Total Direct State Services Appropriation, Division of Addiction Services	<u>\$1,136,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$1,049,000)
Materials and Supplies	(20,000)
Services Other Than Personal	(51,000)
Maintenance and Fixed Charges	(16,000)

The Division of Addiction Services is authorized to bill a patient, a patient's insurance carrier, a patient's estate, the person chargeable for a patient's support or the county of residence for institutional, residential and outpatient support of patients treated for alcoholism or drug abuse, or both. Receipts derived from billings or fees and unexpended balances at the end of the preceding fiscal year from these billings or fees are appropriated to the Department of Human Services for the support of the alcohol and drug abuse programs, subject to the approval of the Director of the Division of Budget and Accounting.

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 the provisions of 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" in the

Department of Human Services, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

09-7555 Addiction Services	<u>\$40,239,000</u>
Total Grants-in-Aid Appropriation, Division of	
Addiction Services	<u>\$40,239,000</u>

Grants-in-Aid:

09 Substance Abuse Treatment for DYFS/WorkFirst Mothers-Pilot Project	(1,487,000)
09 Community Based Substance Abuse Treatment and Prevention-State Share ...	(37,273,000)
09 Compulsive Gambling	(742,000)
09 Mutual Agreement Parolee Rehabilitation Project for Substance Abusers	(737,000)

The unexpended balance at the end of the preceding fiscal year of appropriations made to the Department of Human 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 or regulation to the contrary, there is transferred \$1,000,000 to the Department of Human Services from the "Drug Enforcement and Demand Reduction Fund" for drug abuse services.

In addition to the amount hereinabove for Community Based Substance Abuse Treatment and Prevention-State Share, there is appropriated \$1,500,000 from the "Drug Abuse Education Fund" for the same purpose.

In addition to the amount hereinabove for Community Based Substance Abuse Treatment and Prevention-State Share, there is appropriated \$1,600,000 from the "Drug Enforcement and Demand Reduction Fund" for the same purpose.

Notwithstanding the provisions of any law or regulation to the contrary, there is transferred \$500,000 to the Department of Human 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).

In addition to the amount hereinabove appropriated for Compulsive Gambling, an amount not to exceed \$200,000 is appropriated from the annual assessment against permit holders to the Department of Human Services for prevention, education and treatment programs for compulsive gambling pursuant to the provisions of section 34 of P.L.2001, c.199 (C.5:5-159), subject to the approval of the Director of the Division of Budget and Accounting.

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 law or regulation to the contrary, the unexpended balance at the end of the preceding fiscal year in the Alcohol Education, Rehabilitation and Enforcement Fund is appropriated and shall be distributed to counties for the treatment of alcohol and drug abusers and for education purposes.

There is appropriated \$1,000,000 from the "Drug Enforcement and Demand Reduction Fund" to the Department of Human Services for a grant to Partnership for a Drug-Free New Jersey.

The unexpended balances at the end of the preceding fiscal year in the Capital Improvements for Substance Abuse Treatment and Recovery Centers account are

appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

STATE AID

09-7555 Addiction Services \$20,000,000
 Total State Aid Appropriation, Division of Addiction Services .. \$20,000,000

State Aid:

09 Essex County -- County Jail Substance
 Abuse Programs (\$20,000,000)

50 Economic Planning, Development and Security

55 Social Services Programs

7580 Division of the Deaf and Hard of Hearing

DIRECT STATE SERVICES

23-7580 Services for the Deaf \$778,000
 Total Direct State Services Appropriation, Division of
 the Deaf and Hard of Hearing \$778,000

Direct State Services:

Personal Services:

Salaries and Wages (\$358,000)
 Materials and Supplies (35,000)
 Services Other Than Personal (39,000)
 Maintenance and Fixed Charges (1,000)

Special Purpose:

23 Services to Deaf Clients (290,000)
 23 Communication Access Services (55,000)

70 Government Direction, Management, and Control

76 Management and Administration

7500 Division of Management and Budget

DIRECT STATE SERVICES

96-7500 Institutional Security Services \$7,218,000
 99-7500 Administration and Support Services 18,818,000
 Total Direct State Services Appropriation, Division of
 Management and Budget \$26,036,000

Direct State Services:

Personal Services:

Salaries and Wages (\$15,715,000)
 Materials and Supplies (210,000)
 Services Other Than Personal (5,597,000)
 Maintenance and Fixed Charges (872,000)

Special Purpose:

99 Clinical Services Scholarships (150,000)
 99 Health Care Billing System (470,000)
 99 Affirmative Action and Equal
 Employment Opportunity (255,000)
 99 Transfer to State Police for Finger-
 printing/Background Checks of Job
 Applicants (2,360,000)
 99 Institutional Staff Background Checks (407,000)

Notwithstanding the provisions of any law or regulation 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 any increase in the maximum monthly allowance shall be approved by the Director of the Division of Budget and Accounting.

Upon promulgation of federal regulations modifying the Medicare inpatient hospital reimbursement system, there are appropriated such additional sums as are required to fund the purchase of a Health Care Billing System, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

99-7500 Administration and Support Services \$23,997,000
 Total Grants-in-Aid Appropriation, Division of
 Management and Budget \$23,997,000

Grants-in-Aid:

99 Office for Prevention of Mental
 Retardation and Developmental
 Disabilities (\$731,000)
 99 United Way 2-1-1 System (250,000)
 99 Community Provider Cost of Living
 Adjustment (23,016,000)

Of the amounts appropriated hereinabove for Community Provider Cost of Living Adjustment, amounts may be transferred to other divisions within the Department of Human Services in order to provide a cost of living adjustment to community care providers contracting with the various divisions, subject to the approval of the Director of the Division of Budget and Accounting.

CAPITAL CONSTRUCTION

99-7500 Administration and Support Services \$2,800,000
 Total Capital Construction Appropriation, Division of
 Management and Budget \$2,800,000

Capital Projects:

99 Hunterdon Developmental Center-
 Replace Underground Water Lines (\$2,800,000)

Department of Human Services, Total State Appropriation . . . \$4,888,892,000

Of the amount hereinabove appropriated 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 Message and Recommendations first shall be charged to the State Lottery Fund.

Balances on hand at the end of the preceding fiscal year 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 the provisions of any law or regulation to the contrary, receipts from payments collected from clients receiving services from the Department of Human Services 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 the 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 at the end of the preceding fiscal year 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 established pursuant to 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 and Workforce Development 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 the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996" and as legislatively required by the Work First New Jersey program.
- To ensure the proper reallocation of funds in connection with the creation of the new Department of Children and Families, of the amounts hereinabove appropriated, the Department of Human Services may transfer appropriations to the Department of Children and Families, subject to the Director of the Division of Budget and Accounting.
- The unexpended balances at the end of the preceding fiscal year due to opportunities for increased recoveries in the Department of Human Services are appropriated, subject to the approval of the Director of the Division of Budget and Accounting. These recoveries may be transferred to the Division of Developmental Disabilities as follows: \$39,532,000 for residential and other support services and infrastructure for individuals transitioning from the developmental centers to the community and from the community services waiting list, and for family support services in accordance with a plan approved by the Director of the Division of Budget and Accounting and an amount for operating costs in the developmental centers and the Payments for Medical Assistance Recipients - Medicare Premiums account, 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	\$483,175,000
Grants-in-Aid	3,973,751,000
State Aid	429,166,000
Capital Construction	2,800,000

Appropriations by Fund:

General Fund	\$4,776,048,000
Casino Revenue Fund	112,844,000

62 DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT**50 Economic Planning, Development and Security****51 Economic Planning and Development****DIRECT STATE SERVICES**

99-4565 Administration and Support Services	<u>\$707,000</u>
Total Direct State Services Appropriation, Economic Planning and Development	<u>\$707,000</u>

Direct State Services:**Personal Services:**

Salaries and Wages	(\$417,000)
Materials and Supplies	(11,000)
Services Other Than Personal	(192,000)
Maintenance and Fixed Charges	(25,000)

Special Purpose:

99 Affirmative Action and Equal Employment Opportunity	(62,000)
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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 and Workforce Development 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 amount hereinabove for the Administration and Support Services program classification, \$288,000 is appropriated from the Unemployment Compensation Auxiliary Fund.

In addition to the amount hereinabove for Administration and Support Services, an amount not to exceed \$550,000 is appropriated from the Unemployment Compensation Auxiliary Fund, subject to the approval of 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 and Workforce Development 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.), is 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 and Workforce Development, based upon the authorization of the Chief Executive Officer and Secretary of the New Jersey Commerce, Economic Growth and Tourism Commission, shall make employer rebate awards.

53 Economic Assistance and Security**DIRECT STATE SERVICES**

03-4520 State Disability Insurance Plan	\$22,388,000
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04-4520 Private Disability Insurance Plan	4,563,000
05-4525 Workers' Compensation	12,639,000
06-4530 Special Compensation	<u>1,739,000</u>
Total Direct State Services Appropriation, Economic Assistance and Security	<u>\$41,329,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$26,472,000)
Materials and Supplies	(257,000)
Services Other Than Personal	(5,340,000)
Maintenance and Fixed Charges	(3,007,000)

Special Purpose:

03 State Disability Insurance Plan	(300,000)
03 Reimbursement to Unemployment Insurance for Joint Tax Functions	(5,500,000)
04 Private Disability Insurance Plan	(50,000)
05 Workers' Compensation	(363,000)
06 Special Compensation	(40,000)

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 \$10,000,000, such amount to include \$1,000,000 for a reengineering study of the business process, 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.

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.

Receipts in excess of the amount anticipated for the Second Injury Fund 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.

An amount not to exceed \$150,000 for the cost of notifying unemployment compensation recipients of the availability of New Jersey Earned Income Tax Credit information, pursuant to P.L.2005, c.210 (C.43:21-4.2), is appropriated from the Unemployment Compensation Auxiliary Fund, subject to the approval of the Director of the Division of Budget and Accounting.

From the funds made available to the State under section 903(d)(4) of the Social Security Act (42 U.S.C. s.1103 et seq.), as amended, the sum of \$35,000,000, or so much thereof as may be necessary, is appropriated for the improvement of services to unemployment insurance claimants through the improvement and modernization of the benefit payment system and other technology improvements and to employment service clients through the continued development and maintenance of one-stop offices throughout the State and other investments in technology, processes and services that will enhance job opportunities for clients.

In addition to the amounts appropriated hereinabove, there is appropriated out of the Unemployment Compensation Auxiliary Fund, an amount not to exceed \$2,000,000 to support collection activities in the unemployment insurance program subject to the approval of the Director of the Division of Budget and Accounting.

54 Manpower and Employment Services

DIRECT STATE SERVICES

07-4535 Vocational Rehabilitation Services	\$2,446,000
09-4545 Employment Services	9,386,000
10-4545 Employment and Training Services	95,000
12-4550 Workplace Standards	5,540,000
16-4555 Public Sector Labor Relations	3,287,000
17-4560 Private Sector Labor Relations	<u>474,000</u>
Total Direct State Services Appropriation, Manpower and Employment Services	<u>\$21,228,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$15,634,000)
Materials and Supplies	(60,000)
Services Other Than Personal	(304,000)
Maintenance and Fixed Charges	(92,000)

Special Purpose:

09 Workforce Development Partnership Program	(1,909,000)
09 Workforce Development Partnership - Counselors	(81,000)
09 Workforce Literacy and Basic Skills Program	(2,000,000)
10 Council on Gender Parity	(95,000)
12 Worker and Community Right-to- Know Act	(38,000)
12 Public Employees Occupational Safety	(378,000)
12 Public Works Contractor Registration	(450,000)
12 Mine Safety Program Expansion	(144,000)
12 Safety Commission	(3,000)
Additions, Improvements and Equipment	(40,000)

- 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 appropriated 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 and Workforce Development Partnership - Counselors 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.
- The amounts hereinabove for the Workforce Literacy and Basic Skills Program shall be appropriated from receipts received pursuant to P.L.2001, c.152 (C.34:15D-21 et seq.), together with such additional sums as may be required to administer the Workforce Literacy Program, subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding the provisions of the "Supplemental Workforce Fund for Basic Skills" P.L.2001, c.152 (C.34:15D-21 et seq.), or any law or regulation to the contrary, the unexpended balance at the end of the preceding fiscal year in the Supplemental Workforce Fund for Basic Skills is appropriated, 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 and the unexpended balance at the end of the preceding fiscal year, are appropriated for the Public Works Contractor Registration Program, 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 appropriated 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.
- From the appropriation provided hereinabove in support of office leases, and notwithstanding the provisions of P.L.1992, c.130 (C.52:18A-191.1 et seq.), the State Treasurer in consultation with the Commissioner of Labor and Workforce Development, is hereby authorized to enter into cost-sharing agreements with any authorized non-State partner that offers programs and activities supported primarily by federal funds from the United States Departments of Labor and Education in the State's one-stop centers for the purpose of co-locating such partner in an office with the Department of Labor and Workforce Development providing rent costs shall be

equitably shared in accordance with a cost allocation plan approved by the Commissioner of Labor and Workforce Development.

Notwithstanding the provisions of the "Workforce Development Partnership Act," P.L.1992, c.44 (C.34:15D-12 et seq.), or any other law to the contrary, the unexpended balance at the end of the preceding fiscal year in the Workforce Development Partnership Fund is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of P.L.1992, c.44 (C.34:15D-12 et seq.), or any other law to the contrary, there shall be appropriated to the Department of Labor and Workforce Development an amount not to exceed 5.5% of the total revenues collected pursuant to section 2 of P.L.1992, c.44 (C.34:15D-13) for the purpose of supporting initiatives recommended by the Commissioner in support of the Governor's Economic Growth Strategy, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

07-4535 Vocational Rehabilitation Services	\$35,524,000
<i>(From General Fund</i>	<i>\$33,084,000)</i>
<i>(From Casino Revenue Fund</i>	<i>2,440,000)</i>
Employment and Training Services	<u>36,651,000</u>
Total Grants-in-Aid Appropriation, Manpower and	
Employment Services	<u>\$72,175,000</u>
<i>(Total From General Fund</i>	<i>\$69,735,000)</i>
<i>(Total From Casino Revenue Fund</i>	<i>2,440,000)</i>

Grants-in-Aid:

07 Services to Clients (State Share)	(\$4,286,000)
07 Sheltered Workshop Transportation	(1,960,000)
07 Sheltered Workshop Transportation (CRF)	(2,440,000)
07 Supported Employment Services	5,550,000)
07 Sheltered Workshop Support	(19,750,000)
07 Sheltered Workshop Employment	
Placement Incentive Program	(450,000)
07 Community Provider Cost of Living	
Adjustment - Sheltered Workshops	(289,000)
07 Services for Deaf Individuals	(170,000)
07 Independent Living Centers	(625,000)
07 Training (State Share)	(4,000)
10 New Jersey Youth Corps	(3,048,000)
10 Work First New Jersey Work Activities ..	(33,603,000)

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 \$22,614,000 is appropriated from the Unemployment Compensation Auxiliary Fund.

Of the amounts hereinabove appropriated for Supported Employment Services, \$1,000,000 shall be expended consistent with the recommendations in the final report of the Governor's Task Force on Mental Health.

Amounts appropriated hereinabove for the Sheltered Workshop Employment Placement Incentive Program shall be available to support expenditures under the Sheltered Workshop Support Program and Supported Employment Program, 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, in addition to the amounts hereinabove for the Work First New Jersey-Work Activities and Work First

New Jersey-Training Related Expenses accounts, an amount not to exceed \$25,500,000 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 the provisions of any law or regulation to the contrary, of the amounts hereinabove for Work First New Jersey-Work Activities and Work First New Jersey-Training Related Expenses, \$8,190,000 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 hereinabove appropriated for Work First New Jersey-Work Activities, an amount not to exceed 3% shall be made available for administrative costs incurred by the Department of Labor and Workforce Development.

Notwithstanding the provisions of any law or regulation 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) and an amount not to exceed 10% from all funds available to the program shall be made available for administrative costs incurred by the Department of Labor and Workforce Development.

Notwithstanding the provisions of any law or regulation to the contrary, in addition to the amounts hereinabove for Youth Corps, there is appropriated an amount not to exceed \$2,200,000 from the "Supplemental Workforce Fund for Basic Skills" P.L.2001 c.152 (C.34:15D-21 et seq.) subject to the approval of the Director of the Division of Budget and Accounting.

Of the amount hereinabove for the New Jersey Youth Corps program, \$475,000 is appropriated from the Unemployment Compensation Auxiliary Fund.

Notwithstanding the provisions of any law or regulation to the contrary, up to 15% of the amount available from the Workforce Development Partnership Fund for the Supplemental Workforce Development Benefits Program shall be appropriated as necessary to fund additional administrative costs relating to the processing and payment of benefits, subject to the approval of the Director of the Division of Budget and Accounting.

STATE AID

10-4545 Employment and Training Services	<u>\$1,522,000</u>
Total State Aid Appropriation, Manpower and	
Employment Services	<u>\$1,522,000</u>

State Aid:

10 Adult Literacy	(\$922,000)
10 Vocational Education - Apprenticeship	(600,000)

Of the amount hereinabove appropriated in the Adult Literacy account, such sums as are necessary may be transferred to the applicant State department.

Department of Labor and Workforce Development,	
Total State Appropriation	<u>\$136,961,000</u>

In allocating funds appropriated for One Stop Career Centers, the Department is directed to encourage local Workforce Investment Boards to enter into contractual agreements with local community based organizations in order to assure that local workforce development service delivery to non-English speaking workers who are seeking entry level employment is effective and culturally competent.

**Summary of Department of Labor and Workforce Development Appropriations
(For Display Purposes Only)**

Appropriations by Category:

Direct State Services	\$63,264,000
Grants-in-Aid	72,175,000
State Aid	1,522,000

Appropriations by Fund:

General Fund	\$134,521,000
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	\$247,048,000
09-1020 Criminal Justice	29,745,000
11-1050 State Medical Examiner	745,000
30-1460 Gaming Enforcement	44,599,000
<i>(From Casino Control Fund</i>	<i>\$44,599,000)</i>
99-1200 Administration and Support Services	44,545,000
Total Direct State Services Appropriation, Law Enforcement ..	<u>\$366,682,000</u>
<i>(From General Fund</i>	<i>\$322,083,000)</i>
<i>(From Casino Control Fund</i>	<i>44,599,000)</i>

Direct State Services:

Personal Services:

Salaries and Wages	(\$237,906,000)
Salaries and Wages (CCF)	(29,919,000)
Cash in Lieu of Maintenance	(27,185,000)
Cash in Lieu of Maintenance (CCF)	(877,000)
Employee Benefits (CCF)	(7,494,000)
<i>(From General Fund</i>	<i>265,091,000)</i>
<i>(From Casino Control Fund</i>	<i>38,290,000)</i>

Materials and Supplies	(5,713,000)
Materials and Supplies (CCF)	(389,000)
Services Other Than Personal	(2,067,000)
Services Other Than Personal (CCF)	(1,864,000)
Maintenance and Fixed Charges	(4,925,000)
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)
03 Camden Initiative	(1,500,000)
06 Office of Emergency Management	
Service Enhancement	(1,100,000)
06 Enhanced DNA Testing	(450,000)
06 Megan's Law DNA Testing	(200,000)
06 State Police DNA Laboratory	
Enhancement	(1,150,000)
06 Urban Search and Rescue	(1,000,000)
06 Nuclear Facilities Security Detail	(1,600,000)
06 Computer Aided Dispatch Maintenance	(600,000)

06 State Police Forensic and Communication Equipment/Hamilton Facilities	(3,674,000)
06 State Police Operation Dispatch Unit	(1,400,000)
06 State Police Federal Monitor	(400,000)
09 Criminal Justice - Corruption Prosecution Expansion	(1,647,000)
09 Division of Criminal Justice -- State Match	(1,000,000)
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 Consent Decree Vehicles	(5,200,000)
99 Telecommunications - 911 Call Takers	(1,950,000)
99 Hamilton Headquarters/TechPlex Maintenance	(3,278,000)
99 Central Monitoring Station	(654,000)
99 State Police Radio Upgrade	(1,552,000)
99 Affirmative Action and Equal Employment Opportunity	(193,000)
99 N.C.I.C. 2000 Project	(2,000,000)
99 State Police Information Technology Maintenance	(4,000,000)
99 State Police Technology Enhancements	(650,000)
99 State Police Enhanced Systems and Procedures	(1,900,000)
Additions, Improvements and Equipment	(2,516,000)
Additions, Improvements and Equipment (CCF)	(431,000)
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.	
The unexpended balance at the end of the preceding fiscal year, in the Victim Witness Advocacy Fund account, together with receipts derived pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1) is appropriated.	
Notwithstanding the provisions of any law or regulation to the contrary, funds in excess of \$250,000 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 at the end of the preceding fiscal year, 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 insure 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.	

- In addition to the amount hereinabove for State Police Operations, such amounts as may be required for the purpose of offsetting costs of the provision of State Police services are appropriated from indirect cost recoveries received from the New Jersey Highway Authorities and other state agencies, 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 1 of N.J.S.2C:39-6, "The Retired Officer Handgun Permit Program," and the unexpended balance at the end of the preceding fiscal year, 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.
- Receipts derived pursuant to the New Jersey Medical Service Helicopter Response Act under subsection a. of 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 at the end of the preceding fiscal year, 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. Receipts derived pursuant to the New Jersey Medical Service Helicopter Response Act under subsection c. of section 1 of P.L.1992, c.87 (C.39:3-8.2) are appropriated to the Division of State Police to fund the costs of new State Police recruit training classes. The unexpended balance at the end of the preceding fiscal year, is appropriated for this purpose subject to the approval of the Director of the Division of Budget and Accounting.
- The amount hereinabove appropriated 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 at the end of the preceding fiscal year, in the Nuclear Emergency Response Program account is appropriated.
- The unexpended balance at the end of the preceding fiscal year, 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 section 1 of 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.
- 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 at the end of the preceding fiscal year, in the Noncriminal Record Checks 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 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 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.

Notwithstanding the provisions of section 11 of P.L. 1993, c.220 (C.2C:43-3.2), an amount not to exceed \$1,100,000 is appropriated from the Safe Neighborhoods Services Fund to provide Criminal Justice Statewide Law Enforcement Federal grant match, 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.

Receipts and available balances derived from the agency surcharge on vehicle rentals pursuant to section 54 of P.L. 2002, c.34 (C.App.A:9-78), not to exceed \$11,155,000 for State Police salaries related to Statewide security services, are appropriated for those purposes and shall be deposited into a dedicated account, the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.

Receipts and available balances derived pursuant to the New Jersey Emergency Medical Service Helicopter Response act under subsection a. of section 1 of P.L. 1992, c.87, (C.39:3-8.2), not to exceed \$2,000,000 for State Police Vehicles, are appropriated for those purposes and shall be deposited into a dedicated account, the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.

Receipts and available balances derived from the surcharge on motor vehicle registrations pursuant to subsection a. of section 1 of P.L. 1992, c.87 (C.39:3-8.2), not to exceed \$7,000,000 for State Police salaries, are appropriated for those purposes and shall be deposited into a dedicated account, the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated, an amount up to \$25,000, from the General Fund, to pay for each award or each tip for information that prevents, frustrates, or favorably resolves acts of international or domestic terrorism against New Jersey persons or property, as well as tips related to the identification of illegal guns, drugs and gangs. Rewards may also be paid for information leading to the arrest or conviction of terrorists and/or gang members attempting, committing, conspiring to commit or aiding and abetting in the commission of such acts or to the identification or location of an individual who holds a key leadership position in a terrorist and/or gang organization, subject to the approval of the Attorney General and the Director of the Division of Budget and Accounting.

Receipts derived pursuant to the requirements to act as Joint Negotiation Representatives under P.L. 2001, c.371 (C.52:17B-196 et seq.) are appropriated to the Division of

Criminal Justice to offset operating costs of the program, subject to the approval of the Director of the Division of Budget and Accounting.

All fees and receipts collected, pursuant to the "Security Officers Registration Act of 2004," supplementing Title 45 of the Revised Statutes and amending P.L.1939, c.369 and P.L.1971, c.342 are appropriated to offset the costs of administering this process, 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>2,650,000</u>
Total Grants-in-Aid Appropriation, Law Enforcement	<u>\$2,915,000</u>

Grants-in-Aid:

06 Nuclear Emergency Response Program	(\$265,000)
09 Sex Offender Internet Registry Grants	(300,000)
09 Operation CeaseFire	(850,000)
09 Addressing Violence Against Women	(1,500,000)

The unexpended balances at the end of the preceding fiscal year in the Operation CeaseFire account are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Addressing Violence Against Women account is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

STATE AID

06-1200 State Police Operations	\$8,000,000
09-1020 Criminal Justice	<u>1,000,000</u>
Total State Aid Appropriation, Law Enforcement	<u>\$9,000,000</u>

State Aid:

06 Spring 2007 Flood Relief	(\$8,000,000)
09 Safe and Secure Neighborhoods Program ..	(1,000,000)

The amounts appropriated hereinabove for Spring 2007 Flood Relief are allocated to the Office of Emergency Management for the purpose of satisfying the non-federal share of federal disaster assistance for programs available under Presidential Disaster FEMA-1694-DR. Such sums as may be required may be transferred to various Direct State Service operating accounts for flood damage, 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, in addition to the amounts appropriated hereinabove for Spring 2007 Flood Relief, there are appropriated such additional sums as may be required for Spring 2007 Flood Relief and for May, 2007 forest fire emergency needs and related costs, subject to the approval of the Director of the Division of Budget and Accounting.

13 Special Law Enforcement Activities

DIRECT STATE SERVICES

03-1160 Office of Highway Traffic Safety	\$599,000
17-1420 Election Law Enforcement	4,842,000
20-1450 Review and Enforcement of Ethical Standards	1,246,000
21-1400 Regulation of Alcoholic Beverages	558,000
25-1421 Election Management and Coordination	<u>966,000</u>
Total Direct State Services Appropriation, Special Law Enforcement Activities	<u>\$8,211,000</u>

Personal Services:

Salaries and Wages	(\$5,986,000)
Materials and Supplies	(236,000)
Services Other Than Personal	(853,000)
Maintenance and Fixed Charges	(142,000)

Special Purpose:

03 Federal Highway Safety Program -- State Match	(599,000)
17 Per Diem Payment to Members of Election Law Enforcement Commission	(15,000)
25 County Monitoring and Oversight	(380,000)

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 \$3,960,000 are appropriated for the purpose of offsetting additional operational costs of the Alcoholic Beverage Control Investigative Bureau 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.

Receipts derived from breakage monies and uncashed pari-mutuel winning tickets resulting from off-track and account wagering and any reimbursement assessment against permit holders or successors in interest to permit holders shall be distributed to the New Jersey Racing Commission in accordance with the provisions of the "Off Track and Account Wagering Act" P.L.2001, c.199 (C.5:5-127 et seq.), 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 Enforcement Commission, 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, 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 at the end of the preceding fiscal year of those receipts are appropriated for the costs of making such examinations.

The unexpended balances at the end of the preceding fiscal year, in the Help America Vote Act - State Match account are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances at the end of the preceding fiscal year in the Fair and Clean Elections account are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

STATE AID

25-1421 Election Management and Coordination	<u>\$27,545,000</u>
Total State Aid Appropriation, Special Law	
Enforcement Activities	<u>\$27,545,000</u>

State Aid:

Special Purpose:

25 Extended Polling Place Hours	(\$7,030,000)
25 Presidential Primary	(10,515,000)
25 Voter Verified Paper Audit Trail	(10,000,000)

In addition to the amount hereinabove for Presidential Primary, there are appropriated from the General Fund such additional sums as may be required for county and municipal costs of the Presidential Primary, as certified by the Commissioner of Registration of each county, and certified by the Office of the Attorney General, 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	\$24,545,000
40-1500 Juvenile Parole and Transitional Services	7,483,000
99-1500 Administration and Support Services	<u>7,584,000</u>
Total Direct State Services Appropriation, Division of	
Juvenile Services	<u>\$39,612,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$32,528,000)
Materials and Supplies	(1,626,000)
Services Other Than Personal	(2,571,000)
Maintenance and Fixed Charges	(954,000)

Special Purpose:

34 Juvenile Justice Initiatives	(745,000)
34 Social Services Block Grant -- State Match ...	(42,000)
34 Female Substance Abuse Program	(302,000)
34 Project Phoenix	(150,000)
99 Juvenile Justice -- State Matching Funds ...	(406,000)
99 Custody and Civilian Staff Training	(185,000)
Additions, Improvements and Equipment	(103,000)

GRANTS-IN-AID

34-1500 Juvenile Community Programs	\$23,820,000
40-1500 Juvenile Parole and Transitional Services	<u>1,300,000</u>
Total Grants-in-Aid Appropriation,	
Division of Juvenile Services	<u>\$25,120,000</u>

Grants-in-Aid:

34 Juvenile Detention Alternative Initiative ..	(\$4,000,000)
34 Alternatives to Juvenile Incarceration	
Programs	(3,348,000)
34 Crisis Intervention Program	(4,249,000)

34 State/Community Partnership Grants	(8,397,000)
34 State Incentive Program	(3,236,000)
34 Purchase of Services for Juvenile Offenders	(302,000)
34 Community Provider Cost of Living Adjustment - Alternatives to Juvenile Incarceration Programs	(39,000)
34 Community Provider Cost of Living Adjustment - Crisis Intervention/State Community Partnership	(189,000)
34 Community Provider Cost of Living Adjustment - State Incentive Program	(55,000)
34 Community Provider Cost of Living Adjustment - Purchase Services for Juvenile Offenders	5,000)
40 Re-Entry Case Management Services	(400,000)
40 Day Reporting Program	(900,000)

The amounts appropriated hereinabove for Re-Entry Case Management Services shall be expended consistent with the recommendations in the final report of the Governor's Task Force on Mental Health.

Of the amounts appropriated hereinabove for the Juvenile Detention Alternatives Initiative, such sums as may be required may be transferred to various Direct State Service operating accounts, subject to the approval of the Director of the Division of Budget and Accounting. The portion to be used for grants-in-aid shall be allocated based on the State Juvenile Detention Alternatives Initiative Steering Committee recommendations subject to Juvenile Justice Commission endorsement.

CAPITAL CONSTRUCTION

99-1500 Administration and Support Services	<u>\$3,800,000</u>
Total Capital Construction Appropriation, Division of Juvenile Services	<u>\$3,800,000</u>

Capital Projects:

99 Fire, Health and Safety Projects, Various Sites	(\$500,000)
99 Critical Repairs, Juvenile Services Facilities	(500,000)
99 Sewer Plant Improvements, Jamesburg	(2,800,000)

1505 New Jersey Training School for Boys

DIRECT STATE SERVICES

35-1505 Institutional Control and Supervision	\$18,190,000
36-1505 Institutional Care and Treatment	6,084,000
99-1505 Administration and Support Services	<u>4,768,000</u>
Total Direct State Services Appropriation, New Jersey Training School for Boys	<u>\$29,042,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$24,114,000)
Food in Lieu of Cash	(89,000)
Materials and Supplies	(2,043,000)
Services Other Than Personal	(1,664,000)
Maintenance and Fixed Charges.	(609,000)

Special Purpose:

36 Secure Care Mental Health Program	(503,000)
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99 Administration and Support Services (2,000)
 Additions, Improvements and Equipment (18,000)
 Receipts derived from the Eyeglass Program at the New Jersey Training School for Boys
 and any unexpended balance at the end of the preceding fiscal year are appropriated
 for the operation of the program.

1510 Juvenile Medium Security Center

DIRECT STATE SERVICES

35-1510 Institutional Control and Supervision \$21,467,000
 36-1510 Institutional Care and Treatment 5,126,000
 99-1510 Administration and Support Services 3,885,000
 Total Direct State Services Appropriation, Juvenile
 Medium Security Center \$30,478,000

Direct State Services:

Personal Services:

Salaries and Wages (\$20,810,000)
 Food in Lieu of Cash (59,000)
 Materials and Supplies (941,000)
 Services Other Than Personal (1,207,000)
 Maintenance and Fixed Charges (217,000)

Special Purpose:

35 Juvenile Reception and Assessment
 Center (6,468,000)
 35 Mental Health Unit - State Match (66,000)
 99 Johnstone Facility Maintenance (687,000)
 Additions, Improvements and Equipment (23,000)

19 Central Planning, Direction and Management

DIRECT STATE SERVICES

13-1005 Homeland Security and Preparedness \$3,250,000
 88-1000 Central Library Services 853,000
 99-1000 Administration and Support Services 17,504,000
 Total Direct State Services Appropriation, Central
 Planning, Direction and Management \$21,607,000

Direct State Services:

Personal Services:

Salaries and Wages (\$10,244,000)
 Materials and Supplies (362,000)
 Services Other Than Personal (148,000)
 Maintenance and Fixed Charges (88,000)

Special Purpose:

13 Office of Homeland Security and
 Preparedness (2,650,000)
 13 Domestic Security Preparedness
 Task Force (600,000)
 99 Emergency Operations Center - Operating (3,466,000)
 99 Fiscal Integrity Unit/Office of
 Government Integrity (3,430,000)
 99 Affirmative Action and Equal
 Employment Opportunity (198,000)
 99 Criminal Disposition Commission (300,000)
 99 Criminal Sentencing Commission (100,000)
 Additions, Improvements and Equipment (21,000)

- 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 \$2,255,000 may only be used for non-recurring expenditures.
- 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, 2007 and February 1, 2008, of the use and disposition by State law enforcement agencies, including the offices of the county prosecutors, 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. The reports shall provide an itemized accounting of all proceeds expended and shall specify with particularity the nature and purpose of each such expenditure.
- 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 at the end of the preceding fiscal year, 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.
- Of the amounts hereinabove appropriated for the Unit of Fiscal Integrity in School Construction/Office of Government Integrity, there shall be credited against such amounts such monies as are received by the Unit of Fiscal Integrity/Office of Government Integrity pursuant to a Memorandum of Understanding between the Unit of Fiscal Integrity and the New Jersey Economic Development Authority for oversight services including employee benefit costs in connection with the school construction program.
- Receipts derived from the agency surcharge on vehicle rentals pursuant to section 54 of P.L.2002, c.34 (C.App.A:9-78), not to exceed \$7,200,000, are appropriated for the Office of Homeland Security and Preparedness and shall be deposited into a dedicated account, the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balances at the end of the preceding fiscal year in the Office of Homeland Security and Preparedness are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

STATE AID

13-1005 Homeland Security and Preparedness	<u>\$15,000,000</u>
Total State Aid Appropriation, Central Planning, Direction and Management	<u>\$15,000,000</u>
State Aid:	
13 Capital for Homeland Security	
Critical Infrastructure	(\$15,000,000)

Of the amounts appropriated hereinabove for Capital for Homeland Security Critical Infrastructure, amounts may be transferred to other departments and State agencies for any State and local homeland security purposes, subject the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law, regulation or Executive Order to the contrary, any purchase by the State or by a State agency or local government unit of equipment, goods or services related to homeland security and domestic preparedness, that is paid for or reimbursed by State funds appropriated in this fiscal year, to the Department of Law and Public Safety, for Homeland Security and Preparedness under program classification, may be made through the receipt of public bids or as an alternative to public bidding and subject to the provisions of this paragraph, through direct purchase without advertising for bids or rejecting bids already received but not awarded. Purchases made without public bidding shall be from vendors that shall either (1) be holders of a current State contract for the equipment, goods or services sought, or (2) be participating in a federal procurement program established by a federal department or agency, or (3) have been approved by the State Treasurer in consultation with the Director of the Office of Homeland Security and Preparedness. The equipment, goods or services purchased by a local government unit receiving such State funds by subgrant, shall be referred to in the grant agreement issued by the Office of Homeland Security and Preparedness and shall be authorized by resolution of the governing body of the local government unit entering into the grant agreement. Such resolution may, without subsequent action of the local governing body, simultaneously accept the grant from the State administrative agency, authorize the insertion of the revenue and offsetting appropriation in the budget of the local government unit, and authorize the contracting agent of the local government unit to procure the equipment, goods or services. A copy of such resolution shall be filed with the chief financial officer of the local government unit and the Division of Local Government Services in the Department of Community Affairs.

The unexpended balances at the end of the preceding fiscal year in the Capital for Homeland Security Critical Infrastructure account are appropriated 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	\$75,099,000
Total All Operations	<u>\$75,099,000</u>

Less:

Legal Services	\$59,089,000
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Total Income Deductions	<u>\$59,089,000</u>
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Total Direct State Services Appropriation, General Government Services	<u>\$16,010,000</u>
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Direct State Services:

Personal Services:

Salaries and Wages	(\$13,658,000)
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Materials and Supplies	(89,000)
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Services Other Than Personal	(559,000)
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Maintenance and Fixed Charges	(262,000)
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Special Purpose:

12 Legal Services	(59,089,000)
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12 Child Welfare Unit	(1,442,000)
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Less:

Income Deductions	59,089,000
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In addition to the \$59,088,708 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.

Notwithstanding the provisions of any law or regulation to the contrary, revenues derived from penalties, cost recoveries, restitution or other recoveries to the State are appropriated to offset unbudgeted, extraordinary costs of legal, investigative, administrative, expert witnesses and other services incurred by the Division of Law related to litigation and acting on behalf of the State and State agencies. Such sums shall first be charged to any revenues derived from recoveries collected by the State but may also be provided from the General Fund, 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	\$12,077,000
15-1320 Operation of State Professional Boards	17,633,000
<i>(From General Fund</i>	<i>\$17,541,000)</i>
<i>(From Casino Revenue Fund</i>	<i>92,000)</i>
16-1350 Protection of Civil Rights	5,424,000
19-1440 Victims of Crime Compensation Board	<u>5,185,000</u>
Total Direct State Services Appropriation, Protection of Citizens' Rights	<u>\$40,319,000</u>
<i>(Total From General Fund</i>	<i>\$40,227,000)</i>
<i>(Total From Casino Revenue Fund</i>	<i>92,000)</i>

Direct State Services:

Personal Services:

Salaries and Wages	(\$8,738,000)
Salaries and Wages (CRF)	(66,000)
Employee Benefits (CRF)	(20,000)
<i>(From General Fund</i>	<i>8,738,000)</i>
<i>(From Casino Revenue Fund</i>	<i>86,000)</i>
Materials and Supplies	(312,000)
Services Other Than Personal	(14,877,000)
Services Other Than Personal (CRF)	(6,000)
Maintenance and Fixed Charges	(2,054,000)

Special Purpose:

14 Consumer Affairs Legalized Games of Chance	(1,390,000)
14 Securities Enforcement Fund	(5,493,000)
14 Consumer Affairs Weights and Measures Program	(2,612,000)
14 Consumer Affairs Charitable Registrations Program	(556,000)

- 15 Personal Care Attendants --
 - Background Checks (500,000)
 - 19 Claims -- Victims of Crime (3,570,000)
 - 19 Victims of Crime Outreach Program (122,000)
 - Additions, Improvements and Equipment (3,000)
- Receipts derived from the assessment and recovery of costs, fines, and penalties as well as other receipts received 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 derived from penalties and the unexpended balance at the end of the preceding fiscal year 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.
- 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 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 at the end of the preceding fiscal year, 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.
- Notwithstanding the provisions of section 15 of P.L.1985, c.405 (C.49:3-66.1) to the contrary, receipts in excess of the amount anticipated and the unexpended balances at the end of the preceding fiscal year, are appropriated to the Securities Enforcement Fund program account to offset the cost of operating this program and for use by the Department of Law and Public Safety, subject to the approval of the Director of the Division of Budget and Accounting.
- 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 at the end of the preceding fiscal year, 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.1994, c.16 (C.45:17A-18 et seq.) from the operations of the Division of Consumer Affairs

Charitable Registration and Investigation program and the unexpended balances at the end of the preceding fiscal year, 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 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 at the end of the preceding fiscal year 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, fees, 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 pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1) and the unexpended balance at the end of the preceding fiscal year 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.

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 at the end of the preceding fiscal year 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 Victims of Crime Compensation Agency operational costs up to \$1,175,000, and \$296,000 for the Boards Strategic IT Automation Initiative, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances at the end of the preceding fiscal year 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.

GRANTS-IN-AID

19-1440 Victims of Crime Compensation Agency	<u>\$50,000</u>
Total Grants-in-Aid Appropriation, Protection	
of Citizens' Rights	<u>\$50,000</u>

Grants-in-Aid:

19 New Jersey Crime Victims Law Center	<u>(\$50,000)</u>
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Department of Law and Public Safety,	
Total State Appropriation	<u>\$635,391,000</u>

Receipts derived from the provision of copies, the processing of credit cards and other materials related to compliance with section 6 of P.L.2001, c.404 (C.47:1A-5), are appropriated for the purpose of offsetting costs related to the public access of government records.

**Summary of Department of Law and Public Safety Appropriations
(For Display Purposes Only)**

<i>Appropriations by Category:</i>	
Direct State Services	\$551,961,000
Grants-in-Aid	28,085,000
State Aid	51,545,000
Capital Construction	3,800,000
<i>Appropriations by Fund:</i>	
General Fund	\$590,700,000
Casino Control Fund	44,599,000
Casino Revenue Fund	92,000

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	\$11,091,000
60-3600 Joint Training Center Management and Operations	438,000
99-3600 Administration and Support Services	<u>4,906,000</u>
Total Direct State Services Appropriation, Military Services	<u>\$16,435,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$7,339,000)
Materials and Supplies	(1,107,000)
Services Other Than Personal	(499,000)
Maintenance and Fixed Charges	(1,053,000)

Special Purpose:

40 Nuclear Facilities Security Detail	(2,930,000)
40 Weapons of Mass Destruction Program	(371,000)
40 National Guard-State Active Duty	(200,000)
40 New Jersey National Guard Challenge Youth Program	(1,270,000)
40 Joint Federal-State Operations and Maintenance Contracts (State Share)	(1,152,000)
99 Affirmative Action and Equal Employment Opportunity	(5,000)
99 Nursing Initiative	(250,000)
99 Vietnam Veterans Memorial	(250,000)

Additions, Improvements and Equipment

The unexpended balance at the end of the preceding fiscal year, in the Retention of U.S. Military Infrastructure in New Jersey account is appropriated for the same purpose.

The unexpended balance at the end of the preceding fiscal year, in the National Guard-State Active Duty account is appropriated for the same purpose.

The unexpended balance at the end of the preceding fiscal year in the Joint Federal-State Operations and Maintenance Contracts (State Share) account is appropriated for the same purpose.

The unexpended balance at the end of the preceding fiscal year, in the Jersey City Armory account is appropriated for the same purpose.

Receipts derived from the rental and use of armories and the unexpended balance at the end of the preceding fiscal year in the receipt account 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 \$1,000,000

Total Capital Construction Appropriation, Military Services \$1,000,000

Capital Project:

99 World War II Memorial (\$1,000,000)

80 Special Government Services

83 Services to Veterans

3610 Veterans' Program Support

DIRECT STATE SERVICES

50-3610 Veterans' Outreach and Assistance \$3,688,000

51-3610 Veterans Haven 592,000

70-3610 Burial Services 2,174,000

Total Direct State Services Appropriation, Veterans'

Program Support \$6,454,000

Direct State Services:

Personal Services:

Salaries and Wages (\$4,691,000)

Materials and Supplies (416,000)

Services Other Than Personal (147,000)

Maintenance and Fixed Charges (93,000)

Special Purpose:

50 Vietnam Memorial and Education Center ... (300,000)

50 Veterans' State Benefits Bureau (156,000)

50 Korean War Memorial Maintenance Program (90,000)

50 Governor's Veterans' Services Council (5,000)

51 Veterans Haven (94,000)

70 Honor Guard Support Services (462,000)

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 U.S. Department of Veterans Affairs and the individual residents, and the unexpended balance at the end of the preceding fiscal year, in the receipt account are appropriated for the same purpose.

Funds received for plot interment allowances from the U.S. Department of Veterans Affairs, burial fees collected, and the unexpended program balances at the end of the preceding fiscal year are appropriated for perpetual care and maintenance of burial plots and grounds at the Brigadier General William C. Doyle Veterans Memorial Cemetery in North Hanover Township, Burlington County, New Jersey.

Notwithstanding the provisions of any law or regulation to the contrary, no State funds are appropriated to the Department of Military and Veterans' Affairs for the purpose of reforestation or "in lieu of" payments under the P.L.1993, c.106 (C.13:1L-14.1 et seq.) in conjunction with the current or future operation, maintenance and construction of the

Brigadier General William C. Doyle Veterans Memorial Cemetery in North Hanover Township, Burlington County, New Jersey.

GRANTS-IN-AID

50-3610 Veterans' Outreach and Assistance \$3,009,000
 Total Grants-in-Aid Appropriation, Veterans' Program Support .. \$3,009,000

Grants-in-Aid:

50 Support Services for Returning Veterans .. (\$1,000,000)
 50 Veterans' Tuition Credit Program (38,000)
 50 POW/MIA Tuition Assistance (11,000)
 50 Vietnam Veterans' Tuition Aid (7,000)
 50 Veterans' Transportation (335,000)
 50 Veterans' Orphan Fund - Education Grants (5,000)
 50 Blind Veterans' Allowances (46,000)
 50 Paraplegic and Hemiplegic Veterans'
 Allowance (267,000)
 50 Post Traumatic Stress Disorder (1,300,000)

The sums provided hereinabove and the unexpended balances at the end of the preceding fiscal year in the Veterans' Tuition Credit Program, POW/MIA Tuition Assistance, and the Vietnam Veterans' Tuition Aid accounts are appropriated and available for payment of liabilities applicable to prior fiscal years.

From the amount appropriated hereinabove for the Support Services for Returning Veterans, such sums as may be required may be transferred to Veterans Outreach and Assistance - Direct State Services and Veterans' Transportation - Grants-in-Aid, 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 \$16,905,000
 99-3630 Administration and Support Services 5,287,000
 Total Direct State Services Appropriation, Menlo Park
 Veterans' Memorial Home \$22,192,000

Direct State Services:

Personal Services:

Salaries and Wages (\$17,980,000)
 Materials and Supplies (2,253,000)
 Services Other Than Personal (1,580,000)
 Maintenance and Fixed Charges (265,000)
 Additions, Improvements and Equipment (114,000)

In addition to the amount hereinabove, such sums received from the U.S. Department of Veterans Affairs, New Jersey Department of Health and Senior Services, and New Jersey Assistance for Community Care Giving are appropriated for the Menlo Park Adult Day Care program, 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 \$16,352,000
 99-3640 Administration and Support Services 4,231,000
 Total Direct State Services Appropriation, Paramus
 Veterans' Memorial Home \$20,583,000

Direct State Services:

Personal Services:

Salaries and Wages	(\$17,379,000)
Materials and Supplies	(1,625,000)
Services Other Than Personal	(1,354,000)
Maintenance and Fixed Charges	(184,000)
Additions, Improvements and Equipment	(41,000)

CAPITAL CONSTRUCTION

99-3600 Administration and Support Services	<u>\$318,000</u>
Total Capital Construction Appropriation, Military Services	<u>\$318,000</u>

Capital Project:

99 Upgrade Fire Alarm System - Paramus Veterans Home	(\$318,000)
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3650 Vineland Veterans' Memorial Home**DIRECT STATE SERVICES**

20-3650 Domiciliary and Treatment Services	\$17,787,000
99-3650 Administration and Support Services	<u>5,705,000</u>
Total Direct State Services Appropriation, Vineland Veterans' Memorial Home	<u>\$23,492,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$18,712,000)
Materials and Supplies	(1,846,000)
Services Other Than Personal	(2,496,000)
Maintenance and Fixed Charges	(314,000)
Additions, Improvements and Equipment	(124,000)

Department of Military and Veterans' Affairs,

Total State Appropriation	<u>\$93,518,000</u>
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Balances on hand at the end of the preceding fiscal year 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 at the end of the preceding fiscal year 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 hereinabove appropriated 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 February 22, 2007 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	\$89,156,000
Grants-in-Aid	3,044,000
Capital Construction	1,318,000

Appropriations by Fund:

General Fund	\$93,518,000
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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	\$3,111,000
02-2720 State and Local Government Operations	13,788,000
04-2740 Merit Services	2,371,000
05-2750 Equal Employment Opportunity and Affirmative Action	528,000
07-2770 Human Resource Development Institute	<u>2,639,000</u>
Total Direct State Services Appropriation, General Government Services	<u>\$22,437,000</u>

Direct State Services:

Personal Services:

Merit System Board	(\$56,000)
Salaries and Wages	(18,415,000)
Materials and Supplies	(497,000)
Services Other Than Personal	(2,616,000)
Maintenance and Fixed Charges	(237,000)

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)

Receipts derived from fees charged to applicants for open competitive or promotional examinations, and the unexpended fee balance at the end of the preceding fiscal year, not to exceed \$1,200,000 collected from firefighter and law enforcement 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 at the end of the preceding fiscal year 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.

Department of Personnel, Total State Appropriation \$22,437,000

Summary of Department of Personnel Appropriations
(For Display Purposes Only)

Appropriations by Category:

Direct State Services \$22,437,000

Appropriations by Fund:

General Fund \$22,437,000

70 DEPARTMENT OF THE PUBLIC ADVOCATE

80 Special Government Services

82 Protection of Citizen's Rights

DIRECT STATE SERVICES

01-8400 Citizen Relations	\$1,944,000
03-8411 Mental Health Advocacy	3,698,000
04-8440 Elder Advocacy	1,143,000
05-8413 Public Interest Advocacy	1,446,000
07-8412 Advocacy for the Developmentally Disabled	294,000
08-8450 Rate Counsel	6,188,000
09-8460 Child Advocate	2,523,000
99-8470 Management and Administrative Services	<u>1,966,000</u>
Total Direct State Services Appropriation, Protection	
of Citizens' Rights	<u>\$19,202,000</u>

Direct State Services:

Personal Services:

Salaries and Wages (\$11,178,000)

Materials and Supplies (219,000)

Services Other Than Personal (3,771,000)

Maintenance and Fixed Charges (571,000)

Special Purpose:

03 Representation of Civilly Committed

Sexual Offenders (697,000)

09 Child Advocate (2,523,000)

99 Additions, Improvements and Equipment (243,000)

The unexpended balances at the end of the preceding fiscal year in the Office of the Child Advocate accounts are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Sums provided for legal and investigative services are available for payment of obligations applicable to prior fiscal years.

Receipts of the Division of Rate Counsel in excess of those anticipated are appropriated for the Division of Rate Counsel to defray the costs of this activity under sections 47 and 55 of P.L.2005, c.155 (C.52:27EE-47 and 52:27EE-55).

The unexpended balances at the end of the preceding fiscal year in the Rate Counsel accounts are appropriated.

To permit flexibility in the handling of appropriations to effectuate the provisions of P.L.2005, c.155, the amounts hereinabove may be transferred to and from the various items of appropriation subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances at the end of the preceding fiscal year are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Department of The Public Advocate, Total State Appropriation . . \$19,202,000

**Summary of Department of the Public Advocate Appropriations
(For Display Purposes Only)**

Appropriations by Category:
 Direct State Services \$19,202,000
Appropriations by Fund:
 General Fund \$19,202,000

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 . . . \$965,000
 81-2400 Educational Opportunity Fund Programs 387,000

Total Direct State Services Appropriation, Commission
 on Higher Education \$1,352,000

Direct State Services:

Personal Services:
 Salaries and Wages (\$1,233,000)
 Materials and Supplies (11,000)
 Services Other Than Personal (96,000)
 Maintenance and Fixed Charges (12,000)

GRANTS-IN-AID

80-2400 Statewide Planning and Coordination
 for Higher Education \$6,243,000
 81-2401 Educational Opportunity Fund Programs 40,597,000
 Total Grants-in-Aid Appropriation, Higher Educational Services . \$46,840,000

Grants-in-Aid:

80 College Bound (\$3,550,000)
 80 Governor's School (100,000)
 80 New Jersey Transfer Initiative (93,000)
 80 Higher Education for Special
 Needs Students (1,600,000)
 80 Program for the Education of Language
 Minority Students (450,000)
 80 Minority Faculty Advancement Program (450,000)
 81 Opportunity Program Grants (26,910,000)
 81 Supplementary Education
 Program Grants (12,885,000)
 81 Martin Luther King Physician -
 Dentist Scholarship Act of 1986 (602,000)
 81 Ferguson Law Scholarships (200,000)
 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 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.
 The unexpended balances at the end of the preceding fiscal year for the Minority Faculty Advancement Program are appropriated.
 Refunds from prior years to the Educational Opportunity Fund Programs accounts are appropriated to those accounts.

2405 Higher Education Student Assistance Authority

DIRECT STATE SERVICES

45-2405 Student Assistance Programs	<u>\$1,892,000</u>
Total Direct State Services Appropriation, Higher Educational Student Assistance Authority	<u>\$1,892,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$1,383,000)
Materials and Supplies	(43,000)
Services Other Than Personal	(444,000)
Maintenance and Fixed Charges	(22,000)

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	<u>\$268,264,000</u>
Total Grants-in-Aid Appropriation, Higher Education Student Assistance Authority	<u>\$268,264,000</u>

Grants-in-Aid:

45 Veterinary Medicine Education Program ..	(\$687,000)
45 Tuition Aid Grants	(230,230,000)
45 Part-Time Tuition Aid Grants for County Colleges	(5,494,000)
45 Survivor Tuition Benefits	(50,000)
45 Coordinated Garden State Scholarship Programs	(7,135,000)
45 Part-Time Tuition Aid Grants -- EOF Students	(558,000)
45 Teaching Fellows Program	(132,000)
45 Outstanding Scholars Recruitment Program	(6,389,000)
45 New Jersey World Trade Center Scholarship Program	(250,000)
45 Dana Christmas Scholarship for Heroism	(50,000)
45 New Jersey Student Tuition Assistance Reward Scholarship (NJ STARS I & II) ..	(13,789,000)
45 Social Services Student Loan Redemption Program	(3,500,000)

The sums provided hereinabove and the unexpended balances at the end of the preceding fiscal year in Student Assistance Programs shall be appropriated and available for payment of liabilities applicable to prior fiscal years.

Notwithstanding the provisions of N.J.S.18A:71B-47 through N.J.S.18A:71B-49, or any other law or regulation to the contrary, the amounts hereinabove appropriated to the Higher Education Student Assistance Authority are subject to the following condition: commencing on or after July 1, 2007, any newly-admitted student attending a school of veterinary medicine in a reserved space for New Jersey residents through contractual agreements between the Higher Education Student Assistance Authority and participating out-of-state schools of veterinary medicine shall be required, through a contract with the Higher Education Student Assistance Authority, upon graduation to practice veterinary medicine in New Jersey for a period of one year for each year of contract funding provided on their behalf. Such service requirement must commence within one year of completion of the recipient's veterinary education, including American Veterinary Medical Association-approved internships or residencies. If such service requirement is not met, in part or in full, after documented best efforts to find a position, said recipient must refund to the Higher Education Student Assistance Authority that portion of the amounts expended for the recipient's contract seat that is not offset by practicing in New Jersey.

Amounts from the unexpended balance at the end of the preceding fiscal year, including refunds recognized after July 31, 2007, 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 or regulation to the contrary, the Higher Education Student Assistance Authority shall provide to students enrolled in public institutions of higher education who are eligible for maximum awards under the Tuition Aid Grants program hereinabove appropriated an increase above the fiscal year 2007 award amount equal to the difference between the in-State undergraduate 2006-2007 tuition rate for the institution and the institution's in-State undergraduate 2005-2006 tuition rate with comparable increases provided to students eligible for maximum awards enrolled at independent institutions. All other award amounts provided under the Tuition Aid Grants program shall be based on in-State undergraduate tuitions in effect at institutions in academic year 2004-2005. Reappropriated balances in the Tuition Aid Grants account shall be held as a contingency for unanticipated increases in the number of applicants qualifying for full-time Tuition Aid Grants awards, to fund shifts in the distribution of awards that result in an increase in total program costs, or to offset any shortfalls in the federal Leveraging Educational Assistance Partnership (LEAP) program.

In addition to the amount hereinabove appropriated 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.

The amount hereinabove appropriated for Part-Time Tuition Aid Grants for County Colleges shall be used to provide funds for a pilot program of tuition aid grants for eligible, qualified part-time students enrolled at the county colleges established pursuant to N.J.S.18A:64A-1 et seq. The tuition aid grants shall be used to pay the tuition at a county college established pursuant to N.J.S.18A:64A-1 et seq. Within the limits of available appropriations as determined by the Higher Education Student Assistance Authority, part-time grant awards shall be pro-rated against the full-time grant award for the applicable institutional sector established pursuant to N.J.S.18A:71B-21 as follows: an eligible student enrolled with six to eight credits shall receive one-half of the value of a full-time award and an eligible student enrolled with nine to eleven credits shall receive three-quarters of a full-time award. Students shall apply first for all other forms of federal student assistance grants and scholarships;

student eligibility for the tuition aid grant awards program for part-time enrollment at a community college shall in other respects be determined by the authority in accordance with the criteria established pursuant to N.J.S.18A:71B-20, other than the criterion for full-time enrollment.

Amounts from the unexpended balance at the end of the preceding fiscal year, including refunds recognized after July 31, 2007, in the Part-Time Tuition Aid Grants for County Colleges account are appropriated, subject to the approval of the Director of the Division of Budget and Accounting. Reappropriated balances shall be held as a contingency for unanticipated increases in the number of applicants qualifying for Part-Time Tuition Aid Grants for County Colleges awards or to fund shifts in the distribution of awards that result in an increase in total program costs.

From the amount hereinabove appropriated for the Teaching Fellows Program the authority shall establish a Teaching Fellows Program that shall provide direct loans to finance the undergraduate study of academically talented students who have leadership potential and who are interested in teaching in a public school in the State. The program shall also provide for the redemption of a portion of each eligible student's loan expenses for each year of full-time employment as a teacher in a subject area of critical need or in a high-needs district.

Notwithstanding the provisions of 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 Scholars Recruitment Program.

The amount hereinabove appropriated 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 post-secondary 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.1070 et seq.).

Receipts derived from voluntary contributions by taxpayers on New Jersey State gross income tax returns for the New Jersey World Trade Center Scholarship Fund are appropriated for the purpose of providing scholarships for eligible dependent children and surviving spouses of New Jersey residents who were killed in the terrorist attacks against the United States on September 11, 2001, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove appropriated for the Social Services Student Loan Redemption Program, there are appropriated such sums as are required to cover the costs of increases in the number of applicants qualifying for this program, subject to the approval of the Director of the Division of Budget and Accounting.

2410 Rutgers, The State University
GRANTS-IN-AID

82-2410 Institutional Support	<u>\$1,636,436,000</u>
Subtotal General Operations	<u>\$1,636,436,000</u>

Less:

<i>Receipts from Tuition Increase</i>	<i>\$1,009,000</i>
<i>General Services Income</i>	<i>492,318,000</i>
<i>Auxiliary Funds Income</i>	<i>222,046,000</i>
<i>Special Funds Income</i>	<i>458,364,000</i>
<i>Employee Fringe Benefits</i>	<i>167,795,000</i>
<i>Total Income Deductions</i>	<i><u>\$1,341,532,000</u></i>
Total Appropriation, Rutgers, The State University	<u>\$294,904,000</u>

Special Purpose:

82 General Institutional Operations (\$1,636,336,000)
 82 Oral History Archive (100,000)

Less:

Income Deductions 1,341,532,000

Of the sums hereinabove appropriated for Rutgers, The State University, \$180,000 is appropriated for the Masters in Government Accounting Program, \$105,000 is appropriated for the Tomato Technology Transfer Program, \$95,000 is appropriated for the Haskin Shellfish Research Laboratory, \$200,000 is appropriated for the Camden Law School Clinical Legal Programs for the Poor, \$200,000 is appropriated for the Newark Law School Clinical Legal Programs for the Poor, \$740,000 is appropriated for the Civic Square Project-Debt Service, \$75,000 is appropriated for the Walter Rand Institute for Public Affairs, \$700,000 is appropriated for In Lieu of Taxes to New Brunswick, \$500,000 is appropriated for capital projects or maintenance for Division of Intercollegiate Athletics facilities at Rutgers, New Brunswick, \$135,000 is appropriated for E3CO, Inc., and \$300,000 is appropriated for the New Jersey EcoComplex, Burlington County. 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 appropriations act for the current fiscal year, the number of State-funded positions at Rutgers, The State University shall be 6,678.

From the amount appropriated hereinabove for Rutgers, The State University, \$90,000 is transferred to the Department of Agriculture for a grant to the New Jersey Museum of Agriculture.

**2415 Agricultural Experiment Station
 GRANTS-IN-AID**

82-2415 Institutional Support \$82,685,000
 Subtotal General Operations \$82,685,000

Less:

Special Funds Income \$39,335,000

Federal Research and Extension

Funds Income 6,726,000

Employee Fringe Benefits 9,391,000

Total Income Deductions \$55,452,000

Total Appropriation, Agricultural Experiment Station \$27,233,000

Special Purpose:

82 General Institutional Operations (\$82,385,000)
 82 Food Innovation Research and
 Extension Center (300,000)

Less:

Income Deductions 55,452,000

Of the sums hereinabove appropriated for the New Jersey Agricultural Experiment Station, \$900,000 is appropriated for Strategic Initiatives Programs, \$250,000 is appropriated for Blueberry and Cranberry Research, \$691,000 is appropriated for the Snyder Farm Planning and Operation, and \$500,000 is appropriated for Fruit Research. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at the Agricultural Experiment Station shall be 424.

For the purpose of implementing the appropriations act for the current fiscal year, the fringe benefits for 126 positions, funded by the federal Hatch and Smith/Lever programs, are funded by the State.

2420 University of Medicine and Dentistry of New Jersey
GRANTS-IN-AID

82-2420 Institutional Support	<u>\$1,458,828,000</u>
Subtotal General Operations	<u>\$1,458,828,000</u>

Less:

<i>Hospital Services Income</i>	<i>\$488,189,000</i>
<i>Core Affiliates Income</i>	<i>6,483,000</i>
<i>General Services Income</i>	<i>188,885,000</i>
<i>Auxiliary Funds Income</i>	<i>8,742,000</i>
<i>Special Funds Income</i>	<i>336,734,000</i>
<i>Employee Fringe Benefits</i>	<i>198,635,000</i>
<i>Total Income Deductions</i>	<u><i>\$1,227,668,000</i></u>
Total Appropriation, University of Medicine and Dentistry ..	<u>\$231,160,000</u>

Special Purpose:

82 General Institutional Operations	(\$1,451,628,000)
82 Governor's Council for Medical Research and Treatment of Infantile Autism	(500,000)
82 Cancer Institute of New Jersey and Ancillary Facilities	(5,000,000)
82 Child Health Institute	(1,700,000)

Less:

<i>Income Deductions</i>	<i>1,227,668,000</i>
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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 appropriated 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.

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.

Of the sums hereinabove appropriated for the University of Medicine and Dentistry of New Jersey, \$100,000 is appropriated for the Inflammatory Bowel Disease Center, \$800,000 is appropriated for Emergency Medical Service-Camden, \$975,000 is appropriated for the Regional Health Education Center-Physical Plant, \$750,000 is appropriated for the Violence Institute of New Jersey at UMDNJ, \$525,000 is appropriated for the Regional Health Education Center-Educational Units, \$160,000 is appropriated for The Autism Center of New Jersey Medical School, \$290,000 is appropriated for the New Jersey Area Health Education Program, \$7,800,000 is appropriated for Debt Service-Robert Wood Johnson Medical School, Camden, \$5,000,000 is appropriated for Debt Service-Neuroscience Institute, Newark, and \$2,700,000 is appropriated 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 appropriations act for the current fiscal year, the number of State-funded positions at the University of Medicine and Dentistry of New Jersey shall be 5,545.

The unexpended balances at the end of the preceding fiscal year in the accounts hereinabove are appropriated for the purposes of the University of Medicine and Dentistry of New Jersey.

Receipts deposited in the Autism Medical Research and Treatment Fund are appropriated for the Governor's Council for Medical Research and Treatment of Infantile Autism, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amounts hereinabove appropriated for the University of Medicine and Dentistry of New Jersey, there is allocated for Robert Wood Johnson Medical School Camden for the purpose of faculty and affiliate hospital support (a) an amount equal to the amount budgeted by the University of Medicine and Dentistry of New Jersey in its Fiscal Year 2006-2007 budget for Robert Wood Johnson Medical School Camden for affiliate and related non-salary expense and (b) an amount equal to the unexpended balances of the amounts budgeted by the University of Medicine and Dentistry of New Jersey in its Fiscal Year 2005-2006 and Fiscal Year 2006-2007 budgets for Robert Wood Johnson Medical School Camden for affiliate and related non-salary expense.

**2430 New Jersey Institute of Technology
GRANTS-IN-AID**

82-2430 Institutional Support \$247,456,000
Subtotal General Operations \$247,456,000

Less:

General Services Income \$86,084,000
Auxiliary Funds Income 11,529,000
Special Funds Income 75,100,000
Employee Fringe Benefits 26,253,000
Total Income Deductions \$198,966,000
Total Appropriation, New Jersey Institute of Technology \$48,490,000

Special Purpose:

82 General Institutional Operations (\$247,456,000)

Less:

Income Deductions 198,966,000

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at the New Jersey Institute of Technology shall be 805.

**2440 Thomas A. Edison State College
GRANTS-IN-AID**

82-2440 Institutional Support \$38,523,000
Subtotal General Operations \$38,523,000

Less:

Self Sustaining Income 14,049,000
General Services Income 12,881,000
Employee Fringe Benefits 5,724,000
Total Income Deductions \$32,654,000
Total Appropriation, Thomas A. Edison State College \$5,869,000

Special Purpose:

82 General Institutional Operations (\$38,523,000)

Less:

Income Deductions 32,654,000

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at Thomas A. Edison State College shall be 239.

**2445 Rowan University
GRANTS-IN-AID**

82-2445 Institutional Support \$204,868,000
 Subtotal General Operations \$204,868,000

Less:

General Services Income **\$85,229,000**
Auxiliary Funds Income **29,545,000**
Special Funds Income **26,000,000**
Employee Fringe Benefits **25,918,000**
Total Income Deductions **\$166,692,000**
 Total Appropriation, Rowan University **\$38,176,000**

Special Purpose:

82 General Institutional Operations (\$204,868,000)

Less:

Income Deductions **166,692,000**

Of the sums hereinabove appropriated for Rowan University, \$500,000 is appropriated for the School of Engineering, and \$215,000 is appropriated for the Camden Urban Center. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at Rowan University shall be 877.

**2450 New Jersey City University
GRANTS-IN-AID**

82-2450 Institutional Support \$125,441,000
 Subtotal General Operations \$125,441,000

Less:

General Services Income **\$37,084,000**
A.H. Moore Program Receipts **5,371,000**
Auxiliary Funds Income **6,369,000**
Special Funds Income **22,380,000**
Employee Fringe Benefits **21,781,000**
Total Income Deductions **\$92,985,000**
 Total Appropriation, New Jersey City University **\$32,456,000**

Special Purpose:

82 General Institutional Operations (\$125,441,000)

Less:

Income Deductions **92,985,000**

Of the sums hereinabove appropriated for New Jersey City University, \$1,078,000 is appropriated for the A. Harry Moore Laboratory School and \$145,000 is appropriated for Tidelands Athletic Fields. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at New Jersey City University shall be 784.

**2455 Kean University
GRANTS-IN-AID**

82-2455 Institutional Support \$170,022,000
 Subtotal General Operations \$170,022,000

Less:

General Services Income **\$63,015,000**
Auxiliary Funds Income **11,343,000**
Special Funds Income **30,662,000**

<i>Employee Fringe Benefits</i>	<u>23,018,000</u>
<i>Total Income Deductions</i>	<u>\$128,038,000</u>
Total Appropriation, Kean University	<u>\$41,984,000</u>
Special Purpose:	
82 General Institutional Operations	(\$169,272,000)
82 Liberty Hall Preservation and Restoration	(750,000)

Less:

Income Deductions

128,038,000

Of the sums hereinabove appropriated for Kean University, \$180,000 is appropriated 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 appropriations act for the current fiscal year, the number of State-funded positions at Kean University shall be 888.

2460 William Paterson University of New Jersey
GRANTS-IN-AID

82-2460 Institutional Support	<u>\$171,987,000</u>
Subtotal General Operations	<u>\$171,987,000</u>

Less:

General Services Income

\$56,890,000

Auxiliary Funds Income

30,500,000

Special Funds Income

17,700,000

Employee Fringe Benefits

26,024,000

Total Income Deductions

\$131,114,000

Total Appropriation, William Paterson University
of New Jersey

\$40,873,000

Special Purpose:

82 General Institutional Operations

(\$171,987,000)

Less:

Income Deductions

131,114,000

Of the sums hereinabove appropriated for William Paterson University of New Jersey, \$100,000 is appropriated for the New Jersey Project and \$65,000 is appropriated for Outcomes Assessment. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at William Paterson University of New Jersey shall be 947.

2465 Montclair State University
GRANTS-IN-AID

82-2465 Institutional Support	<u>\$260,044,000</u>
Subtotal General Operations	<u>\$260,044,000</u>

Less:

General Services Income

\$130,302,000

Conservation School Receipts

900,000

Auxiliary Funds Income

39,672,000

Special Funds Income

9,269,000

Employee Fringe Benefits

31,856,000

Total Income Deductions

\$211,999,000

Total Appropriation, Montclair State University

\$48,045,000

Special Purpose:

82 General Institutional Operations

(\$260,044,000)

Less:***Income Deductions* 211,999,000**

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, \$1,050,000 is appropriated 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 appropriations act for the current fiscal year, the number of State-funded positions at Montclair State University shall be 1,102.

**2470 The College of New Jersey
GRANTS-IN-AID**

82-2470 Institutional Support \$179,219,000
 Subtotal General Operations \$179,219,000

Less:

***General Services Income* \$60,016,000**
***Auxiliary Funds Income* 38,088,000**
***Special Funds Income* 21,951,000**
***Employee Fringe Benefits* 22,539,000**
***Total Income Deductions* \$142,594,000**
 Total Appropriation, The College of New Jersey \$36,625,000

Special Purpose:

82 General Institutional Operations (\$179,219,000)

Less:***Income Deductions* 142,594,000**

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at The College of New Jersey shall be 823.

**2475 Ramapo College of New Jersey
GRANTS-IN-AID**

82-2475 Institutional Support \$115,567,000
 Subtotal General Operations \$115,567,000

Less:

***General Services Income* \$43,106,000**
***Auxiliary Funds Income* 28,897,000**
***Special Funds Income* 8,998,000**
***Employee Fringe Benefits* 14,336,000**
***Total Income Deductions* \$95,337,000**
 Total Appropriation, Ramapo College of New Jersey \$20,230,000

Special Purpose:

82 General Institutional Operations (\$115,567,000)

Less:***Income Deductions* 95,337,000**

Of the sums hereinabove appropriated for Ramapo College of New Jersey, \$200,000 is appropriated 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 appropriations act for the current fiscal year, 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 \$131,942,000
 Subtotal General Operations \$131,942,000

Less:

General Services Income **\$46,773,000**
Auxiliary Funds Income **27,351,000**
Special Funds Income **16,175,000**
Employee Fringe Benefits **16,858,000**
Total Income Deductions **\$107,157,000**
 Total Appropriation, The Richard Stockton College
 of New Jersey \$24,785,000

Special Purpose:

82 General Institutional Operations (\$131,792,000)
 82 School of Tourism (150,000)

Less:

Income Deductions **107,157,000**

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at The Richard Stockton College of New Jersey shall be 623.

Higher Educational Services

Notwithstanding the provisions of any law or regulation to the contrary, from the sums hereinabove appropriated for Higher Educational Services-Institutional Support in each of the senior public institutions of higher education, there are allocated such sums as are required to provide the reimbursement to cover tuition costs of the National Guard members pursuant to subsection b. of section 21 of P.L.1999, c.46 (C.18A:62-24).

Public colleges and universities are authorized to provide a voluntary employee furlough program.

Notwithstanding the provisions of any law or regulation 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.

Of the amount hereinabove appropriated 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 February 22, 2007 first shall be charged to the State Lottery Fund.

Notwithstanding the provisions of any law or regulation to the contrary, the amounts hereinabove appropriated for the senior public institutions of higher education shall be paid to each institution in twelve equal installments, on the last business day of each month, beginning in July 2007.

30 Educational, Cultural and Intellectual Development**37 Cultural and Intellectual Development Services****DIRECT STATE SERVICES**

05-2530 Support of the Arts	\$500,000
06-2535 Museum Services	3,288,000
07-2540 Development of Historical Resources	510,000
10-2570 Public Broadcasting Services	<u>5,759,000</u>
Total Direct State Services Appropriation, Cultural and Intellectual Development Services	<u>\$10,057,000</u>

Direct State Services:**Personal Services:**

Salaries and Wages	(\$8,003,000)
Materials and Supplies	(243,000)
Services Other Than Personal	(886,000)
Maintenance and Fixed Charges	(205,000)

Special Purpose:

06 Maintenance of Old Barracks	(450,000)
06 War Memorial Operations	(250,000)
10 Affirmative Action and Equal Employment Opportunity	(20,000)

A sum, not to exceed \$225,000, 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.

In addition to the amount hereinabove appropriated for the Division of State Museum, there are appropriated such sums as are required to cover additional costs related to re-opening the museum, not to exceed \$1,275,000, subject to the approval of the Director of the Division of Budget and Accounting.

GRANTS-IN-AID

05-2530 Support of the Arts	\$27,998,000
06-2535 Museum Services	3,940,000
07-2540 Development of Historical Resources	<u>4,789,000</u>
Total Grants-in-Aid Appropriation, Cultural and Intellectual Development Services	<u>\$36,727,000</u>

Grants-in-Aid:

05 Newark Museum	(\$4,700,000)
05 Cultural Projects	(21,923,000)
05 Lenape Regional Performing Arts Center	(75,000)
05 Bergen Performing Arts Center	(75,000)
05 Oskar Schindler Performing Arts Center	(50,000)
05 Rutgers Camden Center for the Arts -- Walter K. Gordon Theater	(250,000)
05 Bohème Opera New Jersey	(25,000)
05 Dante Hall Theater of the Arts	(50,000)
05 NJ Symphony	(250,000)
05 Paper Mill Playhouse	(250,000)
05 Montclair Art Museum	(100,000)
05 New Jersey Performing Arts Center	(250,000)
06 War Memorial Operations	(500,000)
06 Battleship New Jersey Museum	(2,800,000)
06 Battleship New Jersey Utilities	(390,000)

06 Thomas Edison Museum ..	(100,000)
06 Museum for Contemporary Sciences	(150,000)
07 Ellis Island New Jersey Foundation, Inc.	(550,000)
07 Grants in New Jersey History	(189,000)
07 Grants in Afro-American History	(13,000)
07 New Jersey Council for the Humanities	(235,000)
07 New Jersey Historical Commission - Agency Grants	(3,802,000)

Of the amount appropriated for Cultural Projects, Grants-In-Aid, an amount not to exceed \$75,000 may be used for administrative purposes, and 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.

Of the amount hereinabove appropriated for Cultural Projects, the value of project grants awarded within each county shall total not less than \$50,000.

Of the amount hereinabove appropriated for Cultural Projects, funds may be used for the purpose of matching federal grants.

Notwithstanding the provisions of any law or regulation to the contrary, of the amount appropriated for Cultural Projects, 25 percent shall be awarded to cultural groups or artists based in the eight southernmost counties (Cape May, Salem, Cumberland, Gloucester, Camden, Ocean, Atlantic, and Burlington). In the calculation of the allocation percentage, the first \$1,000,000 of any grants that may be awarded to the New Jersey Performing Arts Center or the Rutgers Camden Performing Arts--Walter K. Gordon Theatre shall be disregarded.

The amount hereinabove appropriated for the Battleship New Jersey Utilities shall be used for the utility expenses of the Battleship New Jersey as shall be substantiated by the Home Port Alliance in a submission to the Director of the Division of Budget and Accounting, and shall not be expended without the approval of the Director and the State Treasurer.

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.

2541 Division of State Library **DIRECT STATE SERVICES**

51-2541 Library Services	<u>\$6,509,000</u>
Total Direct State Services Appropriation, Division of State Library	<u>\$6,509,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$3,371,000)
Materials and Supplies	(418,000)
Services Other Than Personal	(193,000)
Maintenance and Fixed Charges	(27,000)

Special Purpose:

51 Supplies and Extended Services	(500,000)
51 Virtual Library (Knowledge Initiative) ...	(2,000,000)

Notwithstanding the provisions of any law or regulation to the contrary, the amounts hereinabove appropriated for Direct State Services for the New Jersey State Library, excluding amounts appropriated to Special Purpose accounts, shall be paid in twelve equal installments, on the last business day of each month, beginning in July 2007.

STATE AID

51-2541 Library Services	<u>\$18,520,000</u>
Total State Aid Appropriation, Division of State Library	<u>\$18,520,000</u>

State Aid:

51 Per Capita Library Aid	(\$8,665,000)
51 Library Network	(4,777,000)
51 Virtual Library Aid	(1,300,000)
51 Public Library Project Fund	(3,778,000)

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	\$3,691,000
08-2545 Records Management	<u>2,669,000</u>
Total Direct State Services Appropriation, Office of the Secretary of State	<u>\$6,360,000</u>

Direct State Services:**Personal Services:**

Salaries and Wages	(\$4,606,000)
Materials and Supplies	(138,000)
Services Other Than Personal	(269,000)
Maintenance and Fixed Charges	(56,000)

Special Purpose:

01 Affirmative Action and Equal Employment Opportunity	(34,000)
01 9-11 Memorial Commission	(50,000)
01 Personal Responsibility Programs	(500,000)
01 Amistad Commission	(150,000)
01 Office of Volunteerism	(129,000)
01 Martin Luther King, Jr. Commemorative Commission	(168,000)

Additions, Improvements and Equipment

The unexpended balance at the end of the preceding fiscal year of the Amistad Commission is appropriated for the same purpose.

The amount appropriated hereinabove for the Records Management program is payable from receipts deposited in the New Jersey Public Records Preservation account.

Notwithstanding the provisions of any law or regulation to the contrary, up to 40 percent of the receipts deposited in the New Jersey Public Records Preservation account in the Department of the Treasury less \$10,000,000 are appropriated and allocated as grants to counties and municipalities for the management, storage, and preservation of public records based on guidelines promulgated by the Division of Archives and Records Management and approved by the State Treasurer.

Receipts received from New Jersey Public Records Preservation fees, not to exceed \$1,300,000, are appropriated for the operations of the microfilm unit in the Division of Archives and Records Management within the Department of State, 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	<u>\$3,220,000</u>
Total Grants-in-Aid Appropriation, Office of the Secretary of State	<u>\$3,220,000</u>

Grants-in-Aid:

01 Office of Faith Based Initiatives (\$2,500,000)
 01 Cultural Trust (720,000)

Department of State, Total State Appropriation \$1,290,571,000

Pursuant to the provisions of P.L.2003, c.114, the appropriations hereinabove for purposes of promoting cultural and tourism activities in this State are first charged to revenues derived from the hotel and motel occupancy fee.

Summary of Department of State Appropriations
 (For Display Purposes Only)

Appropriations by Category:

Direct State Services \$26,170,000
 Grants-in-Aid 1,245,881,000
 State Aid 18,520,000

Appropriations by Fund:

General Fund \$1,290,571,000

78 DEPARTMENT OF TRANSPORTATION**10 Public Safety and Criminal Justice****11 Vehicular Safety**

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.

Notwithstanding the provisions of any law or regulation to the contrary, 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, the Motor Vehicle Commission, the Department of Transportation, and the Department of Environmental Protection in the performance of commercial truck safety and emission inspections and other Clean Air purposes, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived pursuant to the New Jersey emergency medical service helicopter response act under subsection a. of 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 at the end of the preceding fiscal year 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.

Notwithstanding the provisions of section 105 of P.L.2003, c.13 (C.39:2A-36) or any law to the contrary, pursuant to P.L.2006, c.39, receipts that are derived from the surcharge on luxury and fuel-inefficient vehicles shall be deposited in the General Fund as State revenue.

The amount appropriated for fiscal year 2008 to the New Jersey Motor Vehicle Commission is based on proportional revenue collections for that fiscal year pursuant to the statutes listed in subsection a. of section 105 of P.L.2003, c.13 (C.39:2A-36).

60 Transportation Programs
61 State and Local Highway Facilities
DIRECT STATE SERVICES

06-6100 Maintenance and Operations	\$78,793,000
08-6120 Physical Plant and Support Services	<u>6,829,000</u>
Total Direct State Services Appropriation, State and Local Highway Facilities	<u>\$85,622,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$56,404,000)
Materials and Supplies	(12,414,000)
Services Other Than Personal	(2,486,000)
Maintenance and Fixed Charges	(14,149,000)
Additions, Improvements and Equipment	(169,000)

The unexpended balances at the end of the preceding fiscal year in excess of \$1,000,000 in the accounts hereinabove are appropriated.

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 \$10,000,000, 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, of the amounts appropriated hereinabove for the Department of Transportation from the General Fund, \$12,500,000 thereof shall be paid from funds received or receivable from the various transportation-oriented authorities pursuant to contracts between the authorities and the State as are determined to be eligible for such funding pursuant to such contracts, as shall be determined by the Director of the Division of Budget and Accounting.

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.

Of the amount hereinabove for Maintenance and Operations \$10,000,000 for winter operations is payable from the receipts of the New Tire Surcharge pursuant to P.L.2004, c.46.

CAPITAL CONSTRUCTION

60-6200 Trust Fund Authority --

Revenues and other funds available for new projects	<u>\$895,000,000</u>
Total Capital Construction Appropriation, State and Local Highway Facilities	<u>\$895,000,000</u>

Capital Projects:

Transportation Trust Fund Account	(\$895,000,000)
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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 2008 debt service, bond reserve requirements, and other fiscal obligations of the New Jersey Transportation Trust Fund Authority.

Receipts representing the State share from the rental or lease of property, and the unexpended balances at the end of the preceding fiscal year of such receipts are appropriated for maintenance or improvement of transportation property, equipment and facilities.

Notwithstanding the provisions of any law or regulation to the contrary, 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 the provisions of any law or regulation to the contrary, the Department of Transportation may transfer Transportation Trust Fund monies to federal projects contracted in federal fiscal years 2004, 2005, 2006, 2007 and 2008 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 \$1,600,000,000 from the revenues and other funds of the New Jersey Transportation Fund Authority, for capital purposes as follows:

Highway Design Projects
 Highway Construction Projects
 Highway Right-of-Way Acquisition Projects
 Project Development
 Highway Planning
 Local Aid Projects
 Public Transportation Projects

Notwithstanding the provisions of P.L.1984, c.73 (C.27:1B-1 et al.), there is appropriated the sum of \$975,000,000 from the revenues and other funds of the New Jersey Transportation Trust Fund Authority for capital purposes as follows:

<u>Section</u>	<u>County</u>	<u>Amount</u>
69th Street Bridge	Hudson	(10,000,000)
Advance Acquisition of Right of Way	Various	(2,500,000)
Airport Safety Fund	Various	(5,000,000)
Allaire Airport	Monmouth	(3,000,000)
Asbestos Surveys and Abatements	Various	(1,000,000)
Betterments, Bridge Preservation	Various	(15,000,000)
Betterments, Roadway Preservation	Various	(10,000,000)
Betterments, Safety	Various	(7,000,000)
Bicycle & Pedestrian Facilities/ Accommodations	Various	(2,000,000)
Bridge Deck Patching Program	Various	(5,000,000)
Bridge Safety, Movable Bridge Repair	Various	(5,000,000)
Bridge, Emergency Repair	Various	(25,000,000)
Campbell Revitalization Area, Camden	Camden	(13,000,000)

Capital Contract Payment Audits	Various	(1,500,000)
Clifton Avenue/Nesbitt Street Bridges over Morristown Line	Essex	(10,000,000)
Community Notification of Construction Projects	Various	(250,000)
Congestion Relief, Intelligent Transportation System Improvements (Smart Move Program)	Various	(6,500,000)
Congestion Relief, Operational Improvements (Fast Move Program)	Various	(15,000,000)
Construction Inspection	Various	(5,000,000)
Construction Program IT System (TRNS.PORT)	Various	(500,000)
Culvert Inspection Program, Locally- owned Structures	Various	(2,700,000)
Culvert Inspection Program, State- owned Structures	Various	(700,000)
Dams, Betterments	Various	(250,000)
Design, Emerging Projects	Various	(7,000,000)
Design, Geotechnical Engineering Tasks	Various	(300,000)
Drainage Rehabilitation and Maintenance, State	Various	(3,000,000)
Duck Island Landfill, Site Remediation	Mercer	(130,000)
DVRPC Transportation, Land Use and Economic Development Planning	Various	(300,000)
Electrical and Signal Safety Engineering Program	Various	(250,000)
Electrical Facilities	Various	(1,500,000)
Electrical Load Center Replacement, Statewide	Various	(2,250,000)
Environmental Document Development	Various	(500,000)
Environmental Investigations	Various	(3,150,000)
Equipment (Safety-Related Equipment)	Various	(3,000,000)
Equipment (Vehicles & Construction Equipment)	Various	(4,000,000)
Equipment, Over-age Reduction Program	Various	(2,000,000)
Freight Program	Various	(13,850,000)
Haynes Avenue Bridge over Waverly Yards/Amtrak	Essex	(18,000,000)
Historic Bridge Preservation Program	Various	(500,000)
Intelligent Transportation Systems	Various	(1,000,000)
Intersection Improvement Program	Various	(1,000,000)
Interstate Service Facilities	Various	(250,000)
Legal Costs for Right of Way Condemnation	Various	(1,600,000)
Local Aid for Centers of Place	Various	(1,000,000)
Local Aid Grant Management System	Various	(100,000)
Local Aid, Discretionary	Various	(14,500,000)
Local County Aid, DVRPC	Various	(15,340,000)
Local County Aid, NJTPA	Various	(53,856,000)
Local County Aid, SJTPO	Various	(9,554,000)
Local Municipal Aid, DVRPC	Various	(13,705,000)
Local Municipal Aid, NJTPA	Various	(53,847,000)
Local Municipal Aid, SJTPO	Various	(6,199,000)
Local Municipal Aid, Urban Aid	Various	(5,000,000)
Main Street Bypass, Sayreville	Middlesex	(2,000,000)

Maintenance & Fleet Management System	Various	(1,000,000)
Maple Avenue (Pennsauken)/Chapel Avenue		
Bridges over Atlantic City Line	Camden	(15,200,000)
Maritime Transportation System	Various	(3,000,000)
Minority and Women Workforce Training		
Set Aside	Various	(800,000)
Orphan Bridge Reconstruction	Various	(1,500,000)
Park and Ride/Transportation Demand		
Management Program	Various	(1,500,000)
Pedestrian Safety Corridor Program	Various	(500,000)
Pedestrian Safety Improvement Design		
and Construction	Various	(7,000,000)
Physical Plant	Various	(6,500,000)
Planning and Research, State	Various	(3,000,000)
Program Implementation Costs, NJDOT	Various	(87,900,000)
Project Development, Feasibility Assessment	Various	(8,000,000)
Project Enhancements	Various	(200,000)
Rail-Highway Grade Crossing Program, State	Various	(2,200,000)
Raritan Center Roadway Improvements	Middlesex	(3,868,000)
Real-time Traveler Information	Various	(2,000,000)
Regional Action Program	Various	(2,000,000)
Resurfacing Program	Various	(70,000,000)
Right of Way Database/Document		
Management System	Various	(100,000)
Right of Way Full-Service Consultant		
Term Agreements	Various	(100,000)
Safe Streets to Transit Program	Various	(1,000,000)
Sign Structure Inspection Program	Various	(1,200,000)
Sign Structure Rehabilitation Program	Various	(1,000,000)
Sign Structure Replacement Contract 2007-1	Various	(4,928,000)
Sign Structure Replacement Contract 2006-2	Monmouth,	
	Morris	(3,426,000)
Signs Program, Statewide	Various	(2,500,000)
Smart Growth Initiatives	Various	(1,000,000)
State Police Enforcement and Safety Services	Various	(8,700,000)
Statewide Traffic Operations Center (STOC)	Various	(200,000)
Traffic Signal Replacement	Various	(5,500,000)
Train Preemption for Traffic Signals - North II	Various	(1,200,000)
Transit Village Program	Various	(2,000,000)
Unanticipated Design, Right of Way and		
Construction Expenses, State	Various	(20,346,000)
Underground Exploration for Utility Facilities	Various	(100,000)
University Transportation Research Technology	Various	(2,000,000)
Utility Reconnaissance and Relocation	Various	(4,000,000)
Route 1&9, Haynes Avenue Bridge		
Replacement and Operational		
Improvements	Essex	(2,000,000)
Route 1, Millstone River, Bridge Replacement	Mercer,	
	Middlesex	(800,000)
Route 3, Route 120 Southbound to Route 3		
Eastbound Ramp	Bergen	(11,980,000)
Route 7, Hackensack River (Wittpenn)		
Bridge, Contract 2	Hudson	(13,500,000)

Route 9, Bennett's Crossing, Intersection Improvements	Cape May	(3,860,000)
Route 9, Breakwater Road Extension (CR 613)	Cape May	(1,500,000)
Route 9, Green Street Interchange, Woodbridge	Middlesex	(1,500,000)
Route 9, Lacey Road Intersection Improvements	Ocean	(1,815,000)
Route 9, Northfield Sidewalk Replacement	Atlantic	(500,000)
Route 9, Pohatcong Lake Dam	Ocean	(1,916,000)
Route 9, Westecunk Creek Bridge (34)	Ocean	(100,000)
Route 17, Bergen County Intersection Improvements	Bergen	(11,668,000)
Route 17, Railroad Avenue, Drainage Improvements	Bergen	(320,000)
Route 22, Park Avenue/Bonnie Burn Road	Somerset	(2,572,000)
Route 27, Conrail Port Reading Branch Bridge (6L)	Middlesex	(7,850,000)
Route 27, Wood Avenue	Middlesex	(3,000,000)
Route 29, Sullivan Way to West Upper Ferry Road, Safety Improvements	Mercer	(5,000,000)
Route 31, Raritan Valley Line Bridge Replacement and Operational Improvements (8P)	Hunterdon	(5,010,000)
Route 35, Heards Brook, Drainage Improvements	Middlesex	(50,000)
Route 35, Manasquan River Bridge Rehabilitation	Monmouth, Ocean	(12,359,000)
Route 36, Flat Creek, Drainage Improvements	Monmouth	(12,215,000)
Route 36, Highlands Bridge over Shrewsbury River	Monmouth	(26,141,000)
Route 36, Long Branch Drainage Improvements	Monmouth	(12,925,000)
Route 42, Grenloch-Little Gloucester Road (AKA College Road) (CR 673)	Camden	(7,500,000)
Route 46, Rockaway River; NJ TRANSIT Bridges (7L 8K)	Morris	(27,076,000)
Route 49, Cape May Branch Bridge	Cape May	(6,300,000)
Route 57, Corridor Scenic Preservation	Warren	(100,000)
Route 73, Fox Meadow Road/Fellowship Road	Burlington	(21,000,000)
Route 78, Drift Road to Route 124, Rehabilitation	Union, Essex, Somerset	(24,281,000)
Route 80, West of Knowlton Road to West of Hope Johnsonburg Road	Warren	(16,120,000)
Route 95, Noise Barriers, Lawrence Township	Mercer	(3,223,000)
Route 95, Reed Road Wetland Mitigation Site	Mercer	(168,000)
Route 120, Paterson Plank Road from Route 17 to Murray Hill Boulevard	Bergen	(1,000,000)
Route 130, Cinnaminson Avenue/Church Road/Branch Pike	Burlington	(4,000,000)
Route 195, Eastbound, West of Ivanhoe Brook to East of Route 9, Resurfacing	Monmouth, Ocean	(11,450,000)
Route 202, Somerset/Morris Drainage Improvements (3 locations)	Somerset, Morris	(4,006,000)
Route 206, Arretton Road, Drainage Improvements	Mercer	(1,172,000)

Route 206, Atsion Lake Dam	Burlington	(2,950,000)
Route 206, Crusers Brook Bridge (41)	Somerset	(853,000)
Route 206, North of Cherry Hill Road, Drainage Improvements	Mercer	(500,000)
Route 208, Southbound, Serafin Place to Boulevard, Drainage Improvements	Bergen	(971,000)
Route 287, New Jersey Turnpike to Stelton Road, Resurfacing	Middlesex	(27,000,000)
Route 295, Paulsboro Brownfields Access	Gloucester	(4,000,000)
Route 295, Tomlin Station Road to Route 45, Rehabilitation	Gloucester	(12,200,000)
Route 440, High Street Connector	Middlesex	(500,000)

Notwithstanding the provisions of P.L. 1984, c. 73 (C.27:1B-1 et al.), there is appropriated the sum of \$625,000,000 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>Description</u>	<u>County</u>	<u>Amount</u>
Access to Region's Core (ARC)	Various	(625,000)
ADA--Equipment	Various	(2,000,000)
ADA--Platforms/Stations	Various	(7,247,000)
Bridge and Tunnel Rehabilitation	Various	(20,000,000)
Building Capital Leases	Various	(5,700,000)
Bus Acquisition Program	Various	(61,500,000)
Bus Passenger Facilities/Park and Ride	Various	(2,760,000)
Bus Support Facilities and Equipment	Various	(14,791,000)
Bus Vehicle and Facility Maintenance/ Capital Maintenance	Various	(33,600,000)
Capital Program Implementation	Various	(19,651,000)
Claims support	Various	(2,000,000)
Environmental Compliance	Various	(3,501,000)
Hudson/Bergen LRT System MOS I	Hudson	(11,648,000)
Hudson/Bergen LRT System MOS II	Hudson	(19,426,000)
Immediate Action Program	Various	(17,074,000)
Locomotive Overhaul	Various	(6,853,000)
Major Bridge Program	Various	(45,231,000)
Miscellaneous	Various	(501,000)
NEC Improvements	Various	(27,500,000)
Newark Light Rail	Essex	(7,521,000)
Other Rail Station/Terminal Improvements	Various	(32,006,000)
Physical Plant	Various	(1,660,000)
Portal Bridge	Hudson	(22,000,000)
Private Carrier Equipment Program	Various	(2,100,000)
Rail Capital Maintenance	Various	(63,900,000)
Rail Fleet Overhaul	Various	(1,000,000)
Rail Park and Ride	Various	(2,919,000)
Rail Rolling Stock Procurement	Various	(14,201,000)
Rail Support Facilities and Equipment	Various	(39,068,000)
River Line LRT	Camden, Burlington, Mercer	(49,951,000)
Section 5310 Program	Various	(800,000)

New Jersey State Library

Security Improvements	Various	(1,590,000)
Signals and Communications/Electric		
Traction Systems	Various	(15,050,000)
Small/Special Services Program	Various	(1,030,000)
Study and Development	Various	(4,597,000)
Technology Improvements	Various	(17,628,000)
Track Program	Various	(14,582,000)
Transit Enhancements	Various	(250,000)
Transit Rail Initiatives	Various	(31,539,000)

Notwithstanding the provisions of subsection d. of section 21 of P.L.1984, c.73 (C.27:1B-21), approval by the Joint Budget Oversight Committee of transfers among appropriations by project shall not be required. Notice of a transfer approved by the Director of the Division of Budget and Accounting pursuant to that section shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

The unexpended balances at the end of the preceding fiscal year of appropriations from the New Jersey Transportation Trust Fund Authority are appropriated.

Federal funds received in conjunction with the Route 52 Causeway Replacement Contract A Construction Fund are hereby appropriated to the Transportation Trust Fund Authority to pay debt service and other costs related to the Grant Anticipation Revenue Vehicles (GARVEE).

62 Public Transportation GRANTS-IN-AID

04-6050 Railroad and Bus Operations	<u>\$1,586,800,000</u>
Total Appropriation, State, Federal and All Other Funds	<u>\$1,586,800,000</u>

Less:

<i>Farebox Revenue</i>	<i>\$746,000,000</i>	
<i>Other Resources</i>	<i>\$42,600,000</i>	
<i>Total Income Deductions</i>		<i>\$1,288,600,000</i>
Total Grants-in-Aid Appropriation, Public Transportation		<u>\$298,200,000</u>

Grants-in-Aid:

Personal Services:

Salaries and Wages	(\$944,900,000)
Materials and Supplies	(277,300,000)
Services Other Than Personal	(93,900,000)

Special Purpose:

04 Leases and Rentals	(2,400,000)
04 Purchased Transportation	(165,400,000)
04 Insurance and Claims	(27,200,000)
04 Tolls, Taxes and Other Operating Expenses	(75,700,000)

Less:

<i>Income Deductions</i>	<i>1,288,600,000</i>
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STATE AID

04-6050 Railroad and Bus Operations	<u>\$36,928,000</u>
<i>(From Casino Revenue Fund)</i>	<i>\$36,928,000</i>
Total State Aid Appropriation, Public Transportation	<u>\$36,928,000</u>
<i>(Total From Casino Revenue Fund)</i>	<i>\$36,928,000</i>

State Aid:

04 Transportation Assistance for Senior Citizens and Disabled Residents (CRF)	(\$36,928,000)
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The unexpended balance at the end of the preceding fiscal year 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.).

CAPITAL CONSTRUCTION

Notwithstanding the provisions of any law or regulation to the contrary, the Commissioner of Transportation, upon approval of the Director of the Division of Budget and Accounting, may transfer funds made available from the New Jersey Transportation Trust Fund Authority for public transportation projects under the program headings "New Jersey Transit Corporation" to the line-item under that same program heading entitled "Federal Transit Administration Projects" for any federally funded public transportation project shown in this act or any previous appropriation acts until such time as federal funds become available for the projects. Subject to the receipt of federal funds, the Transportation Trust Fund shall be reimbursed for all the monies that were transferred to advance Federal Transit Administration projects. Any transfer of funds which returns funds from the line-item "Federal Transit Administration Projects" to the account of origin shall be deemed approved.

From the amounts appropriated from the revenues and other funds of the New Jersey Transportation Trust Fund Authority for fiscal year 2008 transportation capital program, the Commissioner of Transportation shall allocate \$4,000,000 of the amount listed for the Private Carrier Equipment Program to NJ Transit's Private Carrier Capital Improvement Program (PCCIP). The amount provided herein shall be allocated to the private motorbus carriers consistent with the formula used to administer the PCCIP and shall be restricted to those carriers that currently qualify for participation in the PCCIP. These funds may be used for the procurement of any goods or services currently approved under NJ Transit's PCCIP, as well as: facility improvements, vehicle procurement, and capital maintenance that comports with subsection r. of section 3 of P.L.1984, c.73 (C.27:1B-3). Such maintenance and equipment procurements shall apply to vehicles owned by the private motorbus carriers and used in public transportation service, as well as to NJ Transit owned vehicles. Private motorbus carriers receiving an allocation of such funds shall be required to submit to NJ Transit a full accounting for all expenditures, demonstrating that the funds were used to increase or maintain the current level of public transportation service provided by the carrier or to improve revenue vehicle maintenance. Under no circumstances shall these funds be used to provide compensation of any officer or owner of a private motorbus carrier.

64 Regulation and General Management

DIRECT STATE SERVICES

05-6070 Intermodal Services	\$1,482,000
99-6000 Administration and Support Services	<u>1,608,000</u>
Total Direct State Services Appropriation, Regulation and General Management	<u>\$3,090,000</u>

Direct State Services:

Personal Services:	
Salaries and Wages	(\$211,000)
Materials and Supplies	(288,000)
Services Other Than Personal	(745,000)
Maintenance and Fixed Charges	(70,000)
Special Purpose:	
05 Office of Maritime Resources	(350,000)
05 Airport Safety Fund Administration	(965,000)

99 Affirmative Action and Equal

Employment Opportunity (461,000)

The unexpended balance at the end of the preceding fiscal year 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 at the end of the preceding fiscal year in the Airport Safety Fund account together with any receipts in excess of the amount anticipated are appropriated.

Notwithstanding the provisions of any law or regulation to the contrary, 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) and is available for salary and operational costs incurred by the Bureau of Aeronautics in the administration of loans or grants; the acquisition of airports lands or rights in lands; the operation or provision of any program or activity which promotes aviation safety, promotes aviation education, or provides for the promotion of aeronautics; and for those aviation purposes which the department is empowered to undertake pursuant to the "New Jersey Airport Safety Act of 1983," P.L.1983, c.264 (C.6:1-89 et seq.) or under Title 6 and Title 27 of the Revised Statutes. 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 at the end of the preceding fiscal year in the Airport Safety Fund account together with any receipts in excess of the amount anticipated are appropriated.

Department of Transportation, Total State Appropriation \$1,318,840,000

***Summary of Department of Transportation Appropriations
(For Display Purposes Only)***

Appropriations by Category:

Direct State Services	\$88,712,000
Grants-in-Aid	298,200,000
State Aid	36,928,000
Capital Construction	895,000,000

Appropriations by Fund:

General Fund	\$1,281,912,000
Casino Revenue Fund	36,928,000

82 DEPARTMENT OF THE TREASURY***30 Educational, Cultural and Intellectual Development******36 Higher Educational Services*****GRANTS-IN-AID**

47-2155 Support to Independent Institutions	\$21,672,000
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49-2155 Miscellaneous Higher Education Programs	<u>99,578,000</u>
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Total Grants-in-Aid Appropriation, Higher	
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Educational Services	<u>\$121,250,00</u>
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Grants-in-Aid:

47 Aid to Independent Colleges and Universities	(\$20,435,000)
47 Clinical Legal Programs for the Poor -- Seton Hall University (P.L.1996, c.52)	(200,000)
47 Research Under Contract with the Institute of Medical Research, Camden	(1,037,000)
49 Garden State Savings Bonds Incentive	(100,000)
49 Higher Education Capital Improvement Program -- Debt Service	(42,695,000)
49 Equipment Leasing Fund -- Debt Service	(13,922,000)
49 Higher Education Facilities Trust Fund -- Debt Service	(20,972,000)
49 Higher Education Technology Bond -- Debt Service	(6,426,000)
49 Marine Sciences Consortium	(576,000)
49 Dormitory Safety Trust Fund -- Debt Service	(8,187,000)
49 Statewide Systemic Initiative to Reform Mathematics and Science Education	(1,200,000)
49 New Jersey Stem Cell Research Institute	(5,500,000)
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 58,425 for fiscal year 2007.	
Receipts in excess of the amount hereinabove for Clinical Legal Programs for the Poor-Seton Hall University (P.L.1996, c.52) 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.	
In addition to the amounts hereinabove appropriated for the Higher Education Capital Improvement Program-Debt Service account, the unexpended balances at the end of the preceding fiscal year are appropriated for the same purpose.	
The amount hereinabove appropriated for the New Jersey Stem Cell Research Institute shall be expended subject to the approval of the State Treasurer in consultation with the New Jersey Commission on Science and Technology.	
The unexpended balance at the end of the preceding fiscal year in the New Jersey Stem Cell Research Institute account is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.	

STATE AID

48-2155 Aid to County Colleges	<u>\$231,423,000</u>
(From General Fund	<u>\$197,959,000</u>)
(From Property Tax Relief Fund	<u>33,464,000</u>)
Total State Aid Appropriation, Higher Educational Services	<u>\$231,423,000</u>
(From General Fund	<u>\$197,959,000</u>)
(From Property Tax Relief Fund	<u>33,464,000</u>)
Less:	
Supplemental Workforce Fund-Basic Skills	<u>\$20,000,000</u>
Total Income Deductions	<u>\$20,000,000</u>
Total State Appropriation, Higher Educational Services	<u>\$211,423,000</u>

<i>(From General Fund</i>	<i>\$177,959,000)</i>
<i>(From Property Tax Relief Fund</i>	<i>33,464,000)</i>
State Aid:	
48 Operational Costs	(\$163,437,000)
48 Debt Service for Chapter 12 N.J.S.18A:64A-22.1 (PTRF)	(33,464,000)
48 Alternate Benefit Program - Employer Contributions	(15,918,000)
48 Alternate Benefit Program - Non-contributory Insurance	(2,572,000)
48 Teachers' Pension and Annuity Fund - Non-contributory Insurance	(16,000)
48 Employer Contributions - Teachers' Pension and Annuity Fund	(343,000)
48 Teachers' Pension and Annuity Fund - Post Retirement Medical	(1,144,000)
48 Post Retirement Medical Other Than TPAF .	(14,078,000)
48 Employer Contributions -- FICA for County College Members of Teachers' Pension and Annuity Fund	(350,000)
48 Debt Service on Pension Obligation Bonds P.L.1997, c.114 (C.34:1B-7.50 et seq.)	(101,000)

Less:

Income Deductions **20,000,000**

In addition to the amount hereinabove for operational costs, there is appropriated \$20,000,000 from the Supplemental Workforce Fund for Basic Skills for the same purpose.

Notwithstanding the provisions of any law or regulation to the contrary, from the sums hereinabove appropriated for county college Operational Costs, there are allocated such sums as are required to provide the reimbursement to cover tuition costs of the National Guard members pursuant to subsection b. of section 1 of P.L.2001, c.427 (C.18A:62-24).

Such additional sums as may be required for Alternate Benefit Program - Employer Contributions, Alternate Benefit Program - Non-contributory Insurance, Teachers' Pension and Annuity Fund - Non-contributory Insurance, Teachers' Pension and Annuity Fund - Post Retirement Medical, Post Retirement Medical Other Than TPAF, and Employer Contributions - FICA for County College Members of Teachers' Pension and Annuity Fund are appropriated, as the Director of the Division of Budget and Accounting shall determine.

In addition to the sum hereinabove appropriated for Debt Service on Pension Obligation Bonds P.L.1997, c.114 (C.34:1B-7.50 et seq.) 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 appropriated 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 February 22, 2007 first shall be charged to the State Lottery Fund.

50 Economic Planning, Development and Security

51 Economic Planning and Development

DIRECT STATE SERVICES

38-2049 Economic Development	<u>\$515,000</u>
Total Direct State Services Appropriation, Economic Planning and Development	<u>\$515,000</u>

Direct State Services:

Personal Services:

38 New Jersey Motion Picture and TV Development Commission	(\$515,000)
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GRANTS-IN-AID

38-2049 Economic Development	<u>\$170,216,000</u>
Total Grants-in-Aid Appropriation, Economic Planning and Development	<u>\$170,216,000</u>

Grants-in-Aid:

38 Fort Monmouth Economic Revitalization Planning Authority	(\$150,000)
38 New Jersey Commerce, Economic Growth and Tourism Commission	(18,066,000)
38 Business Employment Incentive Program, EDA	(152,000,000)

Of the sum hereinabove appropriated for the New Jersey Commerce, Economic Growth and Tourism Commission, \$10,885,000 shall be used for Advertising and Promotion; \$1,000,000 shall be used for New Jersey Small Business Development Centers; \$130,000 shall be used for the New Jersey Israel Commission; and \$1,850,000 shall be used for the Travel and Tourism Cooperative Marketing Program; except that any 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. Of the amount hereinabove appropriated for the New Jersey Commerce, Economic Growth and Tourism Commission, such sums as are necessary shall be made available to the Office of Economic Growth, established pursuant to Executive Order #50 for its purposes, subject to the approval of the Director of the Division of Budget and Accounting and the Director of the Division of Budget and Accounting shall have the authority to create such new account as may be necessary to effectuate such transfer. In the event that any of the duties or responsibilities of the New Jersey Commerce, Economic Growth and Tourism Commission are transferred to any other State agencies, the Director of the Division of Budget and Accounting shall have the duty and is hereby empowered to transfer funds appropriated to the New Jersey Commerce, Economic Growth and Tourism Commission to such other agencies 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 effectuate such transfers. Information copies of such transfers shall be transmitted to the Legislative Budget and Finance Officer upon the effective date thereof.

Pursuant to the provisions of P.L.2003, c.114 (C.54:32-1 et seq.) the appropriations hereinabove for purposes of promoting tourism activities in this State are first charged to revenues derived from the hotel and motel occupancy fee.

There is appropriated from the Enterprise Zone Assistance Fund such sums as are necessary for administrative services provided by the New Jersey Commerce, Economic Growth and Tourism Commission and the Office of Economic Growth 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.

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 2008 shall be completed not later than January 31, 2008, the second semi-annual report covering the second six months of fiscal year 2008 shall be completed not later than July 31, 2008, and both reports shall be submitted to the Treasurer, the Director of the Division of Budget and Accounting, and the Joint Budget Oversight Committee. In the event that the duties or responsibilities of the New Jersey Commerce, Economic Growth and Tourism Commission related to the Advertising and Promotion Program and the Travel and Tourism, Advertising and Promotion - Cooperative Marketing Program are transferred to any other State agencies, the reporting requirements outlined above shall become the responsibility of the commissioner of that department or agency.

Funds made available for the remediation of the discharges of hazardous substances pursuant to the amendments effective December 4, 2003, to Article VIII, Section II, paragraph 6 of the State Constitution, shall be appropriated to the Brownfields Site Reimbursement Fund, established pursuant to section 38 of P.L.1997, c.278 (C.58:10B-30), in an amount to be determined by the Director of the Division of Taxation, and subject to the approval of the Director of the Division of Budget and Accounting. If such sums for the remediation of discharges of hazardous substances are insufficient, there are appropriated such sums as necessary to the Brownfields Site Reimbursement Fund, subject to the approval of the Director of the Division of Budget and Accounting. The unexpended balance at the end of the preceding fiscal year in the Brownfields Site Reimbursement Fund account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount appropriated hereinabove for the Business Employment Incentive Program, EDA, there is appropriated from the General Fund to the Department of the Treasury for transfer to the New Jersey Economic Development Authority such sums as may be necessary to fund the Business Employment Incentive Program, the amount of which, when combined with the amount appropriated hereinabove and with prior year disbursements, 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), during the prior calendar years 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, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Business Employment Incentive Program, EDA, account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove for the Fort Monmouth Economic Revitalization Planning Authority, there is appropriated such additional sums as are necessary to secure federal matching funds, subject to the approval of the Director of the Division of Budget and Accounting.

2042 New Jersey Commission on Science and Technology**DIRECT STATE SERVICES**

39-2042 New Jersey Commission on Science and Technology	<u>\$549,000</u>
Total Direct State Services Appropriation, New Jersey	
Commission on Science and Technology	<u>\$549,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$476,000)
Materials and Supplies	(30,000)
Services Other Than Personal	(37,000)
Maintenance and Fixed Charges	(6,000)

GRANTS-IN-AID

39-2042 New Jersey Commission on Science and Technology	<u>\$22,580,000</u>
Total Grants-in-Aid Appropriation, New Jersey	
Commission on Science and Technology	<u>\$22,580,000</u>

Grants-in-Aid:

39 Science and Technology Grants	(\$21,350,000)
39 Business Incubator Network	(630,000)
39 Manufacturing Extension Program	(600,000)
The unexpended balance at the end of the preceding fiscal year in the New Jersey Commission on Science and Technology Grants-In-Aid account is appropriated for the same purpose.	
An amount not to exceed 5% of the Science and Technology Grants 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.	
From the amount hereinabove appropriated for Science and Technology Grants, there is allocated \$600,000 for the Manufacturing Extension Program.	

52 Economic Regulation**DIRECT STATE SERVICES**

54-2008 Utility Regulation	\$8,287,000
55-2004 Regulation of Cable Television	2,114,000
88-2058 Energy Assistance Programs	1,730,000
97-2016 Regulatory Support Services	3,595,000
99-2003 Administration and Support Services	<u>11,239,000</u>
Total Direct State Services Appropriation, Economic Regulation . .	<u>\$26,965,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$24,606,000)
Materials and Supplies	(515,000)
Services Other Than Personal	(914,000)
Maintenance and Fixed Charges	(403,000)

Special Purpose:

Additions, Improvements and Equipment	(527,000)
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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.

In addition to the amount hereinabove for administration of the Board of Public Utilities, there are appropriated such sums as may be required for operation of the board and

assessed to the public utilities or the cable television industry, subject to the approval of the Director of Budget and Accounting.

Receipts derived from fees are appropriated.

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 at the end of the preceding fiscal year are appropriated.

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 law or regulation to the contrary, 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 the Division of Budget and Accounting.

The amounts appropriated hereinabove, not to exceed \$1,730,000, for the Energy Assistance Program account may be transferred to the Department of Health and Senior Services, Lifeline account to fund the costs associated with administering the Lifeline Credits and Tenants' Assistance Rebates Program and shall be applied in accordance with a Memorandum of Understanding between the President of the Board of Public Utilities and the Commissioner of the Department of Health and Senior Services, 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 investment earnings derived from the funds deposited in the Clean Energy Fund, Universal Services Trust Fund and Retail Margin Fund shall accrue to the funds and are available to pay the costs of the various programs of the New Jersey Board of Public Utilities Clean Energy Program, Universal Services Trust Fund and Retail Margin Program.

Notwithstanding the provisions of paragraph (3) of subsection a. of section 12 of the "Electric Discount and Energy Competition Act," P.L.1999, c.23 (C.48:3-60) and any other laws to the contrary, receipts from the New Jersey Clean Energy Trust Fund are appropriated for the actual administrative salary and operating costs, not to exceed \$1,300,000, for the Office of Clean Energy as requested by the President of the Board of Public Utilities and approved by the Director of the Division of Budget and Accounting.

There are appropriated to the Universal Services Trust Fund such sums that are equal to the amount of interest earned on monies in the Universal Services Trust Fund during fiscal year 2007.

GRANTS-IN-AID

88-2058 Energy Assistance Programs	<u>\$70,840,000</u>
Total Grants-in-Aid Appropriation, Economic Regulation	<u>\$70,840,000</u>

Grants-in-Aid:

88 Payments for Lifeline Credits	(\$34,669,000)
88 Tenants' Assistance Rebate Program	(36,171,000)

Notwithstanding the provisions of P.L.1979, c.197 (C.48:2-29.15 et seq.), the provisions of P.L.1981, c.210 (C.48:2-29.30 et seq.), or any law or regulation to the contrary, the benefits of the Lifeline Credits Program and the Tenants' Assistance Rebates Program may be distributed throughout the entire year from July through June, and are not limited to an October to March heating season; therefore, applications for Lifeline benefits and benefits from the Pharmaceutical Assistance to the Aged and Disabled program may be combined.

The amounts hereinabove appropriated for Payments for the Lifeline Credits Program and Tenants' Assistance Rebates Program 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 Energy Assistance Programs classification, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove, such sums as may be required for the payment of claims, credits, and rebates, are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Any supplemental appropriation for the Payments for Lifeline Credits and the Tenants' Assistance Rebates Program may be recovered from the Universal Service Fund through transfer to the General Fund as State revenue, 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 preceding fiscal year, are appropriated for payments to providers in the same program class from which the recovery originated.

The amounts hereinabove appropriated, not to exceed \$70,840,000, for Payments for the Lifeline Credits and the Tenants' Assistance Rebates Program are available to the Department of Health and Senior Services to fund the payments associated with the Lifeline Credits and Tenants' Assistance programs and shall be applied in accordance with a Memorandum of Understanding between the President of the Board of Public Utilities and the Commissioner of the Department of Health and Senior Services, subject to the approval of the Director of the Division 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 \$669,000

07-2040 Office of Management and Budget 14,633,000

Total Direct State Services Appropriation,

Governmental Review and Oversight \$15,302,000

Direct State Services:

Personal Services:

Salaries and Wages (\$12,456,000)

Materials and Supplies (245,000)

Services Other Than Personal (1,308,000)

Maintenance and Fixed Charges (24,000)

Special Purpose:

07 Independent Audits (1,269,000)

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 interest costs, 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).

70 Government Direction, Management and Control**72 Governmental Review and Oversight****2066 Office of the State Comptroller****DIRECT STATE SERVICES**

08-2066 Office of the State Comptroller	<u>\$9,000,000</u>
Total Direct State Services Appropriation, Office of the State Comptroller	<u>\$9,000,000</u>

Direct State Services:**Personal Services:**

Salaries and Wages	(\$4,814,000)
Employee Benefits	(1,765,000)
Materials and Supplies	(360,000)
Services Other Than Personal	(1,100,000)
Maintenance and Fixed Charges	(866,000)
Additions, Improvements, and Equipment	(95,000)

70 Government Direction, Management and Control**72 Governmental Review and Oversight****2068 Office of the Inspector General****DIRECT STATE SERVICES**

14-2068 Office of the Inspector General	<u>\$2,293,000</u>
Total Direct State Services Appropriation, Office of the Inspector General	<u>\$2,293,000</u>

Direct State Services:**Personal Services:**

Salaries and Wages	(\$1,560,000)
Materials and Supplies	(100,000)
Services Other Than Personal	(474,000)
Maintenance and Fixed Charges	(134,000)
Additions, Improvements and Equipment	(25,000)

In addition to the amounts hereinabove appropriated, such sums as may be necessary are appropriated to fund the operations of the Office of the Inspector General, 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, all financial recoveries obtained through the efforts of any entity authorized to undertake the prevention and detection of Medicaid fraud, waste and abuse, are appropriated to General Medical Services in the Division of Medical Assistance and Health Services in the Department of Human Services.

The unexpended balance at the end of the preceding fiscal year in the Office of the Medicaid Inspector General account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

73 Financial Administration**DIRECT STATE SERVICES**

15-2080 Taxation Services and Administration	\$110,411,000
16-2090 Administration of State Lottery	21,818,000
17-2105 Administration of State Revenues	24,023,000
25-2095 Administration of Casino Gambling	29,440,000
(<i>From Casino Control Fund</i>	<i>\$29,440,000</i>)
50-2027 Business Services Bureau	4,685,000
Total Direct State Services Appropriation, Financial Administration	<u>\$190,377,000</u>
(<i>From General Fund</i>	<i>\$160,937,000</i>)

(From Casino Control Fund 29,440,000)

Direct State Services:

Personal Services:

Chairman and Commissioners (CCF) (\$641,000)
 Salaries and Wages (104,866,000)
 Salaries and Wages (CCF) (19,140,000)
 Employee Benefits (CCF) (6,701,000)

(From General Fund \$104,866,000)

(From Casino Control Fund 26,482,000)

Materials and Supplies (4,369,000)
 Materials and Supplies (CCF) (187,000)
 Services Other Than Personal (47,418,000)
 Services Other Than Personal (CCF) (1,139,000)
 Maintenance and Fixed Charges (1,725,000)
 Maintenance and Fixed Charges (CCF) (1,445,000)

Special Purpose:

15 Property Assessment Management
 System (PAMS) (900,000)
 17 Wage Reporting/Temporary
 Disability Insurance (1,599,000)
 25 Administration of Casino Gambling (CCF) (40,000)

Additions, Improvements and Equipment (60,000)

Additions, Improvements and Equipment (CCF) (147,000)

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 provisions of any law or regulation 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.

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 the provisions of any law or regulation 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 and the Division of Revenue 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.).

Notwithstanding the provisions of any law or regulation to the contrary, there are available out of fees derived from the cost of collection imposed 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.

In addition to the amounts hereinabove appropriated, such additional sums as may be necessary are appropriated to fund costs of the collecting 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.

Notwithstanding the provisions of section 4 of the "Lead Hazard Control Assistance Act," P.L.2003, c.311 (C.52:27D-437.4), such sums as are necessary are appropriated from the Lead Hazard Control Assistance Fund for the Department of the Treasury's administrative costs, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Property Assessment Management System (PAMS) account is appropriated for the same purpose.

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 hereby appropriated from the Dedicated Cigarette Tax Revenue Fund established pursuant to P.L.2004, c.68 (C.34:1B-21.16 et seq.) such sums as are required under the contract between the Treasurer and the New Jersey Economic Development Authority entered into pursuant to C.34:1B-21.21.

Pursuant to the provisions of section 54 of P.L.2002, c.34 (C.App.A:9-78) deposits made to the "New Jersey Domestic Security Account" are appropriated for transfer to the Department of Health and Senior Services to support medical emergency disaster preparedness for bioterrorism, to the Department of Law and Public Safety for State Police salaries related to statewide security services and counter-terrorism programs, and to the Department of Agriculture for the Agro-Terrorism program, subject to the approval of the Director of the Division of Budget and Accounting.

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.

In addition to the amounts hereinabove, there are appropriated such additional sums as may be necessary for the cost of a State Lottery business plan study, 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, 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 law or regulation 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.).

There are appropriated such sums as are necessary to fund the hospitals' share of monies collected pursuant to the hospital care payment act, P.L.2003, c.112 (C.17B:30-41 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the New Jersey Fair and Clean Elections Fund account is 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 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 Unemployment Insurance, Temporary Disability Insurance, Workers' Compensation, Special Compensation Programs, the Health Care Subsidy Fund, and the Workforce Development Partnership program.

The amount 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.

Notwithstanding the provisions of any law, regulation or Executive Order to the contrary, any receipts received from Nextel Corporation in accordance with a Plan Funding Agreement approved by Nextel and the 800 MHZ Transition Administrator for costs of rebanding incurred by State agencies, and any local units of government that have entered into a memorandum of understanding with the Attorney General authorizing the State to receive Nextel funds on behalf of such local unit, pursuant to Federal Communications Commission-ordered reconfiguration of the 800 .MHZ band, are appropriated to the Department of the Treasury. Such sums shall be expended or transferred to the various departments and agencies to reimburse administrative and procurement costs in accordance with the Plan Funding Agreement and in consultation with the Attorney General, subject to the approval of the Director of the Division of Budget and Accounting.

Pursuant to the provisions of P.L.2003, c.117 (C.22A:4-4.2) deposits made to the "New Jersey Public Records Preservation Account" are appropriated for transfer to the Department of State for grants to counties and municipalities for the management, storage, and preservation of public records, 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 Management of State Investments program.

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 or regulation 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 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	\$476,000
09-2050 Purchasing and Inventory Management	9,723,000
26-2067 Property Management and Construction -- Property Management Services	14,422,000
37-2051 Risk Management	<u>2,647,000</u>
Total Direct State Services Appropriation, General Government Services	<u>\$27,268,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$21,038,000)
Materials and Supplies	(412,000)
Services Other Than Personal	(2,841,000)
Maintenance and Fixed Charges	(2,161,000)

Special Purpose:

02 Garden State Preservation Trust	(476,000)
Additions, Improvements and Equipment	(340,000)

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 Purchase Bureau program.

Notwithstanding the provisions of any law or regulation to the contrary, there are appropriated, out of the receipts derived from third party subrogation and service fees billed to authorities for the handling of insurance procurement and risk management services, such sums as may be necessary for the administrative expenses of the Risk Management 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.

Notwithstanding the provisions of any law or regulation to the contrary, there are appropriated, out of receipts derived from service fees billed to the various State departments for the purpose of travel services, such sums as may be necessary for the administrative expenses of the State Central Motor Pool program.

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 balances at the end of the preceding fiscal year in the State cafeteria accounts 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.

Notwithstanding the provisions of any law or regulation to the contrary, there are appropriated out of receipts derived from the pre-qualification service fees billed to contractors, architects, engineers, and professionals sufficient sums for expenses related to the administration of pre-qualification activities undertaken by the Division of Property Management and Construction.

The unexpended balances at the end of the preceding fiscal year in excess of \$300,000 in the Management of the Department of Environmental Protection Properties account 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 related to the Department of Environmental Protection's 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 or principal due from the issuance of bonds for this facility.

Notwithstanding the provisions of any law or regulation to the contrary, an amount not to exceed \$476,000 is transferred from the Garden State Farmland Preservation Trust Fund, the Garden State Green Acres Preservation Trust Fund and the Garden State Historic Preservation Trust Fund to the General Fund in an allocation to be determined by the Garden State Preservation Trust and approved by the Director of the Division of

Budget and Accounting and such amount is appropriated to the Garden State Preservation Trust.

Notwithstanding the provisions of any law or regulation to the contrary, the Departments of the Treasury, Community Affairs, Environmental Protection, and Agriculture will provide such administrative services as are necessary to operate the Garden State Preservation Trust.

Notwithstanding the provisions of any law or regulation to the contrary, administrative expenses for the various retirement systems and employee benefit programs administered by the Division of Pensions and Benefits are appropriated from 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, subject to the approval of the Director of the Division of Budget and Accounting. Administrative costs 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.

There is appropriated from the pension and health benefits funds established by law 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.

The unexpended balance at the end of the preceding fiscal year in the Re-engineering of the Pension and Health Benefits Computer Systems account is appropriated for the same purpose.

Notwithstanding the provisions of any law or regulation 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 capitol 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.

2026 Office of Administrative Law

DIRECT STATE SERVICES

45-2026 Adjudication of Administrative Appeals \$9,241,000

(From General Fund \$4,494,000)

(From All Other Funds 4,747,000)

Total Direct State Services Appropriation,

Office of Administrative Law \$9,241,000

(From General Fund \$4,494,000)

(From All Other Funds 4,747,000)

Less:

All Other Funds 4,747,000

Total State Appropriation, Office of Administrative Law \$4,494,000

Direct State Services:

Personal Services:

Salaries and Wages (\$8,263,000)

Employee Benefits (221,000)

Materials and Supplies (95,000)

Services Other Than Personal (581,000)

Maintenance and Fixed Charges (75,000)

Special Purpose:

45 Affirmative Action and Equal

Employment Opportunity (6,000)

Less:

All Other Funds 4,747,000

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 or rule-making costs by the Office of Administrative Law and the unexpended balance at the end of the preceding fiscal year 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 annual license fees, payable to the Office of Administrative Law, and the unexpended balance at the end of the preceding fiscal year of such receipts, are appropriated.

Receipts derived from royalties, payable to the Office of Administrative Law, and the unexpended balance at the end of the preceding fiscal year of such receipts, are appropriated.

2034 Office of Information Technology

DIRECT STATE SERVICES

40-2034 Office of Information Technology \$120,712,000

65-2034 Emergency Telecommunication Services 1,3817,000

Total Direct State Services Appropriation,

Office of Information Technology \$134,529,000

Less:

OIT-Other Resources **62,821,000**

Total Income Deductions **62,821,000**

Total State Appropriation, Office of Information Technology \$71,708,000

Direct State Services:

Personal Services:

Salaries and Wages (\$27,810,000)

Materials and Supplies (414,000)

Services Other Than Personal (15,252,000)

Maintenance and Fixed Charges (83,000)

Special Purpose:

40 ECATS Timekeeping System (5,800,000)

40 Office of Information Technology (62,821,000)

40 Network Infrastructure (3,200,000)

40 Quality Assurance Oversight (2,000,000)

40 Email Systems Consolidation (1,100,000)

40 Data Center Consolidation (900,000)

40 Information Technology On-Line

State Portal (1,000,000)

65 Statewide 911 Emergency

Telecommunication System (12,567,000)

65 Office of Emergency

Telecommunication Services (1,250,000)

Additions, Improvements and Equipment (332,000)

Less:

Income Deductions **62,821,000**

As a condition to the appropriations made in this act, specifically with regard to the allocation of employees performing information technology infrastructure functions and the establishment of deputy chief technology officers and related staff as authorized in pending legislation, the Office of Information Technology shall identify as soon as practicable following enactment of this act the specific Direct State Services

appropriations and positions that should be transferred between various departments and the Office of Information Technology, subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated such sums for Geographic Information System (GIS) Integration as may be received from federal, county, municipal governments or agencies and nonprofit organizations for orthoimagery and parcel data mapping.

In addition to the \$62,821,000 attributable to OIT Other Resources, there are appropriated such sums as may be received or receivable from any State agency, instrumentality or public authority for Office of Information Technology services furnished thereto and attributable to a change in or the addition of an OIT service level agreement, 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 amount appropriated hereinabove to the Office of Information Technology for Quality Assurance Oversight shall be used to enhance supervision over the implementation of current and future information technology contracts, including but not limited to oversight of existing quality assurance contracts for information technology.

GRANTS-IN-AID

65-2034 Emergency Telecommunication Services \$14,925,000
Total State Appropriation, Office of Information Technology \$14,925,000

Grants-in-aid:

65 Enhanced 911 Grants (\$14,925,000)

Grant awards and expenditures supported by the appropriation for Enhanced 911 Grants, including 911 operating assistance or equipment grants, shall be determined in accordance with the recommendations of an efficiency study prepared by the Rutgers University-Heldrich School as well as grant criteria to be jointly developed by the 911 Commission and the Department of the Treasury, the purpose of which will be to create incentives for the regional consolidation of 911 call services and public safety answering points. Those grant criteria, the specific requirements of which will be defined by the Office of Emergency Telecommunication Services shall include a requirement that applicants provide information to the Office of Emergency Telecommunication Services on existing budget and staffing resources, including salary and non-salary line items and position titles, as well as equipment and operating performance data related to the existing public safety answering point operations, public safety dispatch and radio communications systems and services.

The unexpended balance at the end of the preceding fiscal year in the Enhanced 911 Grants account is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

CAPITAL CONSTRUCTION

40-2034 Office of Information Technology \$6,500,000
Total Capital Construction Information Technology \$6,500,000

Capital Construction:

40 Data Storage and Infrastructure (\$3,000,000)
40 Critical Facility Preservation (2,000,000)
40 Enterprise Upgrade-Garden State Network ... (1,500,000)

75 State Subsidies and Financial Aid

GRANTS-IN-AID

33-2078 Homestead Exemptions \$2,404,000,000
(From Property Tax Relief Fund \$2,404,000,000)
Total Grants-in-Aid Appropriation, State Subsidies
and Financial Aid \$2,404,000,000

(From Property Tax Relief Fund \$2,404,000,000)

Grants-in-Aid:

- 33 Homestead Property Tax Credits/
Rebates for Homeowners (PTRF) (\$2,000,000,000)
- 33 Homestead Property Tax Rebates
for Tenants (PTRF) (251,000,000)
- 33 Senior and Disabled Citizens'
Property Tax Freeze (PTRF) (153,000,000)

From the amount hereinabove appropriated for the Homestead Property Tax Credits/Rebates for Homeowners and the Homestead Property Tax Rebates for Tenants programs, there are appropriated such sums as may be necessary for the administration of those programs, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove appropriated for the Homestead Property Tax Credits/Rebates for Homeowners program shall be available to pay homestead rebates pursuant to the provisions of section 3 of P.L.1990, c.61 (C.54:4-8.59). If the amount hereinabove appropriated for the Homestead Property Tax Credits/Rebates for Homeowners program is not sufficient, there is appropriated from the Property Tax Relief Fund such additional sums as may be required for payment of such credits/rebates, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove appropriated for the Homestead Property Tax Rebates for Tenants program shall be available to pay homestead rebates pursuant to the provisions of section 4 of P.L.1990, c.61 (C.54:4-8.60), except that notwithstanding the provisions of that law to the contrary residents who are not 65 years of age or older at the close of the tax year, or residents who are not allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, are eligible for rebates at the following maximum amounts for tax year 2006: (a) \$350 for residents with gross income of \$20,000 or less for tax year 2006; (b) \$300 for residents with gross income in excess of \$20,000 but not in excess of \$35,000 for tax year 2006; (c) \$200 for residents with gross income in excess of \$35,000 but not in excess of \$50,000 for tax year 2006; and (d) \$80 for residents with gross income in excess of \$50,000 but not in excess of \$100,000 for tax year 2006, and residents who are 65 years of age or older at the close of the tax year, or residents who are allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, are eligible for rebates at the following minimum amounts for tax year 2006: (a) \$350 for a resident with a gross income of \$20,000 or less for tax year 2006; (b) \$300 for residents with gross income in excess of \$20,000 but not in excess of \$35,000 for tax year 2006; and (c) \$200 for residents with gross income in excess of \$35,000 but not in excess of \$50,000 for tax year 2006. If the amount hereinabove appropriated for the Homestead Property Tax Rebates for Tenants program is not sufficient, there is appropriated from the Property Tax Relief Fund such additional sums as may be required for payment of such rebates, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of P.L.1997, c.348 (C.54:4-8.67 et seq.), the amount hereinabove for Senior and Disabled Citizens' Property Tax Freeze (PTRF), and any additional sum which may be required for this purpose, is appropriated from the Property Tax Relief Fund.

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.).

STATE AID

28-2078 County Boards of Taxation	\$2,289,000
29-2078 Locally Provided Assistance	57,496,000
34-2078 Reimbursement of Senior/Disabled Citizens' and Veterans' Tax Deductions	97,000,000
<i>(From Property Tax Relief Fund</i>	<i>97,000,000)</i>
35-2078 Consolidated Police and Firemen's Pension Fund	<u>94,262,000</u>
<i>(From General Fund</i>	<i>60,535,000)</i>
<i>(From Property Tax Relief Fund</i>	<i>33,727,000)</i>
Total State Aid Appropriation, State Subsidies and Financial Aid	<u>\$251,047,000</u>
<i>(From General Fund</i>	<i>\$120,320,000)</i>
<i>(From Property Tax Relief Fund</i>	<i>130,727,000)</i>

State Aid:

28 County Boards of Taxation	(\$2,289,000)
29 South Jersey Port Corporation Debt Service Reserve Fund	(7,256,000)
29 South Jersey Port Corporation Property Tax Reserve Fund	(3,240,000)
29 Highlands Protection Fund - Incentive Planning Aid	(2,650,000)
29 Highlands Protection Fund - Regional Master Plan Compliance Aid	(1,750,000)
29 Highlands Protection Fund - Watershed Moratorium Offset Aid	(2,200,000)
29 Highlands Protection Fund - Highlands Property Tax Stabilization Aid	(3,600,000)
29 Highlands Protection Fund - Pinelands Property Tax Stabilization Aid	(1,800,000)
29 Solid Waste Management - County Environmental Investment Debt Service Aid	(35,000,000)
34 Reimbursement to Municipalities -- Senior and Disabled Citizens' Tax Deductions (PTRF)	(22,000,000)
34 State Reimbursement for Veterans' Property Tax Deductions (PTRF)	(75,000,000)
35 State Contribution to Consolidated Police and Firemen's Pension Fund	(523,000)
35 Debt Service on Pension Obligation Bonds (PTRF)	(10,206,000)
35 Police and Firemen's Retirement System - Post Retirement Medical (PTRF)	(23,521,000)
35 Police and Firemen's Retirement System	(39,001,000)
35 Police and Firemen's Retirement System (P.L.1979, c.109)	(21,011,000)

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), and the "South Jersey Port Corporation Property Tax Reserve Fund" under section 20 of P.L.1968, c.60 (C.12:11A-20), the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.

The amounts hereinabove for Highlands Protection Fund appropriations are payable from the receipts of the portion of the realty transfer fee directed to be credited to the Highlands Protection Fund and the unexpended balances at the end of the preceding fiscal year in the Highlands Protection Fund accounts are appropriated, subject to the approval of the Director of the Division of Budget and Accounting. Further, the Department of the Treasury may transfer funds as necessary between the Highlands Protection Fund - Incentive Planning Aid account, the Highlands Protection Fund - Regional Master Plan Compliance Aid account, and the Highlands Protection Fund - Watershed Moratorium Offset Aid account, subject to the approval of the Director of the Division of Budget and Accounting.

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 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.) as determined by the State Treasurer based upon the need for such financial assistance after taking into account all financial resources available or attainable to pay such debt service. Such additional sums as may be necessary shall be appropriated subject to the approval of the Director of the Division of Budget and Accounting and shall be provided upon such terms and conditions as the State Treasurer may determine. The unexpended balance at the end of the preceding fiscal year is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

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 "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), the amounts collected from banking corporations pursuant to that act shall not be distributed to the counties and municipalities and shall be anticipated as revenue for general State purposes.

There is appropriated from the Energy Tax Receipts Property Tax Relief Fund the sum of \$788,492,000 and an amount not to exceed \$124,752,000 which is transferred from the Consolidated Municipal Property Tax Relief Aid (PTRF) account and an amount not to exceed \$6,985,000 from the Special Municipal Aid Act account to the fund and shall be allocated to municipalities in accordance with the provisions of subsection b. of section 2 of P.L.1997, c.167 (C.52:27D-439) except that any sums transferred from the Special Municipal Aid Act account shall be allocated to a municipality in the Special Municipal Aid program. Each municipality that receives an allocation from the amount so transferred from the Consolidated Municipal Property Tax Relief Aid program shall have its allocation from the Consolidated Municipal Property Tax Relief Aid program reduced by the same amount. Of the amount herein appropriated from the Energy Tax Receipts Property Tax Relief Fund, an amount equal to \$25,000,000 shall be allocated to municipalities proportionately based on population, except that Newark and Jersey City shall each receive \$390,000 of the \$25,000,000 and Paterson shall receive \$375,000 of the \$25,000,000.

Notwithstanding the provisions of paragraph (1) of subsection c. of section 2 of P.L.1997, c.167 (C.52:27D-439) to the contrary, the amount hereinabove appropriated for Energy Tax Receipts Property Tax Relief Fund payments shall be distributed on the following schedule: on or before August 1, 45% 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.

The unexpended balance at the end of the preceding fiscal year 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.).

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.

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 deductions.

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 additional sums as may be required for Police and Firemen's Retirement System - Post Retirement Medical are appropriated, as the Director of the Division of Budget and Accounting shall determine.

76 Management and Administration

DIRECT STATE SERVICES

98-2006 Contract Compliance and Equal Employment	
Opportunity in Public Contracts	\$1,695,000
99-2000 Administration and Support Services	<u>10,991,000</u>
Total Direct State Services Appropriation, Management	
and Administration	<u>\$12,686,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$11,624,000)
Materials and Supplies	(65,000)
Services Other Than Personal	(909,000)
Maintenance and Fixed Charges	(65,000)

Special Purpose:

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.

There is appropriated from revenue estimated to be received as a fee in connection with the issuance of debt an amount not to exceed \$700,000 to provide funds for public finance activities.

There are appropriated from revenue to be received from investment earnings of State funds, from fees in connection with the cost of debt issuance and from service fees billed to State authorities, such sums as may be required for public finance activities. The unexpended balance at the end of the preceding fiscal year from such investment earning and service fees is appropriated to the Office of Public Finance.

Pursuant to the provisions of P.L.1999, c.12 (C.54A:9-25.12 et seq.) deposits made to the "Drug Abuse Education Fund" and the unexpended balance at the end of the preceding fiscal year of such deposits are appropriated for collection or administration costs of the Department of the Treasury and for transfer to the Department of Education such sums as are necessary for Project DARE (Drug Abuse Resistance Education) and the Steroid Use and Prevention Program, and to the Department of Human Services for substance

abuse treatment and prevention programs, subject to the approval of the Director of the Division of Budget and Accounting.

An amount equivalent to the amount due to be paid in this fiscal year 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 or regulation 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 at the end of the preceding fiscal year of such fees are appropriated for program costs, subject to allotment by the Director of the Division of Budget and Accounting.

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	\$10,053,000
57-2048 Trial Services to Indigents and Special Programs	93,180,000
99-2025 Administration and Support Services	<u>2,515,000</u>
Total Direct State Services Appropriation, Protection of Citizens' Rights	<u>\$105,748,000</u>

Direct State Services:

Personal Services:

Salaries and Wages	(\$60,565,000)
Materials and Supplies	(726,000)
Services Other Than Personal	(22,564,000)
Maintenance and Fixed Charges	(548,000)

Special Purpose:

57 Continuous Representation -- Title 9 to Title 30	(4,936,000)
57 Public Defender Pilot Program	(210,000)
57 Law Guardian - Kinship Guardianship	(1,996,000)
57 Law Guardian - Child Welfare Reform	(9,081,000)
57 Parental Representation Unit - Child Welfare Reform	(4,834,000)
99 Affirmative Action and Equal Employment Opportunity	(64,000)
Additions, Improvements and Equipment	(224,000)

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 the provisions of any law or regulation to the contrary, 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.

The unexpended balances at the end of the preceding fiscal year 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 \$16,400,000
Total Grants-in-Aid Appropriation, Protection of Citizens' Rights . . \$16,400,000

Grants-in-Aid:

57 State Legal Services Office (\$8,400,000)

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, P.L.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 \$3,756,086,000

Summary of Department of The Treasury Appropriations (For Display Purposes Only)

Appropriations by Category:

Direct State Services \$466,905,000
Grants-in-Aid 2,820,211,000
State Aid 462,470,000
Capital Construction 6,500,000

Appropriations by Fund:

General Fund \$1,158,455,000
Property Tax Relief Fund 2,568,191,000
Casino Control Fund 29,440,000

90 MISCELLANEOUS COMMISSIONS

40 Community Development and Environmental Management

43 Science and Technical Programs

9130 Interstate Environmental Commission

DIRECT STATE SERVICES

03-9130 Interstate Environmental Commission \$383,000

Total Direct State Services Appropriation, Interstate

Environmental Commission \$383,000

Direct State Services:

Special Purpose:

03 Expenses of the Commission (\$383,000)

9140 Delaware River Basin Commission

DIRECT STATE SERVICES

02-9140 Delaware River Basin Commission \$893,000

Total Direct State Services Appropriation, Delaware

River Basin Commission \$893,000

Direct State Services:

Special Purpose:

02 Expenses of the Commission (\$893,000)

70 Government Direction, Management and Control**72 Governmental Review and Oversight****9148 Council on Local Mandates****DIRECT STATE SERVICES**92-9148 Council on Local Mandates \$168,000

Total Direct State Services Appropriation, Council on

Local Mandates \$168,000**Direct State Services:**

Special Purpose:

92 Council on Local Mandates (\$168,000)

The unexpended balance at the end of the preceding fiscal year in this account is appropriated.

Miscellaneous Commissions, Total State Appropriation \$1,444,000**Summary of Miscellaneous Commissions Appropriations
(For Display Purposes Only)****Appropriations by Category:**

Direct State Services \$1,444,000

Appropriations by Fund:

General Fund \$1,444,000

94 INTER-DEPARTMENTAL ACCOUNTS**70 Government Direction, Management and Control****74 General Government Services****DIRECT STATE SERVICES**

01-9400 Property Rentals \$254,987,000

02-9400 Insurance and Other Services 108,489,000

06-9400 Utilities and Other Services 49,156,000Subtotal Direct State Services, General Government Services ... \$412,632,000**Less:****Direct Charges and Charges to Non-State****Fund Sources** \$87,556,000**Total Income Deductions** \$87,556,000

Total Direct State Services Appropriation,

General Government Services \$325,076,000**Direct State Services:**

Property Rentals:

Existing and Anticipated Leases (\$209,769,000)

Economic Development Authority (17,096,000)

Other Debt Service Leases and Tax Payments .. (23,590,000)

Less:**Direct Charges and Charges to Non-****State Fund Sources** 87,556,000

Additions, Improvements and Equipment (4,532,000)

Insurance and Other Services:

Tort Claims Liability Fund (15,000,000)

Workers' Compensation Self-Insurance Fund .. (64,700,000)

Property Insurance Premium Payments (4,283,000)

- | | |
|--|--------------|
| Casualty Insurance Premium Payments | (1,101,000) |
| Special Insurance Policy Premium Payment | (280,000) |
| UMDNJ Self-Insurance Reserve Fund | (18,000,000) |
| Vehicle Claims Liability Fund | (3,500,000) |
| Self-Insurance Deductible Fund | (1,500,000) |
| Self-Insurance Fund-Foster Parents | (125,000) |
- Utilities and Other Services:
- | | |
|----------------------------------|--------------|
| Fuel and Utilities | (39,687,000) |
| Household and Security | (9,469,000) |
- 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 the provisions of any law or regulation to the contrary, 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, except for legislative district offices, shall be executed without the prior written consent of the State Treasurer and the Director of the Division of Budget and Accounting. Legislative district office leases may be executed by personnel in the Office of Legislative Services so directed by the Executive Director, provided the lease complies with the Joint Rules Governing Legislative District Offices adopted by the presiding officers. Leases which do not comply with the Joint Rules Governing Legislative District Offices may be executed by personnel in the Office of Legislative Services so directed by the Executive Director with the prior written consent of 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 \$2,500,000 shall be appropriated for the costs of security, maintenance, utilities and other operating expenses related to the closure of State-owned buildings, subject to the approval of the Director of the Division of Budget and Accounting.
- There are appropriated such additional sums as may be required to pay debt service costs for the Greystone Park Psychiatric Hospital Project, subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balance at the end of the preceding fiscal year in the Master Lease Program Fund is appropriated for the same purpose.
- In order to permit flexibility, amounts may be transferred between various items of appropriation within the Insurance and Other Services 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.

- 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 the provisions of any law or regulation 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 the provisions of any law or regulation 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 appropriated 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 the provisions of any law or regulation 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.
- Providing that expenditures during the current fiscal year on Workers' Compensation claims attributable to the Departments of Human Services, Transportation, Corrections, and

Law and Public Safety are less than the respective amounts expended by those departments for claims attributable to the preceding fiscal year, all or a portion of that savings is appropriated to those departments or the Bureau of Risk Management within the Department of the Treasury for the purpose of improving worker safety and reducing workers' compensation costs, 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 appropriated 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 at the end of the preceding fiscal year in the Self-Insurance Deductible Fund is appropriated for the same purposes.

The amount hereinabove 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 appropriated 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 appropriated 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 amount appropriated hereinabove for fuel and utility costs, \$35,267,000 may be transferred to State departments and, in addition to the sums hereinabove appropriated for fuel and utility costs, there are appropriated such additional sums as may be required for transfer to State departments to pay fuel and utility costs, subject to the approval of the Director of the Division of Budget and Accounting.

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.

In addition to the amount hereinabove appropriated, there is appropriated out of the Petroleum Overcharge Reimbursement Fund the sum of \$3,500,000 to fund energy-related savings initiatives, including an energy tracking and invoice payment system, as determined by the Director of the Department of the Treasury's Office of Energy Savings, subject to the approval of the Director of the Division of Budget and Accounting.

Revenue generated from the sale of Solar Renewable Energy Certificates is appropriated to fund energy-related savings initiatives as determined by the Director of the Department of the Treasury's Office of Energy Savings, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Global Energy Statewide Account is appropriated for the same purpose.

Notwithstanding the provisions of any law or regulation to the contrary, the Division of Property Management and Construction is empowered to renegotiate lease terms,

provided that such renegotiations result in cost savings to the State for the current fiscal year and for the term of the lease. Any lease amendments made as a result of these renegotiations are subject to the review and approval of the State Leasing and Space Utilization Committee.

GRANTS-IN-AID

09-9460 Aid to Independent Authorities	<u>\$147,829,000</u>
Total Grants-in-Aid Appropriation,	
General Government Services	<u>\$147,829,000</u>

Grants-in-Aid:

09 New Jersey Performing Arts Center, EDA ..	(\$5,558,000)
09 Business Employment Incentive	
Program, EDA -- Debt Service	(50,126,000)
09 Liberty Science Center -- EDA	(8,081,000)
09 Municipal Rehabilitation and Economic	
Recovery, EDA	(14,125,000)
09 Camden Children's Garden	(625,000)
09 Designated Industries Economic	
Growth and Development -- EDA	(7,663,000)
09 NJSEA Sports Complex	(38,598,000)
09 NJSEA Atlantic City Projects	(15,440,000)
09 NJSEA Higher Education and	
Other Projects	(2,818,000)
09 NJSEA Wildwood Convention Center	(4,795,000)

In addition to the amounts hereinabove appropriated for the Sports and Exposition Authority Operations - 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 for the New Jersey Performing Arts Center, EDA 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 the provisions of any law or regulation to the contrary, 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. There are appropriated such additional sums as may be necessary to pay debt service for the New Jersey Performing Arts Center.

The amount hereinabove appropriated for the Camden Children's Garden shall be subject to the execution of an agreement between the State Treasurer and the operator of the Camden Children's Garden.

The amounts hereinabove appropriated for fiscal year 2008 debt service payments attributable to the New Jersey Performing Arts Center, EDA program and to the Municipal Rehabilitation and Economic Recovery, EDA program may be paid by the New Jersey Economic Development Authority from resources available from unexpended balances, and in such instances the amounts appropriated for the New Jersey Performing Arts Center, EDA program and for the Municipal Rehabilitation and Economic Recovery, EDA program shall be reduced by the same amount. There are appropriated such additional sums as may be necessary to pay debt service and other costs for the Municipal Rehabilitation and Economic Recovery, EDA program, subject to the approval of the Director of the Division of Budget and Accounting.

CAPITAL CONSTRUCTION

08-9400 Capital Projects -- Statewide	<u>\$247,137,000</u>
Total Capital Construction Appropriation, General	
Government Services	<u>\$247,137,000</u>

Capital Projects:

Statewide Capital Projects:

08 Roof Repairs - Statewide	(\$7,000,000)
08 Americans with Disabilities Act	
Compliance Projects -- Statewide	(1,000,000)
08 Hazardous Materials Removal	
Projects -- Statewide	(1,975,000)
08 Fire Code Compliance	(200,000)
08 Statewide Security Projects	(2,000,000)
08 Renovation Projects, Existing and	
Anticipated Leases	(2,500,000)
08 Audiovisual Equipment	
Replacement Thomas Edison	
State College	(360,000)
08 Planetarium Dome Sealant and Painting	(250,000)
08 Water Infiltration	(285,000)
08 Energy Efficiency - Statewide Projects	(10,000,000)
08 Southwoods State Prison	(32,392,000)
08 State House Renovations	(21,128,000)
08 Hughes Justice Complex	(11,838,000)
08 Other State Projects	(23,568,000)

Counter-Terrorism Projects:

08 State Police Multipurpose Building/	
Troop "C" Headquarters	(8,116,000)
08 State Police Emergency Operations Center ...	(1,525,000)

Open Space Preservation Program:

08 Garden State Preservation Trust	
Supplemental Funding	(25,000,000)
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.

In addition to the amounts appropriated under P.L.2004, c.71, donations for the 9/11 Memorial Design Costs from public and private sources, including those collected from the Port Authority of New York and New Jersey, for the purposes of planning, designing, maintaining and constructing a memorial to the victims of the terrorist attacks of September 11, 2001, on the World Trade Center in New York City, the Pentagon in

Washington, D.C., and United Airlines Flight 93 in Somerset County, Pennsylvania, shall be deposited by the State Treasurer in a dedicated account established for this purpose and are appropriated for the purposes set forth under P.L.2004, c.71 and there are appropriated or transferred such sums as are necessary for the 9/11 Memorial project, 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, in order to provide flexibility in administering the amounts provided for Statewide Fire, Life Safety and Renovation Projects, such sums as may be necessary may be transferred to individual project line items within various departments, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances at the end of the preceding fiscal year of appropriations from the "1996 Economic Development Site Fund," established pursuant to section 20 of the "Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development Bond Act of 1996," P.L.1996, c.70, are appropriated.

The amount hereinabove appropriated for Energy Efficiency - Statewide Projects is payable from the Clean Energy Fund to provide the full cost of energy efficiency projects in State facilities including but not limited to: \$6,000,000 for heating, ventilation and air conditioning systems at various Human Services institutions, \$2,800,000 for pneumatic systems at State-owned office buildings in Trenton, \$925,000 for heating, ventilation, and air conditioning systems at the Military and Veteran's Affairs Paramus Veterans home and at State-owned facilities in Trenton, \$200,000 for an energy efficiency study of State-owned facilities, and \$75,000 for an energy monitoring system, the allocations of which may be adjusted based on consultation with the Department of Treasury's Office of Energy Savings, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount appropriated hereinabove for the Garden State Preservation Trust Fund Account, interest earned and accumulated commencing with the start of this fiscal year is appropriated.

The amount hereinabove for the Garden State Preservation Trust Fund Account is subject to the provisions of the "Garden State Preservation Trust Act," P.L.1999, c.152 (C.13:8C-1 et. seq.) and the constitutional amendment on open space (Article VIII, Section II, paragraph 7).

The amount appropriated hereinabove for Garden State Preservation Trust Supplemental Funding shall be deposited into the "Garden State Green Acres Preservation Trust Fund" to be applied pursuant to P.L.1999, c.152 (C.13:8C-1 et seq.), except that notwithstanding the provisions of section 18 of P.L.1999, c.152 (C.13:8C-1 et seq.), the amount hereinabove shall be made available only for grants or loans to local government units and/or qualifying tax exempt nonprofit organizations for the acquisition and development of lands for recreation and conservation purposes.

9410 Employee Benefits DIRECT STATE SERVICES

03-9410 Employee Benefits	\$1,745,023,000
Total Direct State Services Appropriation, Employee Benefits ..	\$1,745,023,000

Direct State Services:

Special Purpose:

03 Public Employees' Retirement System	(\$186,510,000)
03 Public Employees' Retirement System - Post Retirement Medical	(206,103,000)
03 Public Employees' Retirement System - Non-contributory Insurance	(24,426,000)
03 Police and Firemen's Retirement System . . .	(60,663,000)

03 Police and Firemen's Retirement System - Non-contributory Insurance	(7,047,000)
03 Police and Firemen's Retirement System (P.L.1979, c.109)	(3,109,000)
03 Alternate Benefit Program -- Employer Contributions	(1,157,000)
03 Alternate Benefit Program - Non-contributory Insurance	(189,000)
03 State Police Retirement System	(34,918,000)
03 State Police Retirement System - Non-contributory Insurance	(1,457,000)
03 Judicial Retirement System	(11,957,000)
03 Judicial Retirement System - Non-contributory Insurance	(631,000)
03 Teachers' Pension and Annuity Fund	(2,020,000)
03 Teachers' Pension and Annuity Fund Post Retirement Medical - State	(3,851,000)
03 Teachers' Pension and Annuity Fund - Non-contributory Insurance	(80,000)
03 Pension Adjustment Program	(1,495,000)
03 Veterans Act Pensions	(70,000)
03 Heath Act Pensions	(5,000)
03 Debt Service on Pension Obligation Bonds	(76,945,000)
03 Volunteer Emergency Survivor Benefit	(135,000)
03 State Employees' Health Benefits	(463,738,000)
03 Other Pension Systems--Post Retirement Medical	(66,887,000)
03 State Employees' Prescription Drug Program	(185,435,000)
03 State Employees' Dental Program -- Shared Cost	(26,049,000)
03 State Employees' Vision Care Program	(1,000,000)
03 Social Security Tax -- State	(362,751,000)
03 Temporary Disability Insurance Liability	11,104,000)
03 Unemployment Insurance Liability	(5,291,000)

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.

The amounts hereinabove appropriated for Employee Benefits may be transferred to the Grants-In-Aid accounts for the same purposes.

Such additional sums as may be required for Public Employees' Retirement System - Post Retirement Medical, Public Employees' Retirement System - Non-contributory Insurance, Police and Firemen's Retirement System - Non-contributory Insurance, Alternate Benefit Program - Employer Contributions, Alternate Benefit Program - Non-contributory Insurance, Teachers' Pension and Annuity Fund - Post Retirement Medical - State, Teachers' Pension and Annuity Fund - Non-contributory Insurance, State Police Retirement System - Non-contributory Insurance, Judicial Retirement System - Non-contributory Insurance, State Employees' Health Benefits, Other Pension Systems - Post Retirement Medical, State Employees' Prescription Drug Program, State

Employees' Dental Program - Shared Cost, State Employees' Vision Care 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.

No monies appropriated herein shall be used to provide additional health insurance coverage to a State or local elected official when that official receives health insurance coverage as a result of holding other public office or employment.

Notwithstanding the provisions of the "Pension Adjustment Act," P.L.1958, c.143 (C.43:3B-1 et seq.), pension adjustment benefits for State members and beneficiaries of the Consolidated Police and Firemen's Pension Fund, Prison Officers' Pension Fund, and Central Pension Fund shall be paid by the respective pension funds. The amounts hereinabove appropriated for the Pension Adjustment Program for these benefits as required under the act shall be paid to the Pension Adjustment 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 at the end of the preceding fiscal year in the Debt Service on Pension Obligation Bonds account is appropriated for the same purpose.

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.

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.

There are appropriated such additional sums as may be required for State employer contributions to the Defined Contribution Retirement Program, State premium costs for life insurance and disability insurance, and the related State administrative costs of the Division of Pensions and Benefits in accordance with the provisions of P.L.2007, c.92.

GRANTS-IN-AID

03-9410 Employee Benefits	<u>\$743,795,000</u>
Total Grants-in-Aid Appropriation, Employee Benefits	<u>\$743,795,000</u>

Grants-in-Aid:

Special Purpose:

03 Public Employees' Retirement System	(\$19,800,000)
03 Public Employees' Retirement System - Post Retirement Medical	(34,631,000)
03 Public Employees' Retirement System - Non-contributory Insurance	(2,351,000)
03 Police and Firemen's Retirement System	(4,248,000)
03 Police and Firemen's Retirement System - Non-contributory Insurance	(245,000)
03 Alternate Benefit Program - Employer Contributions	(119,058,000)
03 Alternate Benefit Program - Non-contributory Insurance	(19,367,000)
03 Teachers' Pension and Annuity Fund	(650,000)
03 Teachers' Pension and Annuity Fund - Post Retirement Medical - State	(6,841,000)
03 Teachers' Pension and Annuity Fund - Non-contributory Insurance	(20,000)

03 Debt Service on Pension Obligation Bonds . . .	(4,439,000)
03 State Employees' Health Benefits	(240,602,000)
03 Other Pension Systems - Post Retirement Medical	(20,319,000)
03 State Employees' Prescription Drug Program	(81,237,000)
03 State Employees' Dental Program - Shared Cost	(11,126,000)
03 Social Security Tax - State	(170,379,000)
03 Temporary Disability Insurance Liability	(5,168,000)
03 Unemployment Insurance Liability	(3,314,000)

The amounts hereinabove appropriated for Employee Benefits may be transferred to the Direct State Services accounts for the same purposes.

Such additional sums as may be required for Public Employees' Retirement System - Post Retirement Medical, Public Employees' Retirement System - Non-contributory Insurance, Police and Firemen's Retirement System - Non-contributory Insurance, Alternate Benefit Program - Employer Contributions, Alternate Benefit Program - Non-contributory Insurance, Teachers' Pension and Annuity Fund - Post Retirement Medical - State, Teachers' Pension and Annuity Fund - Non-contributory Insurance, State Employees' Health Benefits, Other Pension Systems - Post Retirement Medical, State Employees' Prescription Drug Program, State Employees' Dental Program - Shared Cost, 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.

No monies appropriated herein shall be used to provide additional health insurance coverage to a State or local elected official when that official receives health insurance coverage as a result of holding other public office or employment.

The unexpended balance at the end of the preceding fiscal year in the Debt Service on Pension Obligation Bonds account is appropriated for the same purpose.

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.

9420 Other Inter-Departmental Accounts

DIRECT STATE SERVICES

04-9420 Other Inter-Departmental Accounts	<u>\$13,143,000</u>
Total Direct State Services Appropriation, Other	
Inter-Departmental Accounts	<u>\$13,143,000</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 expenses 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	(\$875,000)
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04 Contingency Funds	(625,000)
04 Interest on Short Term Notes	(10,000,000)
04 Debt Issuance - Special Purpose	(1,100,000)
04 Catastrophic Illness in Children Relief Fund -- Employer Contributions	(193,000)
04 Payment of Military Leave Benefits	(350,000)

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, or disaster 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. In the event that the Emergency Service Council is unable to convene due to any such emergency described above, there shall be appropriated to the Emergency Service Fund such sums as are required to meet the costs of any such emergency described above, and payments from the Fund shall be made by the State Treasurer upon approval of the Governor and the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Governor's Contingency Fund is appropriated for the same purpose.

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.

The unexpended balance at the end of the preceding fiscal year in Payment of Military Leave Benefits is appropriated for the same purpose.

9430 Salary Increases and Other Benefits

DIRECT STATE SERVICES

05-9430 Salary Increases and Other Benefits	<u>\$223,145,000</u>
Total Direct State Services Appropriation, Salary Increases and Other Benefits	<u>\$223,145,000</u>
Special Purpose:	
05 Salary Increases and Other Benefits	(\$237,845,000)
05 Unused Accumulated Sick Leave Payments	(10,300,000)

Less:

05 Management Efficiencies 25,000,000

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 law or regulation to the contrary, 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 the fiscal year 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 unclassified personnel of the Judicial Branch.

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 unexpended balance at the end of the preceding fiscal year in the Salary Increases and Other Benefits account is appropriated for the same purposes.

As soon as practicable after the enactment of this act, the Director of the Division of Budget and Accounting may allocate to agencies, their share of management efficiencies in an aggregate amount for all agencies not to exceed \$25,000,000 from the amounts appropriated for the Salary Increases and Other Benefits program classification. By August 1, 2007, each affected agency shall file a plan with the Director of the Division of Budget and Accounting allocating its respective management efficiency amount among specific accounts, provided that such plans shall not include reductions that would interfere with the State's obligation to meet constitutional mandates, make debt service payments or make payments pursuant to contracts that were entered into prior to July 1, 2007. Such plans shall be subject to the approval of the Director of the Division of Budget and Accounting.

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.

GRANTS-IN-AID

05-9430 Salary Increases and Other Benefits	<u>\$11,047,000</u>
Total Grants-in-Aid Appropriation, Salary Increases	
and Other Benefits	<u>\$11,047,000</u>

Grants-in-Aid:

Special Purpose:

05 Salary Increases and Other Benefits	(\$11,047,000)
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Inter-Departmental Accounts, Total State Appropriation	<u>\$3,456,195,000</u>
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Notwithstanding the provisions of any other law to the contrary, amounts hereinabove appropriated for the State Health Benefits Program are subject to the following conditions: (i) increases in co-payments for the prescription drug plan; increases in co-payments for office visits and emergency room visits in the managed care plans; and the co-payment for initial prenatal visits in the managed care plans agreed to by bargaining units representing State employees and employees of State authorities, State commissions, State colleges and State universities shall be implemented by the State Health Benefits Commission as expeditiously as is administratively feasible; and (ii) the following co-payments shall be implemented by the State Health Benefits Commission as expeditiously as is administratively feasible for (a) employees paid through the State centralized payroll for whom there is no majority representative for collective negotiations purposes, except non-aligned sworn members of the Division of State Police; and (b) employees of State authorities, State commissions, State colleges and State universities for whom there is no majority representative for collective negotiations

purposes who receive benefits through the State Health Benefits Program and such benefits are funded in whole or in part by State appropriations: a \$15 co-payment for managed care plan primary care physician and specialist office visits; a \$15 co-payment for managed care plan initial prenatal visits; a \$50 co-payment for emergency room visits (which shall be waived if admitted); co-payments for the employee prescription drug plan: retail pharmacy - \$3 generic, \$10 brand name (where there is no generic equivalent or where the patient is medically unable to take the generic equivalent) and \$25 brand name (where neither of the conditions for \$10 brand name applies) for up to a 30-day supply, and mail-order pharmacy - \$5 generic, \$15 brand name (where there is no generic equivalent or where the patient is medically unable to take the generic equivalent) and \$40 brand name (where neither of the conditions for \$15 brand name applies) for up to a 90-day supply; and a Traditional Plan annual deductible of \$250 for an individual and \$500 for a family.

***Summary of Inter-Departmental Accounts Appropriations
(For Display Purposes Only)***

Appropriations by Category:

Direct State Services	\$2,306,387,000
Grants-in-Aid	902,671,000
Capital Construction	247,137,000

Appropriations by Fund:

General Fund	\$3,456,195,000
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THE JUDICIARY

10 Public Safety and Criminal Justice

15 Judicial Services

DIRECT STATE SERVICES

01-9710 Supreme Court	\$6,192,000
02-9715 Superior Court -- Appellate Division	20,633,000
03-9720 Civil Courts	99,100,000
04-9725 Criminal Courts	115,861,000
05-9730 Family Courts	105,619,000
06-9735 Municipal Courts	1,344,000
07-9740 Probation Services	128,503,000
08-9745 Court Reporting	8,598,000
09-9750 Public Affairs and Education	2,862,000
10-9755 Information Services	17,572,000
11-9760 Trial Court Services	77,165,000
12-9765 Management and Administration	10,949,000
Total Direct State Services Appropriation, Judicial Services	<u>\$594,398,000</u>

Direct State Services:

Personal Services:

Chief Justice	(\$173,000)
Associate Justices	(1,005,000)
Judges	(64,718,000)
Salaries and Wages	(391,282,000)
Materials and Supplies	(7,755,000)
Services Other Than Personal	(32,423,000)
Maintenance and Fixed Charges	(1,852,000)

Special Purpose:

01 Rules Development	(200,000)
04 Drug Court Treatment/Aftercare	(20,618,000)
04 Drug Court Operations	(10,006,000)

04 Drug Court Judgeships	(1,612,000)
05 Family Crisis Intervention	(1,076,000)
05 Child Placement Review Advisory Council	(82,000)
05 Kinship Legal Guardianship	(3,467,000)
05 Child Support and Paternity Program Title IV-D (Family Court)	(11,993,000)
07 Intensive Supervision Program	(12,168,000)
07 Juvenile Intensive Supervision Program	(2,219,000)
07 Child Support and Paternity Program Title IV-D (Probation)	(24,936,000)
11 Child Support and Paternity Program Title IV-D (Trial)	(2,040,000)
12 Affirmative Action and Equal Employment Opportunity	(770,000)
Additions, Improvements and Equipment	(4,003,000)
The unexpended balances at the end of the preceding fiscal year in the Civil Arbitration Program are appropriated 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 fees under the Special Civil Part service of process via certified mailers are appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.	
The amounts appropriated hereinabove in the Drug Courts Treatment and Aftercare account shall be transferred to the Department of Human Services to fund treatment, aftercare and administrative services associated with the drug court program, subject to the approval of the Director of the Division of Budget and Accounting.	
Receipts derived from the increase in fees collected by the Judiciary pursuant to P.L.2002, c.34 and related increases provided by operation of N.J.S.22A:2-5 and section 2 of P.L.1993, c.74 (C.22A:5-1) are appropriated from the Court Technology Improvement Fund for the purpose of offsetting the costs of development, establishment, operation and maintenance of the Judiciary computerized court information systems, 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 at the end of the preceding fiscal year not to exceed \$3,000,000 in these respective accounts are appropriated subject to the approval of the Director of the Division of Budget and Accounting.	
Notwithstanding the provisions of N.J.S.A.2B:2-4, or any other law or regulation to the contrary, the amounts appropriated hereinabove for payment of judicial salaries shall be subject to the condition that, for Fiscal Year 2008, the annual salaries provided by law for justices and judges, pursuant to Article VI, Section VI, paragraph 6 of the New Jersey State Constitution, shall be as follows:	
Chief Justice of the Supreme Court - \$173,569	
Associate Justice of the Supreme Court - \$167,493	
Judge of the Superior Court, Appellate Division - \$158,511	
Judge of the Superior Court, Assignment Judge - \$155,076	
Judge of the Superior Court - \$149,000	

Judge of the Tax Court - \$149,000

The Judiciary, Total State Appropriation \$594,398,000

***Summary of Judiciary Appropriations
(For Display Purposes Only)***

Appropriations by Category:

Direct State Services \$594,398,000

Appropriations by Fund:

General Fund \$594,398,000

DEBT SERVICE

42 DEPARTMENT OF ENVIRONMENTAL PROTECTION

40 Community Development and Environmental Management

46 Environmental Planning and Administration

99-4800 Interest on Bonds \$12,570,000

99-4800 Bond Redemption 44,220,000

Total Debt Service Appropriation, Department of
Environmental Protection \$56,790,000

Special Purpose:

Interest:

Water Conservation Bonds
(P.L.1969, c.127) (\$36,000)

Clean Waters Bonds (P.L.1976, c.92) (5,000)

State Land Acquisition and Development
Bonds (P.L.1978, c.118) (77,000)

Natural Resources Bonds (P.L.1980, c.70) (836,000)

Hazardous Discharge Bonds (P.L.1981, c.275) (92,000)

1983 New Jersey Green Acres Bonds
(P.L.1983, c.354) (5,000)

Resource Recovery and Solid Waste Disposal
Facility Bonds (P.L.1985, c.330) (253,000)

Hazardous Discharge Bonds (P.L.1986 c.113) .. (1,204,000)

1987 Green Acres, Cultural Centers and
Historic Preservation Bonds
(P.L.1987, c.265) (191,000)

1989 New Jersey Open Space Preservation
Bonds (P.L.1989, c.183) (633,000)

Stormwater Management and Combined
Sewer Overflow Abatement Bonds
(P.L.1989, c.181) (182,000)

Green Acres, Clean Water, Farmland and
Historic Preservation Bonds
(P.L.1992, c.88) (2,573,000)

Green Acres, Farmland and Historic
Preservation and Blue Acres Bonds
(P.L.1995, c.204) (4,157,000)

Port of New Jersey Revitalization, Dredging,
Bonds (P.L.1996, c.70) (2,326,000)

Redemption:

Water Conservation Bonds (P.L.1969, c.127) (685,000)

Clean Waters Bonds (P.L.1976, c.92) (95,000)

State Land Acquisition and Development Bonds
(P.L.1978, c.118) (200,000)

Natural Resources Bonds (P.L.1980, c.70)	(895,000)
Hazardous Discharge Bonds (P.L.1981, c.275)	(495,000)
1983 New Jersey Green Acres Bonds (P.L.1983, c.354)	(95,000)
Resource Recovery and Solid Waste Disposal Facility Bonds (P.L.1985, c.330)	(1,085,000)
Hazardous Discharge Bonds (P.L.1986, c.113) . . .	(8,960,000)
1987 Green Acres, Cultural Centers and Historic Preservation Bonds (P.L.1987, c.265)	(615,000)
1989 New Jersey Open Space Preservation Bonds (P.L.1989, c.183)	(4,270,000)
Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L.1989, c.181)	(500,000)
Green Acres, Clean Water, Farmland and Historic Preservation Bonds (P.L.1992, c.88)	(11,175,000)
Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L.1995, c.204)	(12,355,000)
Port of New Jersey Revitalization, Dredging Bonds (P.L.1996, c.70)	(2,795,000)
Total Debt Service Appropriation, Department of Environmental Protection	<u>\$56,790,000</u>

82 DEPARTMENT OF THE TREASURY

70 Government Direction, Management and Control

76 Management and Administration

99-2000 Interest on Bonds	\$159,152,000
99-2000 Bond Redemption	<u>222,855,000</u>
Total Debt Service Appropriation, Department of the Treasury . .	<u>\$382,007,000</u>
Special Purpose:	
Interest:	
Energy Conservation Bonds (P.L.1980, c.68)	(\$26,000)
Community Development Bonds (P.L.1981, c. 486)	(18,000)
Refunding Bonds (P.L.1985, c.74, as amended by P.L.1992, c.182)	(132,467,000)
Jobs, Education and Competitiveness Bonds (P.L.1988, c.78)	(369,000)
Public Purpose Buildings and Community- Based Facilities Construction Bonds (P.L.1989, c.184)	(426,000)
1989 Bridge Rehabilitation and Improvement and Railroad Right-of-way Preservation Bonds (P.L.1989, c.180)	(539,000)
Developmental Disabilities' Waiting List Reduction and Human Services Facilities Construction Bonds (P.L.1994, c.108)	(1,691,000)
Urban and Rural Centers Unsafe Buildings Demolition Bonds (P.L.1997, c.125)	(274,000)

Statewide Transportation and Local Bridge Bond Act of 1999 (P.L.1999, c.181)	(8,893,000)
Payments on Future Bond Sales	(14,449,000)
Redemption:	
Energy Conservation Bonds (P.L.1980, c.68	(210,000)
Community Development Bonds (P.L.1981, c.486)	(300,000)
Refunding Bonds (P.L.1985, c.74, as amended by P.L.1992, c.182)	(189,925,000)
Jobs, Education and Competitiveness Bonds (P.L.1988, c.78)	(1,585,000)
Public Purpose Buildings and Community- Based Facilities Construction Bonds (P.L.1989, c.184)	(1,310,000)
1989 Bridge Rehabilitation and Improvement and Railroad Right-of-way Preservation Bonds (P.L.1989, c.180)	(3,075,000)
Developmental Disabilities' Waiting List Reduction and Human Services Facilities Construction Bonds (P.L.1994, c.108)	(6,955,000)
Urban and Rural Centers Unsafe Buildings Demolition Bonds (P.L.1997, c.125)	(3,535,000)
Statewide Transportation and Local Bond Act of 1999 (P.L.1999, c.181)	(15,960,000)
Total Debt Service Appropriation, Department of The Treasury . .	<u>\$382,007,000</u>
Total Appropriation, Debt Service	<u>\$438,797,000</u>

Notwithstanding the provision of any law, rule or regulation to the contrary, 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 and/or repayments of loans from the applicable bond funds established under such bond acts, and monies are appropriated from such bond funds for the purpose of paying interest and/or principal on the bonds issued pursuant to such bond acts. Where required by law, such sums shall be used to fund a reserve for the payment of interest and/or principal on the bonds authorized under the bond act. Furthermore, where required by law, the amounts appropriated herein are allocated to the projects heretofore approved by the Legislature pursuant to those bond acts.

There are appropriated such sums as may be needed for the payment of debt service administrative costs.

Subsequent to the refunding of bonds in the current fiscal year, 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	\$6,584,813,000
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Grants-in-Aid	12,021,164,000
State Aid	13,145,575,000
Capital Construction	1,280,565,000
Debt Service	438,797,000
<i>Appropriation by Fund:</i>	
General Fund	\$19,260,772,000
Property Tax Relief Fund	13,703,000,000
Casino Revenue Fund	433,103,000
Casino Control Fund	74,039,000
Gubernatorial Elections Fund	0
Total Appropriation, All State Funds	<u>\$33,470,914,000</u>

FEDERAL FUNDS**10 DEPARTMENT OF AGRICULTURE****40 Community Development and Environmental Management****49 Agricultural Resources, Planning, and Regulation**

01-3310 Animal Disease Control	\$661,000
02-3320 Plant Pest and Disease Control	4,935,000
03-3330 Agriculture and Natural Resources	480,000
05-3350 Food and Nutrition Services	317,290,000
06-3360 Marketing and Development Services	499,000
08-3380 Farmland Preservation	<u>4,525,000</u>
Total Appropriation, Agricultural Resources, Planning, and Regulation	<u>\$328,390,000</u>
Personal Services:	
Salaries and Wages	(\$5,074,000)
Employee Benefits	(2,388,000)
Materials and Supplies	(367,000)
Services Other Than Personal	(866,000)
Maintenance and Fixed Charges	(2,347,000)
Special Purpose:	
Cooperative Gypsy Moth Suppression	(1,144,000)
Food Stamp - TEFAP	(250,000)
Other Special Purpose	(60,000)
State Aid and Grants:	
Farmland Preservation	(3,500,000)
Child Nutrition -- School Lunch	(180,000,000)
Child Nutrition -- Special Milk	(1,800,000)
Child Nutrition -- School Breakfast	(48,000,000)
Child Care Food	(65,000,000)
Child Care Sponsor	(1,800,000)
Cash in Lieu of Commodities	(3,200,000)
Child Nutrition -- Summer Programs	(9,300,000)
Summer Sponsor Administration	(900,000)
Team Nutrition Training	(50,000)
State Aid and Grants	(1,247,000)
Additions, Improvements and Equipment	(1,097,000)
Total Appropriation, Department of Agriculture	<u>\$328,390,000</u>

16 DEPARTMENT OF CHILDREN AND FAMILIES***50 Economic Planning, Development, and Security******55 Social Services Programs***

01-1610	Child Protective and Permanency Services	\$204,297,000
02-1620	Child Behavioral Health Services	135,487,000
03-1630	Prevention and Community Partnership Services	10,772,000
04-1600	Education Services	2,160,000
05-1600	Child Welfare Training Academy Services and Operations	2,639,000
99-1600	Administration and Support Services	1,511,000
99-1610	Administration and Support Services	17,015,000
99-1620	Administration and Support Services	3,029,000
	Total Social Services Program	<u>\$376,910,000</u>

Personal Services:

Salaries and Wages	(\$146,733,000)
Materials and Supplies	(2,094,000)
Services Other Than Personal	(15,205,000)
Maintenance and Fixed Charges	(15,759,000)

Special Purpose:

Safety and Permanency in the Courts	(500,000)
State Aid and Grants	(189,176,000)
Additions, Improvements and Equipment	(7,443,000)

Total Appropriation, Department of Children and Families \$376,910,000

22 DEPARTMENT OF COMMUNITY AFFAIRS***40 Community Development and Environmental Management******41 Community Development Management***

02-8020	Housing Services	\$216,358,000
18-8017	Uniform Fire Code	28,000
	Total Appropriation, Community Development Management	<u>\$216,386,000</u>

Personal Services:

Salaries and Wages	(\$11,388,000)
Employee Benefits	(3,957,000)
Materials and Supplies	(205,000)
Services Other Than Personal	(1,972,000)
Maintenance and Fixed Charges	(1,530,000)

Special Purpose:

Shelter Plus Care Program	(117,000)
Moderate Rehabilitation Housing Assistance	(62,000)
Section 8 Housing Voucher Program	(753,000)
Housing Opportunities for Persons with AIDS	(24,000)
Small Cities Block Grant Program	(26,000)
Other Special Purpose	(53,000)

State Aid and Grants:

Transitional Housing - Homeless	(136,000)
Housing Opportunities for Persons with AIDS	
Post-Incarcerated	(807,000)
State Aid and Grants	(195,246,000)
Additions, Improvements and Equipment	(110,000)

50 Economic Planning, Development and Security***55 Social Services Programs***

05-8050	Community Resources	\$105,964,000
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15-8051 Women's Programs	<u>2,510,000</u>
Total Appropriation, Social Services Programs	<u>\$108,474,000</u>
Personal Services:	
Salaries and Wages	(\$2,698,000)
Employee Benefits	(938,000)
Materials and Supplies	(17,000)
Services Other Than Personal	(143,000)
Maintenance and Fixed Charges	(38,000)
Special Purpose:	
Rape Prevention and Education	(13,000)
Other Special Purpose	(207,000)
State Aid and Grants:	
Rape Prevention and Education	(2,070,000)
State Aid and Grants	(102,323,000)
Additions, Improvements and Equipment	(27,000)
Total Appropriation, Department of Community Affairs	<u>\$324,860,000</u>

26 DEPARTMENT OF CORRECTIONS***10 Public Safety and Criminal Justice******16 Detention and Rehabilitation***

08-7040 Institutional Care and Treatment	\$164,000
08-7050 Institutional Care and Treatment	94,000
08-7060 Institutional Care and Treatment	96,000
08-7065 Institutional Care and Treatment	97,000
08-7070 Institutional Care and Treatment	97,000
08-7075 Institutional Care and Treatment	90,000
08-7080 Institutional Care and Treatment	318,000
08-7085 Institutional Care and Treatment	85,000
08-7090 Institutional Care and Treatment	97,000
08-7110 Institutional Care and Treatment	346,000
08-7120 Institutional Care and Treatment	182,000
08-7130 Institutional Care and Treatment	214,000
13-7025 Institutional Program Support	<u>6,872,000</u>
Total Appropriation, Detention and Rehabilitation	<u>\$8,752,000</u>
Personal Services:	
Salaries and Wages	(\$1,674,000)
Employee Benefits	(590,000)
Special Purpose:	
Edna Mahan Visitation Program	(67,000)
Individuals with Disabilities Act -- Part B	(42,000)
Prison Rape Elimination Grant	(244,000)
Gang Awareness and Prevention Program:	
Field Initiated Demo Program	(296,000)
Promoting Responsible Fatherhood	(339,000)
SSA Incentive Payments	(50,000)
Counterterrorism Prison Intelligence	(800,000)
State Criminal Alien Assistance Program	(3,583,000)
Project In-Side	(579,000)
Prisoner Reentry Initiative Grant -	
Camden County	(431,000)
National Institute of Justice Grant for	
Corrections Research - Escape Study	(57,000)

17 Parole

03-7010 Parole	<u>\$10,000</u>
Total Appropriation, Parole	<u>\$10,000</u>
Special Purpose:	
VISTA State	(10,000)

19 Central Planning, Direction and Management

99-7000 Administration and Support Services	<u>\$181,000</u>
Total Appropriation, Central Planning, Direction and Management	<u>\$181,000</u>
Special Purpose:	
Perkins - Vocational Education	(151,000)
Other Special Purpose	(30,000)

Total Appropriation, Department of Corrections \$8,943,000

34 DEPARTMENT OF EDUCATION**30 Educational, Cultural, and Intellectual Development****31 Direct Educational Services and Assistance**

05-5060 Bilingual Education	\$17,385,000
05-5064 Bilingual Education	915,000
06-5060 Programs for Disadvantaged Youth	274,373,000
06-5063 Programs for Disadvantaged Youth	2,710,000
06-5064 Programs for Disadvantaged Youth	1,491,000
07-5060 Special Education	322,071,000
07-5065 Special Education	<u>25,695,000</u>
Total Appropriation, Direct Educational Services and Assistance	<u>\$644,640,000</u>
Personal Services:	
Salaries and Wages	(\$11,823,000)
Employee Benefits	(4,108,000)
Materials and Supplies	(119,000)
Services Other Than Personal	(10,645,000)
Special Purpose:	
Language Acquisition State Grants	(26,000)
Language Acquisition Discretionary Admin	(366,000)
Migrant Education -- Administration/Discretionary ..	(57,000)
Title I -- Reading First State Grant	(176,000)
Reading First Discretionary Admin	(940,000)
Bilingual and Compensatory Education --	
Homeless Children and Youth	(98,000)
Even Start Family Literacy Grant -- Discretionary ..	(54,000)
Title I - Administration Program Improvement	(84,000)
School Improvement Grants	(500,000)
Individuals with Disabilities Education Act --	
Basic State Grant	(749,000)
Individuals with Disabilities Education Act --	
Preschool Grants	(296,000)
IDEA Part B -- Discretionary Administration	(768,000)
State Aid and Grants	(613,829,000)
Additions, Improvements and Equipment	(2,000)

32 Operation and Support of Educational Institutions

12-5011 Marie H. Katzenbach School for the Deaf	<u>\$846,000</u>
Total Appropriation, Operation and Support of Educational Institutions	<u>\$846,000</u>
Personal Services:	
Salaries and Wages	(\$540,000)
Employee Benefits	(188,000)
Services Other Than Personal	(56,000)
Special Purpose:	
IDEA (State Institutions), Handicapped	(30,000)
State Aid and Grants	(21,000)
Additions, Improvements and Equipment	(11,000)

33 Supplemental Education and Training Programs

20-5060 General Vocational Education	\$23,251,000
20-5062 General Vocational Education	<u>3,609,000</u>
Total Appropriation, Supplemental Education and Training Programs	<u>\$26,860,000</u>
Personal Services:	
Salaries and Wages	(\$1,752,000)
Employee Benefits	(610,000)
Materials and Supplies	(40,000)
Services Other Than Personal	(260,000)
Special Purpose:	
Vocational Education -- Basic Grants, Administration	(92,000)
Vocational Education -- Title II B Leadership Activities	(855,000)
State Aid and Grants	(23,251,000)

34 Educational Support Services

30-5060 Educational Programs and Assessment	71,504,000
30-5063 Educational Programs and Assessment	16,676,000
32-5061 Professional Development and Licensure	156,000
40-5060 Student Services	24,780,000
40-5064 Student Services	<u>3,660,000</u>
Total Appropriation, Educational Support Services	<u>\$116,776,000</u>
Personal Services:	
Salaries and Wages	(\$2,446,000)
Employee Benefits	(850,000)
Materials and Supplies	(13,000)
Services Other Than Personal	(10,959,000)
Special Purpose:	
State Assessments	(95,000)
Voluntary School Choice	(1,325,000)
Step Up - Teacher Recruitment	(85,000)
State Grants for Improving Teacher Quality	(748,000)
National Assessment of Educational Progress State Coordinator	6,000)
Foreign Language Assistance	(141,000)
Public Charter Schools	(52,000)
Troops-to-Teachers Program	(11,000)
Rural and Low Income Families	(2,000)

21st Century Schools	(675,000)
AIDS Prevention Education	(65,000)
SDFSCA -- Governor's Portion --	
Program Expenses	(753,000)
SDFSCA -- Governor's Portion, Admin	(5,000)
Character Education Partnership	(8,000)
Other Special Purpose	(17,000)
State Aid and Grants	(98,508,000)
Additions, Improvements and Equipment	(12,000)

35 Education Administration and Management

99-5060 Administration and Support Services	\$7,146,000
99-5093 Administration and Support Services	256,000
99-5095 Administration and Support Services	<u>4,600,000</u>
Total Appropriation, Education Administration and Management ..	<u>\$12,002,000</u>
Personal Services:	
Salaries and Wages	(\$3,387,000)
Employee Benefits	(1,177,000)
Special Purpose:	
Statewide Longitudinal Data	(120,000)
NCES Performance Based Data Management	
Initiative	(11,000)
Improving America's Schools Act --	
Consolidated Administration	(49,000)
Enhancing Education Thru Technology	(8,000)
Other Special Purpose	(104,000)
State Aid and Grants	(7,146,000)

Total Appropriation, Department of Education \$801,124,000

42 DEPARTMENT OF ENVIRONMENTAL PROTECTION

40 Community Development and Environmental Management

42 Natural Resource Management

11-4870 Forest Resource Management	\$6,530,000
12-4875 Parks Management	37,540,000
13-4880 Hunters' and Anglers' License Fund	12,055,000
14-4885 Shellfish and Marine Fisheries Management	3,855,000
20-4880 Wildlife Management	2,695,000
21-4895 Natural Resources Engineering	<u>425,000</u>
Total Appropriation, Natural Resource Management	<u>\$63,100,000</u>
Personal Services:	
Salaries and Wages	(\$3,667,000)
Employee Benefits	(1,263,000)
Materials and Supplies	(1,515,000)
Services Other Than Personal	(2,013,000)
Maintenance and Fixed Charges	(532,000)
Special Purpose:	
Rural Community Fire Protection Program	(24,000)
Forest Resource Management -- Cooperative	
Forest Fire Control	(1,218,000)
Asian Longhorned Beetle Project	(1,295,000)
Southern Pine Beetle	(100,000)
Countywide Wildfire Defense	(50,000)

Consolidated Forest Management	(613,000)
Assistance to Firefighters - Wildfire and Arson	
Prevention	(200,000)
Firewise in the Pines	(200,000)
Wildland and Urban Interface II	(100,000)
Defensible Space	(400,000)
Conservation Education	(20,000)
Incentives Program	(66,000)
Forest Health Monitoring	(80,000)
Land and Water Conservation Fund	(10,000,000)
Pinelands Grant -- Acquisition	(6,000,000)
Historic Preservation Survey and Planning	(270,000)
Endangered Plant Species Supplemental Funding ...	(10,000)
Sussex Branch Trail Improvements	(500,000)
Seashore Line	(500,000)
Delaware and Raritan Canal East	
Side Path (ISTEA)	(565,000)
Forest Legacy	(10,000,000)
Forest Legacy Administration	(40,000)
National Recreational Trails	(422,000)
National Coastal Wetlands Conservation	(1,000,000)
Sussex Branch Trail Connector (ISTEA)	(100,000)
Cape May Point State Park Bikeway (ISTEA)	(200,000)
Liberty State Park Ferry Slip	
Restoration (ISTEA)	(1,600,000)
Delaware and Raritan Canal State Park Old Rose	
to Mulberry St. (ISTEA)	(900,000)
Liberty State Park Archival Facility (ISTEA)	(660,000)
Delaware and Raritan Canal State Park/	
Bordentown Outlet (ISTEA)	(1,250,000)
Appalachian Trail Improvement (ISTEA)	(50,000)
Archaeological & History/GIS	
Inventory (ISTEA)	(1,500,000)
Hunters' and Anglers' License Fund	(925,000)
Hunter Safety Training	(220,000)
Endangered Species	(17,000)
Hunters' and Anglers' License Fund/N.J.	
Statewide Fisheries Development	(287,000)
Boat Access (Fish and Wildlife)	(1,000,000)
Investigation and Management of Nongame	
Freshwater Fisheries	(150,000)
Grassland Habitat Project	(200,000)
NJ Landowner Incentive Program - Tier 2	
(5 Yr. Projects)	(1,000,000)
Wildlife Habitat Incentives (WHIP)	(150,000)
Wildlife Management Area Planning	(110,000)
Fish & Wildlife Input to Activities-	
Projects of Others	(156,000)
State Wildlife Grant Projects	(1,000,000)
Lower Cohansey Watershed	(1,000,000)
Shortnose Sturgeon Research	(150,000)
Avian Influenza	(100,000)
Chronic Wasting Disease	(200,000)

NJ Fish, Wildlife and Anadromous Fishery	
Coordination	(62,000)
Research In Freshwater Fisheries Management	(95,000)
Fish, Culture and Stocking Project	(200,000)
Aquatic Recreational Resource Awareness and	
Education Project	(70,000)
Wildlife Research and Management	(640,000)
Fish and Wildlife Health	(53,000)
Marine Fisheries Investigation	
and Management	(399,000)
Fisheries Management Council	(30,000)
Atlantic Coastal Fisheries	(81,000)
Inventory of New Jersey Surf Clam Resource	(21,000)
Artificial Reef Program -- PSE&G/NJPDES	
Permit Fees	(80,000)
Clean Vessels	(494,000)
Marine Fisheries Law Enforcement	(50,000)
Bio-Characterization of Commercial Fish	(85,000)
Atlantic Coastal Cooperative Program	(250,000)
Rare Wildlife Strategy Implementation	(1,500,000)
US Army Corps of Engineers Beachnesters	(80,000)
NJ Field Office -- Bog Turtle Cooperative	
Agreement	(50,000)
Community Assistance Program	(4,000)
National Dam Safety Program (FEMA)	(43,000)
Other Special Purpose	(971,000)
State Aid and Grants	(1,543,000)
Additions, Improvements and Equipment	(711,000)

43 Science and Technical Programs

05-4840 Water Supply	\$22,200,000
07-4850 Water Monitoring and Standards	4,750,000
15-4801 Land Use Regulation	8,400,000
15-4890 Land Use Regulation	1,650,000
18-4810 Science, Research and Technology	1,590,000
22-4861 New Jersey Geological Survey	370,000
90-4801 Watershed Management	<u>6,275,000</u>
Total Appropriation, Science and Technical Programs	<u>\$45,235,000</u>
Personal Services:	
Salaries and Wages	(\$5,155,000)
Employee Benefits	(1,427,000)
Materials and Supplies	(53,000)
Services Other Than Personal	(4,497,000)
Maintenance and Fixed Charges	(39,000)
Special Purpose:	
Safe Drinking Water Act	(221,000)
Drinking Water State Revolving Fund	(20,000,000)
Water Pollution Control Program	(888,000)
Assessing New Jersey's Bays	(100,000)
Clean Lakes Program	(500,000)
Benthic Indicators for Nearshore Coastal Waters ...	(321,000)
Coastal Zone Management Implementation	(676,000)
Coastal Estuarine Land Program	(6,000,000)

State Wetlands Conservation Plan	(250,000)
Coastal Zone Management Grant - Section 309 ...	(110,000)
Hudson River Waterfront Walkway - Castle Point (ISTEA)	(1,000,000)
Coastal Zone Management - 310	(93,000)
Urban Community Air Toxics Program	(149,000)
Coalition of Northeast Governors	(40,000)
Multimedia	(487,000)
Offshore Beach Replenishment	(150,000)
National Geologic Mapping Program	(86,000)
Earthquake Hazard Reduction	(20,000)
Water Pollution Control	(4,000)
Coastal Wetlands Conservation (Land Acquisition)	(1,000,000)
Water Monitoring and Planning	(55,000)
Non-Point Source Implementation (319H)	(671,000)
Beach Monitoring and Notification	(444,000)
Other Special Purpose	(767,000)
Additions, Improvements and Equipment	(32,000)

44 Site Remediation and Waste Management

19-4815 Publicly-Funded Site Remediation	\$30,450,000
23-4815 Solid and Hazardous Waste Management	360,000
23-4910 Solid and Hazardous Waste Management	2,035,000
27-4815 Remediation Management and Response	<u>6,755,000</u>
Total Appropriation, Site Remediation	<u>\$39,600,000</u>

Personal Services:

Salaries and Wages	(\$2,590,000)
Employee Benefits	(894,000)
Materials and Supplies	(50,000)
Services Other Than Personal	(386,000)
Maintenance and Fixed Charges	(24,000)

Special Purpose:

Superfund Grants	(30,000,000)
Hazardous Waste -- Resource Conservation Recovery Act	(940,000)
Preliminary Assessments/Site Inspections	(500,000)
Brownfields	(1,600,000)
Underground Storage Tanks	(1,845,000)
Other Special Purpose	(736,000)
Additions, Improvements and Equipment	(35,000)

45 Environmental Regulation

01-4820 Radiation Protection	\$500,000
02-4892 Air Pollution Control	6,448,000
09-4860 Public Wastewater Facilities	65,000,000
16-4891 Water Monitoring and Planning	<u>510,000</u>
Total Appropriation, Environmental Regulation	<u>\$72,458,000</u>

Personal Services:

Salaries and Wages	(\$2,871,000)
Employee Benefits	(997,000)
Materials and Supplies	(108,000)
Services Other Than Personal	(323,000)

Maintenance and Fixed Charges	(53,000)
Special Purpose:	
Radon Program	(140,000)
Air Pollution Maintenance Program	(1,031,000)
BioWatch Monitoring	(203,000)
Particulate Monitoring Grant	(1,000,000)
Clean Water State Revolving Fund	(65,000,000)
National Pollutant Discharge Elimination System Implementation	(400,000)
Other Special Purpose	(132,000)
Additions, Improvements and Equipment	(200,000)

46 Environmental Planning and Administration

26-4805 Regulatory and Governmental Affairs	\$150,000
99-4800 Administration and Support Services	<u>2,300,000</u>
Total Appropriation, Environmental Planning and Administration ..	<u>\$2,450,000</u>
Special Purpose:	
New Jersey Classroom Reform Grant	(\$150,000)
National Information Exchange Network	(2,300,000)

47 Compliance and Enforcement Policy

02-4855 Air Pollution Control	\$1,802,000
04-4835 Pesticide Control	570,000
15-4855 Land Use Regulation	600,000
23-4855 Solid and Hazardous Waste Management	<u>2,500,000</u>
Total Appropriation, Compliance and Enforcement Policy	<u>\$5,472,000</u>
Personal Services:	
Salaries and Wages	(\$2,673,000)
Employee Benefits	(921,000)
Materials and Supplies	(20,000)
Services Other Than Personal	(214,000)
Maintenance and Fixed Charges	(27,000)
Special Purpose:	
Air Pollution Maintenance Program	(619,000)
Pesticide Recording Program	(9,000)
Pesticide Control Consolidated	(80,000)
Coastal Zone Management Implementation	(53,000)
Hazardous Waste -- Resource Conservation Recovery Act	(335,000)
Other Special Purpose	(521,000)
Total Appropriation, Department of Environmental Protection	<u>\$228,315,000</u>

46 DEPARTMENT OF HEALTH AND SENIOR SERVICES

20 Physical and Mental Health

21 Health Services

01-4215 Vital Statistics	\$1,100,000
02-4220 Family Health Services	191,555,000
03-4230 Public Health Protection Services	70,379,000
08-4280 Laboratory Services	5,649,000
12-4245 AIDS Services	<u>79,870,000</u>
Total Appropriation, Health Services	<u>\$348,553,000</u>

Personal Services:

Salaries and Wages	(\$39,901,000)
Employee Benefits	(13,872,000)
Materials and Supplies	(2,615,000)
Services Other Than Personal	(15,621,000)
Maintenance and Fixed Charges	(1,182,000)

Special Purpose:

Supplemental Food Program -- Women, Infants, and Children	(95,747,000)
Women, Infants, and Children (WIC) Farmer's Market Nutrition Program	(2,200,000)
Early Hearing Detection and Intervention (EHDI) Tracking, Research	(19,000)
Environmental Health Education	(576,000)
Other Special Purpose	(6,481,000)

State Aid and Grants:

Preventative Health and Health Services Block Grant	(1,047,000)
State Office of Rural Health	(150,000)
National Cancer Prevention and Control	(3,209,000)
West Nile Virus - Public Health	(524,000)
Federal Lead Abatement Program	(84,000)
Immunization Project	(2,454,000)
Research on Ecology of Lyme Disease in US	(325,000)
Emergency Preparedness For Bioterrorism	(13,554,000)
State Aid and Grants	(148,264,000)
Additions, Improvements and Equipment	(728,000)

22 Health Planning and Evaluation

06-4260 Long Term Care Systems	\$18,702,000
07-4270 Health Care Systems Analysis	<u>94,650,000</u>
Total Appropriation, Health Planning and Evaluation	<u>\$113,352,000</u>

Personal Services:

Salaries and Wages	(\$7,833,000)
Employee Benefits	(2,722,000)
Materials and Supplies	(73,000)
Services Other Than Personal	(2,263,000)
Maintenance and Fixed Charges	(569,000)

Special Purpose:

Long Term Care -- Medicaid	(571,000)
Nurse Aide Certification Program	(1,000,000)
Other Special Purpose	(5,503,000)

State Aid and Grants:

State Office of Rural Health	(150,000)
State Aid and Grants	(92,100,000)
Additions, Improvements and Equipment	(568,000)

25 Health Administration

99-4210 Administration and Support Services	<u>\$3,186,000</u>
Total Appropriation, Health Administration	<u>\$3,186,000</u>

Personal Services:

Salaries and Wages	(\$1,096,000)
Employee Benefits	(400,000)

Materials and Supplies	(40,000)
Services Other Than Personal	(271,000)
Special Purpose:	
Other Special Purpose	(128,000)
State Aid and Grants:	
Preventative Health and Health	
Services Block Grant	(460,000)
Minority AIDS Demo	(150,000)
State Aid and Grants	(641,000)

26 Senior Services

22-4275 Medical Services for the Aged	\$1,160,458,000
55-4275 Programs for the Aged	47,242,000
57-4275 Office of the Public Guardian	1,000,000
Total Appropriation, Senior Services	<u>\$1,208,700,000</u>

Personal Services:

Salaries and Wages	(\$9,581,000)
Employee Benefits	(2,414,000)
Materials and Supplies	(273,000)
Services Other Than Personal	(2,166,000)
Maintenance and Fixed Charges	(458,000)

Special Purpose:

Administration of U.S. Department of Health	
and Human Services Programs	(6,334,000)
ADM DHSS Federal Programs -- SBUM	(1,585,000)
Empowering Older People to Take More	
Control of Their Health	(193,000)
Other Special Purpose	(3,065,000)

State Aid and Grants:

Alternate Family Care	(1,000,000)
Assisted Living Residence	(22,000,000)
Comprehensive Personal Care Home	(7,500,000)
Assisted Living Program	(3,000,000)
Global Budget Long Term Care Initiative	(13,000,000)
Counseling on Health Insurance for	
Medicare Enrollees	(156,000)
Social Services Block Grant -- Senior Services ..	(2,422,000)
Medicaid Match County Offices on Aging	(480,000)
State Aid and Grants	(1,132,714,000)
Additions, Improvements and Equipment	(359,000)

Total Appropriation, Department of Health

and Senior Services

\$1,673,791,000**54 DEPARTMENT OF HUMAN SERVICES****20 Physical and Mental Health****23 Mental Health Services**

08-7700 Community Services	\$14,072,000
99-7700 Administration and Support Services	4,426,000
99-7710 Administration and Support Services	2,281,000
99-7720 Administration and Support Services	2,197,000
99-7725 Administration and Support Services	770,000
99-7740 Administration and Support Services	2,772,000

99-7760 Administration and Support Services	<u>1,252,000</u>
Total Appropriation, Division of Mental Health Services	<u>\$27,770,000</u>
Personal Services:	
Salaries and Wages	(\$9,789,000)
Services Other Than Personal	(1,000)
Special Purpose:	
Fraud and Abuse Initiative	(719,000)
Title XIX Indirect Costs	(3,707,000)
State Aid and Grants	(13,554,000)

24 Special Health Services

21-7540 Health Services Administration and Management	\$82,728,000
22-7540 General Medical Services	<u>2,219,566,000</u>
Total Appropriation, Division of Medical Assistance and Health Services	<u>\$2,302,294,000</u>
Personal Services:	
Salaries and Wages	(\$22,072,000)
Materials and Supplies	(180,000)
Services Other Than Personal	(6,300,000)
Maintenance and Fixed Charges	(2,511,000)
Special Purpose:	
Payments to Fiscal Agent	(35,707,000)
Professional Standards Review Organization -- Utilization Review	(3,537,000)
Drug Utilization Review Board -- Administrative Costs	(60,000)
NJ KidCare A -- Administration	(4,819,000)
NJ KidCare B-C- D -- Administration	(7,162,000)

State Aid and Grants:

Payments for Medical Assistance	
Recipients -- Adult Mental Health	(24,989,000)
Hospital Health Care Subsidy	(30,655,000)
Hospital Relief Offset Payment	(70,845,000)
Payments for Medical Assistance	
Recipients -- ICF/MR	(6,070,000)
Payments for Medical Assistance	
Recipients -- Inpatient Hospital	(313,016,000)
Payments for Medical Assistance	
Recipients -- Prescription Drugs	(237,864,000)
Payments for Medical Assistance	
Recipients -- Outpatient Hospital	(180,096,000)
Payments for Medical Assistance	
Recipients -- Physician Services	(38,927,000)
Payments for Medical Assistance	
Recipients -- Home Health Care	(12,139,000)
Payments for Medical Assistance	
Recipients -- Medicare Premiums	(132,208,000)
Payments for Medical Assistance	
Recipients -- Dental Services	(11,828,000)
Payments for Medical Assistance	
Recipients -- Psychiatric Hospital	(9,246,000)
Payments for Medical Assistance	
Recipients -- Medical Supplies	(24,334,000)

Payments for Medical Assistance	
Recipients -- Clinic Services	(66,677,000)
Payments for Medical Assistance	
Recipients -- Transportation Services	(34,742,000)
Payments for Medical Assistance	
Recipients -- Other Services	(16,067,000)
Home Health Background Checks -- Title XIX	
federal matching funds	(1,800,000)
Eligibility Determination Services	(4,489,000)
Health Benefit Coordination Services	(8,122,000)
Managed Care Initiative	(723,809,000)
State Aid and Grants	(271,643,000)
Additions, Improvements and Equipment	(380,000)

27 Disability Services

27-7545 Division of Disability Services	<u>\$164,665,000</u>
Total Appropriation, Disability Services	<u>\$164,665,000</u>
Personal Services:	
Salaries and Wages	(\$810,000)
Materials and Supplies	(4,000)
Services Other Than Personal	(31,000)
State Aid and Grants	(163,820,000)

30 Educational, Cultural, and Intellectual Development

32 Operation and Support of Educational Institutions

01-7601 Purchased Residential Care	\$187,790,000
02-7601 Social Supervision and Consultation	54,048,000
03-7601 Adult Activities	45,691,000
05-7610 Residential Care and Habilitation Services	9,002,000
05-7620 Residential Care and Habilitation Services	45,447,000
05-7630 Residential Care and Habilitation Services	40,220,000
05-7640 Residential Care and Habilitation Services	33,992,000
05-7650 Residential Care and Habilitation Services	57,148,000
05-7660 Residential Care and Habilitation Services	43,369,000
05-7670 Residential Care and Habilitation Services	35,102,000
99-7600 Administration and Support Services	7,652,000
99-7610 Administration and Support Services	2,833,000
99-7620 Administration and Support Services	2,339,000
99-7630 Administration and Support Services	2,080,000
99-7640 Administration and Support Services	4,216,000
99-7650 Administration and Support Services	6,629,000
99-7660 Administration and Support Services	2,102,000
99-7670 Administration and Support Services	<u>4,192,000</u>
Total Appropriation, Operation and Support of	
Educational Institutions	<u>\$583,852,000</u>
Personal Services:	
Salaries and Wages	(\$330,092,000)
Materials and Supplies	(34,000)
Services Other Than Personal	(70,000)
Maintenance and Fixed Charges	(2,000)
State Aid and Grants	(253,645,000)
Additions, Improvements and Equipment	(9,000)

33 Supplemental Education and Training Programs

11-7560 Services for the Blind and Visually Impaired	\$10,206,000
99-7560 Administration and Support Services	<u>2,059,000</u>
Total Appropriation, Supplemental Education and Training Programs	<u>\$12,265,000</u>
Personal Services:	
Salaries and Wages	(\$6,223,000)
Materials and Supplies	(70,000)
Services Other Than Personal	(770,000)
Maintenance and Fixed Charges	(225,000)
State Aid and Grants	(4,869,000)
Additions, Improvements and Equipment	(108,000)

50 Economic Planning, Development, and Security**53 Economic Assistance and Security**

15-7550 Income Maintenance Management	<u>\$803,049,000</u>
Total Appropriation, Economic Assistance and Security	<u>\$803,049,000</u>
Personal Services:	
Salaries and Wages	(\$18,513,000)
Materials and Supplies	(432,000)
Services Other Than Personal	(25,452,000)
Maintenance and Fixed Charges	(1,148,000)
Special Purpose:	
Electronic Benefits Transfer, Evaluation and Development, Food Stamps	(126,000)
Work First New Jersey -- Electronic Benefits Transfer -- Design and Development	(33,000)
Work First New Jersey Technology Investment -- Food Stamps	(6,324,000)
EBT -- Operational Food Stamp Match for CWA's	(1,557,000)
Work First New Jersey -- Benefits Transfer Operational	(456,000)
Work First New Jersey -- Technology Investments	(4,905,000)
Work First New Jersey - Technology Investment - TANF/CCDF	(2,375,000)
Work First New Jersey -- Technology Investments -- Title XIX	(7,877,000)
Work First New Jersey -- Technology Investment -- Title IV-D	(28,742,000)
SSI Attorney Fees	(1,045,000)
State Aid and Grants:	
Faith Based Initiatives	(1,055,000)
Domestic Violence Prevention Training and Assessment	(450,000)
SSBG CWA Administration TANF Transfer	(2,814,000)
State Aid and Grants	(699,581,000)
Additions, Improvements and Equipment	(164,000)

55 Social Services Programs

09-7555 Addiction Services	<u>\$64,815,000</u>
Total Appropriation, Social Services Programs	<u>\$64,815,000</u>
Personal Services:	
Salaries and Wages	(\$6,484,000)
Materials and Supplies	(74,000)
Services Other Than Personal	(1,492,000)
State Aid and Grants:	
Substance Abuse Block Grant	(43,791,000)
State Aid and Grants	(12,694,000)
Additions, Improvements and Equipment	(280,000)

70 Government Direction, Management, and Control**76 Management and Administration**

99-7500 Administration and Support Services	<u>\$51,671,000</u>
Total Appropriation, Division of Management and Budget	<u>\$51,671,000</u>
Personal Services:	
Salaries and Wages	(\$3,379,000)
Special Purpose:	
Head Start State Collaboration Project	(175,000)
Federal Cost Recoveries	(30,918,000)
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	(8,300,000)
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	(1,957,000)

Total Appropriation, Department of Human Services \$4,010,381,000

62 DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT**50 Economic Planning, Development, and Security****51 Economic Planning and Development**

18-4570 Planning and Analysis	<u>\$10,243,000</u>
Total Appropriation, Economic Planning and Development	<u>\$10,243,000</u>
Personal Services:	
Salaries and Wages	(\$5,716,000)
Employee Benefits	(1,955,000)
Materials and Supplies	(228,000)
Services Other Than Personal	(811,000)
Maintenance and Fixed Charges	(252,000)
Special Purpose:	
Reports and Analysis -- Unemployment Insurance ...	(25,000)
E S 202 Covered Employment and Wages	(100,000)
Current Employment Statistics	(110,000)

Local Area Unemployment Statistics	(17,000)
Occupational Employment Statistics	(130,000)
Labor Market Information -- Es	(10,000)
ES Cost Reimbursable Grants -- Alien Labor Certification	(1,000)
Permanent Mass Layoff Plant Closings	(17,000)
Current Employment Statistics Additional to Maintain Current Issue	(2,000)
ES 202 Related	(1,000)
Redesigned Occupational Safety and Health (ROSH)	(45,000)
One Stop Labor Market Information	(180,000)
Occupation Safety and Health Administration Data Collection Survey	(10,000)
JTPA Title III LMI -- PROS	(356,000)
Occupational Information Coordinating Program	(5,000)
Other Special Purpose	(26,000)
State Aid and Grants:	
JTPA Title III CIDS	(62,000)
Additions, Improvements and Equipment	(184,000)

50 Economic Planning, Development, and Security

53 Economic Assistance and Security

01-4510 Unemployment Insurance	\$143,492,000
02-4515 Disability Determination	<u>53,000,000</u>
Total Appropriation, Economic Assistance and Security	<u>\$196,492,000</u>
Personal Services:	
Salaries and Wages	(\$81,247,000)
Employee Benefits	(27,754,000)
Materials and Supplies	(2,148,000)
Services Other Than Personal	(18,557,000)
Maintenance and Fixed Charges	(12,037,000)
Special Purpose:	
Unemployment Insurance	(4,441,000)
Reed Act Improvements	(35,000,000)
Employment Security Revenue	(1,099,000)
Disability Determination Services	(3,609,000)
State Aid and Grants	(10,000,000)
Additions, Improvements and Equipment	(600,000)

54 Manpower and Employment Services

07-4535 Vocational Rehabilitation Services	\$51,998,000
09-4545 Employment Services	38,442,000
10-4545 Employment and Training Services	127,371,000
12-4550 Workplace Standards	<u>4,371,000</u>
Total Appropriation, Manpower and Employment Services	<u>\$222,182,000</u>
Personal Services:	
Salaries and Wages	(\$49,207,000)
Employee Benefits	(16,024,000)
Materials and Supplies	(559,000)
Services Other Than Personal	(6,171,000)
Maintenance and Fixed Charges	(9,249,000)

Special Purpose:

Vocational Rehabilitation Act of 1973	(1,500,000)
Employment Services	(1,500,000)
Employment Service Intermittents	(100,000)
Disabled Veterans' Outreach Program	(300,000)
Local Veterans' Employment Representatives	(268,000)
Trade Adjustment Assistance Project	(35,000)
Employment Services Grants -- Alien Labor Certification	(100,000)
Work Opportunity Tax Credit	(72,000)
Employment Services Cost Reimbursable Grants -- Migrant Housing	(5,000)
Agricultural Wage Surveys	(3,000)
Employment Services Reemployment Services	(98,000)
Workforce Investment Act	(275,000)
Employment Services Rapid Response Team	(190,000)
National Council on Aging -- Senior Community Services Employment	(47,000)
Adult and Continuing Education -- Workforce Investment Act	(58,000)
Adult Basic Ed Leadership	(1,307,000)
Adult Basic Ed Civics Administration	(99,000)
Adult Basic Education Civics Leadership	(380,000)
Occupational Safety Health Act, On-Site Consultation	(141,000)
Other Special Purpose	(1,103,000)
State Aid and Grants:	
Technology Related Assistance Project	(400,000)
Adult Basic Ed Non-Administration	(12,820,000)
Adult Basic Ed Civics Non Administration	(3,730,000)
State Aid and Grants	(115,814,000)
Additions, Improvements and Equipment	(627,000)

Total Appropriation, Department of Labor and
Workforce Development \$428,917,000

66 DEPARTMENT OF LAW AND PUBLIC SAFETY***10 Public Safety and Criminal Justice******12 Law Enforcement***

06-1200 State Police Operations	\$23,225,000
09-1020 Criminal Justice	<u>34,417,000</u>
Total Appropriation, Law Enforcement	<u>\$57,642,000</u>
Personal Services:	
Salaries and Wages	(\$5,416,000)
Employee Benefits	(1,170,000)
Special Purpose:	
Fatality Analysis Reporting System (FARS)	(225,000)
Enhanced Wireless Communications	(56,000)
Domestic Marijuana Eradication Suppression Program	(125,000)
DNA Capacity Enhancement Program Formula Grant	(600,000)
Flood Mitigation Assistance	(3,000,000)

Violence Against Women Act	(300,000)
Forensic Science Improvement Program	(500,000)
Recreational Boating Safety	(3,000,000)
Internet Crimes Against Children	(700,000)
Convicted Offender In-House (DNA)	(850,000)
Community Oriented Policing Services (COPS) -	
In Schools	(1,000,000)
Hazardous Materials Transportation	(300,000)
Pre-Disaster Mitigation - Competitive	(3,000,000)
Repetitive Flood Claim Program - FEMA	(500,000)
Severe Repetitive Loss - FEMA	(2,000,000)
NIEHS Worker Health Safety Training	(100,000)
Incident Command	(1,500,000)
Emergency Management Performance Grant --	
Non-Terrorism	(5,000,000)
No Suspect Casework DNA Backlog	
Reduction Program	(400,000)
Bulletproof Vest Partnership	(850,000)
High Intensity Drug Trafficking Area (HIDTA)	(50,000)
Justice Assistance Grant (JAG)	(10,000,000)
State Aid and Grants	(17,000,000)

13 Special Law Enforcement Activities

03-1160 Office of Highway Traffic Safety	\$18,330,000
21-1400 Regulation of Alcoholic Beverages	<u>350,000</u>
Total Appropriation, Special Law Enforcement Activities	<u>\$18,680,000</u>
Personal Services:	
Salaries and Wages	(\$1,460,000)
Employee Benefits	(472,000)
Special Purpose:	
Federal Highway Safety Program-State Match	(142,000)
Highway Safety-Traffic Records	(54,000)
Planning and Administration Section 406	(583,000)
Occupant Protection Section 406 Seat Belt	
Enforcement	(583,000)
Police Traffic Services Section 406	(583,000)
Roadway Safety Section 406	(583,000)
Emergency Services	(10,000)
Pedestrian Safety Study	(584,000)
FHWA Program Management	(375,000)
Pedestrian Safety Grant	(357,000)
Occupant Protection Grant	(1,500,000)
Community Traffic Safety	(1,300,000)
Safety Incentive Grants	(50,000)
Prevent Operations of Motor Vehicles by	
Intoxicated Persons	(50,000)
Highway Safety -- Alcohol Education and	
Public Awareness Coordinator	(74,000)
Highway Safety - Safety Restraints Program	
Management	(299,000)
Child Passenger Protection Education	(10,000)
Safety Belt Performance Grants	(584,000)
Drunk Driver Prevention	(3,000,000)

Innovative Seat Belt Use	(10,000)
Paid Advertising	(200,000)
State Traffic Safety Information System	(1,500,000)
Motorcycle Safety	(250,000)
Child Safety/Child Booster Seats	(1,250,000)
Racial Profiling Prevention	(700,000)
Combating Underage Drinking	(350,000)
State Aid and Grants	(1,767,000)

18 Juvenile Services

34-1500 Juvenile Community Programs	\$3,255,000
99-1500 Administration and Support Services	<u>3,838,000</u>
Total Appropriation, Juvenile Services	<u>\$7,093,000</u>

Personal Services:

Salaries and Wages	(\$2,390,000)
Employee Benefits	(796,000)

Special Purpose:

Juvenile Mentoring Programs -- Juvenile Justice Initiative	(61,000)
Title I - Part D, Neglected and Delinquent	(217,000)
Juvenile Accountability Incentive Block Grant (JAIBG)	(703,000)
Title V Funding	(1,500,000)
State Aid and Grants	(1,426,000)

19 Central Planning, Direction and Management

13-1005 Homeland Security and Preparedness	\$101,140,000
99-1000 Administration and Support Services	<u>1,000,000</u>
Total Appropriation, Central Planning, Direction and Management	<u>\$102,140,000</u>

Special Purpose:

Homeland Security Grant Program	(\$25,000,000)
Metropolitan Medical Response System	(400,000)
Citizen Corps Program	(520,000)
Urban Area Security Initiative	(38,000,000)
Chemical Sector Buffer Zone Protection Program	(5,508,000)
Buffer Zone Protection Program	(1,512,000)
Northern Transportation Security Grant Program	(14,000,000)
Southern Transportation Security Grant Program ..	(4,000,000)
Port Security Grant Program - Delaware Bay Sector	(4,200,000)
Port Security Grant Program - NY/NJ Sector ...	(8,000,000)
National Criminal History Program -- OAG	(1,000,000)

80 Special Government Services**82 Protection of Citizens' Rights**

16-1350 Protection of Civil Rights	\$500,000
19-1440 Victims of Crime Compensation Board	<u>7,000,000</u>
Total Appropriation, Protection of Citizens' Rights	<u>\$7,500,000</u>

Personal Services:

Salaries and Wages	(\$500,000)
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State Aid and Grants (7,000,000)

Total Appropriation, Department of Law and Public Safety \$193,055,000

67 DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

10 Public Safety and Criminal Justice

14 Military Services

40-3620 New Jersey National Guard Support Services \$26,137,000

99-3600 Administration and Support Services 10,000,000

Total Appropriation, Military Services \$36,137,000

Personal Services:

Salaries and Wages (\$8,798,000)

Employee Benefits (999,000)

Materials and Supplies (10,488,000)

Services Other Than Personal (1,534,000)

Maintenance and Fixed Charges (124,000)

Special Purpose:

Dining Facility Operations (150,000)

Army National Guard Transportation (2,000)

Natural and Cultural Resources Management (5,000)

Federal Distance Learning Program (150,000)

Training and Equipment - Pool Sites (77,000)

Army Training and Technology Lab (181,000)

Army National Guard Electronic Security System .. (300,000)

McGuire AFB Environmental (5,000)

Atlantic City Environmental (9,000)

Warren Grove Sustainment, Restoration and

Modernization (5,000)

Antiterrorism Program Manager (110,000)

Atlantic City Sustainment, Restoration and

Modernization (550,000)

Armory Renovations and Improvements (2,000,000)

New Jersey National Guard Challenge

Youth Program (650,000)

Combined Logistics Facility (10,000,000)

80 Special Government Services

83 Services to Veterans

20-3630 Domiciliary and Treatment Services \$1,900,000

20-3640 Domiciliary and Treatment Services 1,900,000

20-3650 Domiciliary and Treatment Services 1,900,000

50-3610 Veterans' Outreach and Assistance 948,000

70-3610 Burial Services 8,000,000

Total Appropriation, Services to Veterans \$14,648,000

Personal Services:

Salaries and Wages (\$378,000)

Employee Benefits (131,000)

Materials and Supplies (8,079,000)

Special Purpose:

Medicare Part A Receipts for Resident Care

and Operational Costs (5,700,000)

Transitional Housing (360,000)

Total Appropriation, Department of Military and
Veterans' Affairs \$50,785,000

70 DEPARTMENT OF THE PUBLIC ADVOCATE

80 Special Government Services

82 Protection of Citizens' Rights

03-8411 Mental Health Advocacy \$223,000

04-8440 Elder Advocacy 1,427,000

Total Appropriation, Protection of Citizens' Rights \$1,650,000

Personal Services:

Salaries and Wages (\$680,000)

Materials and Supplies (15,000)

Services Other Than Personal (37,000)

Maintenance and Fixed Charges (3,000)

Special Purpose:

Ombudsperson - Institutionalized Elderly (470,000)

Other Special Purpose (24,000)

State Aid and Grants (421,000)

Total Appropriation, Department of the Public Advocate \$1,650,000

74 DEPARTMENT OF STATE

30 Educational, Cultural, and Intellectual Development

36 Higher Educational Services

45-2405 Student Assistance Programs \$27,126,000

80-2400 Statewide Planning and Coordination of Higher Education 3,500,000

Total Appropriation, Higher Educational Services \$30,626,000

Personal Services:

Salaries and Wages (\$9,232,000)

Employee Benefits (3,204,000)

Materials and Supplies (485,000)

Services Other Than Personal (10,237,000)

Maintenance and Fixed Charges (1,015,000)

Special Purpose:

Student Loan Administrative Cost Deduction
and Allowance (294,000)

Other Special Purpose (195,000)

State Aid and Grants (4,880,000)

Additions, Improvements and Equipment (1,084,000)

37 Cultural and Intellectual Development Services

05-2530 Support of the Arts \$760,000

06-2535 Museum Services 715,000

10-2570 Public Broadcasting Services 625,000

Total Appropriation, Cultural and Intellectual
Development Services \$2,100,000

Personal Services:

Salaries and Wages (\$136,000)

Employee Benefits (47,000)

Special Purpose:

National Endowment for the Arts Partnership (62,000)

National Telecommunications
Information Agency (625,000)

State Aid and Grants:

National Endowment for the Arts Partnership (515,000)
 State Aid and Grants (715,000)

70 Government Direction, Management, and Control**74 General Government Services**

01-2505 Office of the Secretary of State \$5,634,000
 Total Appropriation, General Government Services \$5,634,000
 Personal Services:
 Salaries and Wages (\$537,000)
 Employee Benefits (158,000)
 Services Other Than Personal (82,000)
 State Aid and Grants (4,857,000)

Total Appropriation, Department of State \$38,360,000

78 DEPARTMENT OF TRANSPORTATION**10 Public Safety and Criminal Justice****11 Vehicular Safety**

01-6400 Motor Vehicle Services \$3,091,000
 Total Appropriation, Vehicular Safety \$3,091,000
 Special Purpose:
 Odometer Fraud Grant (\$30,000)
 Commercial Vehicle Information Systems
 and Networks (1,192,000)
 Commercial Drivers' License Program (1,410,000)
 Performance and Registration Information
 Systems Management (459,000)

60 Transportation Programs**61 State and Local Highway Facilities**

00-6300 Federal Highway Administration \$960,772,326
 02-6200 Highway Planning and Research Program 18,200,000
 02-6200 Metropolitan Planning Funds 11,500,000
 02-6200 National Boating Infrastructure Grant 1,600,000
 02-6200 New Jersey Transportation Planning Assistance 4,800,000
 71-6200 Supportive Services Highway Construction
 Training Program 500,000
 Total Appropriation, State and Local Highway Facilities \$997,372,326
 Special Purpose:
 Highway Planning and Research (\$18,200,000)
 Metropolitan Planning Funds (11,500,000)
 New Jersey Statewide Public
 Transportation Grant (4,800,000)
 National Boating Infrastructure Grant (1,600,000)
 Supportive Services Highway Construction
 Training Program (500,000)

Federal Highway Administration

<u>Description</u>	<u>County</u>	<u>Amount</u>
14th Street Viaduct	Hudson	(\$4,500,000)
Accident Reduction Program	Various	(4,850,000)

Almond Road (CR 540), Centerton Road to the Maurice River, Resurfacing	Salem	(480,000)
Amwell Road Bridge over Neshanic River	Somerset	(4,773,000)
Baldwin Avenue, Intersection Improvements	Hudson	(3,842,748)
Bergen Arches through Jersey City Palisades	Hudson	(1,000,000)
Berkeley Avenue Bridge	Essex	(1,000,000)
Berkshire Valley Road Bridge over Rockaway River	Morris	(425,000)
Bicycle & Pedestrian Facilities/Accommodations	Various	(5,000,000)
Bloomfield Avenue Bridge over Branch Brook Park Road	Essex	(4,000,000)
Brass Castle Road Bridge over Pohatcong Creek, CR 623	Warren	(950,000)
Bridge Deck Replacement Program	Various	(50,000,000)
Bridge Inspection, Local Bridges	Various	(2,900,000)
Bridge Inspection, State NBIS Bridges	Various	(10,900,000)
Bridge Management System	Various	(275,000)
Bridge Painting Program	Various	(17,000,000)
Bridge Scour Countermeasures	Various	(5,000,000)
Burlington County Roadway Safety Improvements	Burlington	(500,000)
Burlington County Traffic Operations Center	Burlington	(75,000)
Camden County Bus Purchase	Camden	(100,000)
Camden County Roadway Safety Improvements	Camden	(500,000)
CARGOMATE	Essex, Union	(750,000)
Carteret Ferry Service Terminal	Middlesex	(1,344,000)
Carteret Industrial Road	Middlesex	(2,075,299)
Carteret, International Trade and Logistics Center Roadway Improvements	Middlesex	(1,960,000)
Castle Point Walkway, Phase 2 - Stevens Institute	Hudson	(1,640,000)
Cemetery Road Bridge over Pequest River	Warren	(50,000)
Central Avenue, Roadway Resurfacing and Improvements	Essex	(6,000,000)
Church Street Bridge, CR 579	Hunterdon	(525,000)
Commissioners Pike, Phase II, Route 40 to Salem/Gloucester County Line, CR 581	Salem	(800,000)
Delilah Road Bridges over Route 30, Railroad and Water Mains, CR 646	Atlantic	(15,568,000)
Design, Emerging Projects	Various	(2,600,000)
Disadvantaged Business Enterprise	Various	(100,000)
Drainage Rehabilitation, Federal	Various	(2,000,000)
DVRPC Project Development (Local Scoping)	Various	(2,000,000)
East Coast Greenway, Middlesex/Union Counties	Middlesex, Union	(640,000)

Egg Harbor Road, Hurffville-Cross Keys Road to Hurffville-Grenloch Road, CR 630	Gloucester	(850,000)
Elmer Road, East Avenue to Main Road, Resurfacing	Cumberland	(530,000)
Emergency Service Patrol	Various	(12,000,000)
Ferry Program	Various	(5,000,000)
Freight Program	Various	(128,000)
Garden State Parkway Interchange 91 Improvements and Burnt Tavern Road	Ocean	(3,100,000)
Garden State Parkway Interchange Improvements in Cape May	Cape May	(6,000,644)
Gloucester County Bus Purchase	Gloucester	(65,000)
Gloucester County Guiderail Safety Project	Gloucester	(500,000)
Gloucester County Resurfacing	Gloucester	(1,500,000)
Gloucester County Roadway Safety Improvements	Gloucester	(500,000)
Green Pond Road Bridge over Hibernia Brook	Morris	(3,850,000)
Halls Mill Road	Monmouth	(1,700,000)
Hanover Street Bridge over Rancocas Creek, CR 616	Burlington	(500,000)
Helen Street, Antonett Street to Metuchen Road	Middlesex	(2,145,000)
Intelligent Transportation Systems	Various	(1,500,000)
ITS Coalition Funding	Various	(3,023,000)
JFK Boulevard/32nd Street Pedestrian Crossing	Hudson	(250,000)
Kapkowski Road, North Avenue and Trumbull Street	Union	(4,448,000)
Kings Highway and Berkley Road, Intersection Improvements, CR 551	Gloucester	(450,000)
Liberty Corridor	Various	(28,200,000)
Liberty Corridor Planning Study	Union, Essex	(320,000)
Local CMAQ Initiatives	Various	(2,680,000)
Local Safety/High Risk Rural Roads Program	Various	(5,000,000)
Local Scoping Support	Various	(500,000)
Long Branch Ferry Terminal	Monmouth	(2,380,000)
Long Valley Safety Project	Morris	(640,000)
Magnolia Road, Main Road to Spring Road	Cumberland	(720,000)
Market Street/Essex Street/ Rochelle Avenue	Bergen	(3,844,123)
Median Crossover Crash Prevention Program	Various	(7,000,000)
Metropolitan Planning	Various	(1,468,000)
Middle Valley Road Bridge over South Branch of Raritan River	Morris	(430,000)
Milford-Warren Glen Road, CR 519	Hunterdon	(350,000)
Millburn Townwalk, adjacent to the West Branch of the Rahway River	Essex	(480,000)

Monmouth County Bridge S-31 (AKA Bingham Avenue Bridge) over Navesink River, CR 8A	Monmouth	(5,000,000)
Monmouth County Bridges W7, W8, W9 over Glimmer Glass and Debbie's Creek	Monmouth	(3,000,000)
Morris Avenue Bridge over Morristown Line	Union	(750,000)
Motor Vehicle Crash Record Processing	Various	(4,000,000)
New Jersey Scenic Byways Program	Various	(500,000)
Newburgh Record Bridge over Musconetcong River	Morris, Warren	(375,000)
NJTPA Project Development	Various	(2,000,000)
NJTPA, Future Projects	Various	(840,000)
NY Susquehanna and Western Rail Line Bicycle/Pedestrian Path	Morris, Passaic	(2,000,000)
Ocean Drive (CR 619), 29th Street to 4th Street, Resurfacing	Cape May	(1,847,000)
Old York Road, Roadway Realignment and Bridge Replacement, CR 567	Somerset	(5,000,000)
Operational Improvements on Arterial Roadways	Various	(1,000,000)
Orphan Bridge Reconstruction	Various	(2,000,000)
Ozone Action Program in New Jersey	Various	(40,000)
Park and Ride/Transportation Demand Management Program	Various	(8,000,000)
Passaic River-Newark Bay Restoration and Pollution Abatement Project, Route 21, River Road, CR 510	Essex	(960,000)
Pavement Management System	Various	(4,000,000)
Pavement Preservation	Various	(4,000,000)
Pedestrian Safety Improvement Design and Construction	Various	(3,000,000)
Pompton Lakes Downtown Streetscape	Passaic	(640,000)
Pre-Apprenticeship Training Program for Minorities and Females	Various	(500,000)
Princeton Township Roadway Improvements	Mercer	(498,900)
Project Development, Feasibility Assessment	Various	(3,250,000)
Project Development, Preliminary Design	Various	(19,000,000)
Quality Assurance	Various	(1,500,000)
Rahway Streetscape Replacement	Union	(320,000)
Rail Highway Grade Crossing Program, Cape May Seashore Lines	Cape May	(500,000)
Rail-Highway Grade Crossing Program, Federal	Various	(5,400,000)
Recreational Trails Program	Various	(1,263,000)
Reformatory Road Bridge (C-88) over Beaver Brook	Hunterdon	(200,000)
Restriping Program	Various	(11,000,000)
Resurfacing, Federal	Various	(7,000,000)

Right of Way Full-Service Consultant		
Term Agreements	Various	(200,000)
Rockfall Mitigation	Various	(1,000,000)
Rosemont-Raven Rock Road Bridge over Lockatong Creek	Hunterdon	(280,000)
Rutgers Transportation Safety Resource Center (TSRC)	Various	(1,000,000)
Safe Corridors Program	Various	(2,500,000)
Safe Routes to School Program	Various	(4,009,000)
Safety Management System	Various	(7,620,000)
Sandy Hook Ferry Service	Monmouth	(217,360)
Sandy Hook Multi-Use Pathway, Phase 2	Monmouth	(1,000,000)
Schalke Station Road Bridge, CR 683	Middlesex	(800,000)
School Road East	Monmouth	(1,197,360)
Secaucus Connector	Hudson	(3,587,847)
Sherman Avenue (CR 552), at the Boulevards	Cumberland	(3,127,000)
Shore Road (CR 585), Illinois Avenue to California Avenue, Resurfacing	Atlantic	(600,000)
Smithville Road Bridge over Rancocas Creek, CR 684	Burlington	(300,000)
South Amboy Intermodal Center	Middlesex	(12,499,222)
South First Street Bridge over Elizabeth River	Union	(4,000,000)
South Pemberton Road, CR 530	Burlington	(4,503,530)
Southern Pinelands Natural Heritage Trail	Various	(200,000)
Statewide Incident Management Program	Various	(2,000,000)
Statewide Traffic Operations Center (STOC)	Various	(2,000,000)
Studdiford Drive Bridge over South Branch of Raritan River, Replacement, CR 606	Somerset	(5,000,000)
Sussex County Route 605 Connector	Sussex	(640,000)
Tilton Road (CR 653), Country Club Drive to Route 30, Resurfacing	Atlantic	(1,740,000)
TMA-DVRPC	Various	(2,100,000)
TMA-NJTPA	Various	(4,000,000)
Traffic Calming Project, Norfolk St., Jones St., Irvine Turner Blvd. Newark	Essex	(3,300,000)
Traffic Monitoring Systems	Various	(13,500,000)
Traffic Operations Center (North)	Various	(5,500,000)
Traffic Operations Center (South)	Various	(6,000,000)
Traffic Signal Replacement	Various	(5,000,000)
Traffic Signal Timing and Optimization	Various	(1,700,000)
Training and Employee Development	Various	(1,800,000)
TRANSCOM Traffic and Incident Management	Various	(500,000)
TransitChek Mass Marketing Efforts-- New Jersey	Various	(40,000)
Transportation and Community Development Initiative (TCDI) DVRPC	Various	(80,000)
Transportation and Community System Preservation Program	Various	(5,800,000)
Transportation Demand Management Program Support	Various	(230,000)

Transportation Enhancements	Various	(15,000,000)
Trenton Amtrak Bridges	Mercer	(2,000,000)
Union City Intermodal Facility, Bergenline Avenue	Hudson	(2,050,199)
Van Dyke Road and Greenwood Avenue Bridges over Trenton Branch	Mercer	(3,893,000)
Vaughn Driver Connector	Mercer	(2,000,000)
Wertsville Road Bridge (E-166) over Back Brook, CR 602	Hunterdon	(125,000)
Wertsville Road Bridge (E-174) over Tributary of Back Brook, CR 602	Hunterdon	(200,000)
West Front Street Bridge (S-17) over Swimming River, CR 10	Monmouth	(1,500,000)
White Bridge Road Bridge	Hunterdon	(325,000)
Youth Employment and TRAC Programs	Various	(250,000)
Route 1&9, Pulaski Skyway	Hudson, Essex	(3,500,000)
Route 1&9, Pulaski Skyway, Interim Repairs, Contract 1	Hudson, Essex	(10,000,000)
Route 1&9T, St. Paul's Avenue/ Conrail Bridge (25)	Hudson	(35,413,000)
Route 1, Middlesex County Corridor Study	Middlesex	(1,000,000)
Route 1, Southbound, Quaker Bridge Mall Overpass	Mercer	(1,376,000)
Route 3, Hackensack River (eastbound and westbound) Rehabilitation	Bergen, Hudson	(2,000,000)
Route 3, Route 46, Valley Road and Notch/Rifle Camp Road Interchange	Passaic	(7,680,000)
Route 7, Hackensack River Bridge (Wittpenn Bridge) Contract 1	Hudson	(10,000,000)
Route 7, Hackensack River Bridge (Wittpen Bridge) Contract 2	Hudson	(8,500,000)
Route 9, Green Street Interchange, Woodbridge	Middlesex	(1,000,000)
Route 9, Robertsville Road Intersection Improvements (CR 520)	Monmouth	(639,449)
Route 10, Commerce Boulevard Improvements	Morris	(1,200,000)
Route 17, Essex Street Bridge (3)	Bergen	(34,256,000)
Route 17, NYS&W Bridge	Bergen	(1,051,089)
Route 17, Railroad Avenue, Drainage Improvements	Bergen	(330,000)
Route 17, Route 120 (Paterson Plank Road) to Garden State Parkway	Bergen	(4,825,548)
Route 18 Ext., Hoes Lane Extension to I-287 (3A)	Middlesex	(2,000,000)
Route 18, Route 1 to Northeast Corridor Amtrak Line north of Route 27 (2F 7E 11H)	Middlesex	(36,775,000)
Route 21, Newark Waterfront Community Access	Essex	(4,785,000)
Route 22, Chimney Rock Road Interchange Improvements	Somerset	(15,631,246)

Route 22, Liberty Avenue & Conrail Bridge	Union	(1,500,000)
Route 22, Sustainable Corridor Short-term projects	Somerset	(850,000)
Route 23, Hardyston Twp., Silver Grove Road to Holland Mountain Road	Sussex	(3,750,000)
Route 23/80, Long-term Interchange Improvements	Passaic, Essex	(600,000)
Route 27, Oak Tree Road/Green Street, Intersection Improvements	Middlesex	(1,200,000)
Route 27, Renaissance 2000, Bennetts Lane to Somerset Street	Middlesex, Somerset	(1,700,000)
Route 29 Boulevard, Cass Street to North of Calhoun Street (Southern Section)	Mercer	(3,500,000)
Route 29 Boulevard, North of Calhoun Street to Sullivan Way (Northern Section)	Mercer	(700,000)
Route 29, Delaware River Pedestrian/Bike Path, Stacy Park to Assunpink Creek	Mercer	(940,419)
Route 30, Absecon Boulevard over Beach Thorofare	Atlantic	(1,000,000)
Route 31, Integrated Land Use & Transportation Plan	Hunterdon	(2,200,000)
Route 35, Cheesequake Creek Bridge	Middlesex	(1,000,000)
Route 35, Eatontown Borough Intersection Improvements	Monmouth	(574,459)
Route 35, Heards Brook, Drainage Improvements	Middlesex	(230,000)
Route 35, Matawan Creek to Laurence Harbor Parkway	Middlesex, Monmouth	(2,100,000)
Route 35/36, Eatontown	Monmouth	(15,055,000)
Route 37, Mathis Bridge Eastbound over Barnegat Bay	Ocean	(2,000,000)
Route 46, Hackensack River Bridge	Bergen	(1,000,000)
Route 46, Little Ferry Circle, Operational and Safety Improvements	Bergen	(6,000,000)
Route 46, Main Street, Lodi	Bergen	(6,280,000)
Route 46, Passaic Avenue to Willowbrook Mall	Essex, Passaic	(500,000)
Route 47, Chapel Heights Avenue/Holly Avenue (Site 3)	Gloucester	(11,074,000)
Route 49, Cohansey River Bridge	Cumberland	(11,982,000)
Route 50, Tuckahoe River Bridge (2E 3B)	Cape May, Atlantic	(3,000,000)
Route 52, Causeway Replacement, Contract A	Cape May	(14,900,000)
Route 57, CR 519 Intersection Improvement	Warren	(3,028,000)
Route 73/70, Marlton Circle Elimination (5)	Burlington	(10,000,000)
Route 78, Diamond Hill Road Interchange (CR 655)	Union	(10,600,000)
Route 78, Garden State Parkway, Interchange 142	Union	(52,905,371)

Route 78, Pittstown Road (Exit 15), Interchange Improvements (CR 513)	Hunterdon	(640,000)
Route 78, Union/Essex Rehabilitation, Contract B	Union, Essex	(2,200,000)
Route 80, Rockfall Mitigation, Roxbury Township	Morris	(6,250,000)
Route 80, Truck Weigh Station, Eastbound, Knowlton Township	Warren	(2,000,000)
Route 130, Adams Lane (16)	Middlesex	(2,500,000)
Route 130, Campus Drive	Burlington	(700,000)
Route 139, Traffic Mitigation	Hudson	(2,500,000)
Route 195, Hamilton Twp. Noise Barriers, Lakeside Dr. to Yardville- Hamilton Square Rd.	Mercer	(500,000)
Route 206, Main Street, Chester, intersection improvements (CR 513)	Morris	(1,280,000)
Route 206, Old Somerville Road to Brown Avenue (15N)	Somerset	(2,000,000)
Route 280, 4th Street to Newark-Jersey City Turnpike, Resurfacing	Hudson	(8,237,000)
Route 280, Laurel Avenue to 6th Street, Pavement Rehabilitation	Essex	(23,325,000)
Route 287, Northbound, Vicinity of Stelton Road to Vicinity of Main Street, Resurfacing	Middlesex, Somerset	(4,820,000)
Route 295, Tomlin Station Road to Route 45, Rehabilitation	Gloucester	(44,584,000)
Route 295/42, Missing Moves, Bellmawr	Camden	(5,131,513)
Route 295/42/I-76, Direct Connection, Camden County	Camden	(6,000,000)
Route 495, Route 1&9/Paterson Plank Road Bridge	Hudson	(1,500,000)

62 Public Transportation

Federal Highway Administration	\$126,000,000
Federal Transit Administration	<u>484,514,400</u>
Total Appropriation, Public Transportation	<u>\$610,514,400</u>

Description	County	Amount
<u>Federal Highway Administration</u>		
Access to Region's Core (ARC)	Various	(\$94,680,000)
Hudson-Bergen Light Rail 8th Street Extension	Hudson	(15,000,000)
Metropark Platform Rehabilitation/ Extension	Middlesex	(13,354,000)
Newark Broad Street Station Improvements and Service Expansion	Essex	(1,966,000)
Newark Penn Station	Essex	(1,000,000)
<u>Federal Transit Administration</u>		
Access to Region's Core (ARC)	Various	(3,382,000)
ADA--Platforms/Stations	Various	(2,747,000)
Atlantic City Jitney (Earmark)	Atlantic	(750,000)
BurLink Vehicles and Equipment (Earmark)	Burlington	(869,000)
Bus Acquisition Program	Various	(49,493,000)

Camden County Intermodal Facility in Cramer Hill (Earmark)	Camden	(217,000)
Cumberland County Bus Program	Cumberland	(1,020,000)
Freehold Township Bus Facility (Earmark)	Monmouth	(435,000)
Hoboken Terminal/Yard Rehabilitation	Hudson	(986,000)
Hudson-Bergen Light Rail 8th Street Extension	Hudson	(5,000,000)
Hudson/Bergen LRT System MOS II	Hudson	(58,782,000)
Job Access and Reverse Commute Program	Various	(4,000,000)
Lackawanna Cutoff Rail Project (Earmark)	Morris, Sussex, Warren	(7,000,000)
Lakewood Bus Service and Parking Facilities (Earmark)	Ocean	(652,000)
Morristown Intermodal Historic Station (Earmark)	Morris	(217,000)
New Jersey Intermodal Facilities and Bus Rolling Stock (Earmark)	Various	(652,000)
Newark Light Rail Downtown Extension	Essex	(1,092,000)
Newark Penn Station	Essex	(217,000)
NJ TRANSIT Community Shuttles (Earmark)	Various	(109,000)
Passaic-Bergen Intermodal (Earmark)	Passaic, Bergen	(2,400,000)
Preventive Maintenance-Bus	Various	(98,690,000)
Preventive Maintenance-Rail	Various	(154,105,000)
Private Carrier Equipment Program	Various	(38,300,000)
Rail Rolling Stock Procurement	Various	(28,057,000)
Section 5310 Program	Various	(4,070,000)
Section 5311 Program	Various	(5,040,000)
Small/Special Services Program	Various	(100,000)
South Amboy Intermodal Facility (Earmark)	Middlesex	(1,739,000)
South Brunswick Transit System (Earmark)	Middlesex	(1,000,000)
Track Program	Various	(5,918,000)
Transit Enhancements	Various	(750,000)
Transit Rail Initiatives	Various	(443,000)
Trenton Rail Intermodal (Earmark)	Mercer	(6,065,000)
Trenton Trolley (Earmark)	Mercer	(217,400)

64 Regulation and General Management

05-6070 Access and Use Management	<u>\$21,965,000</u>
Total Appropriation, Regulation and General Management	<u>\$21,965,000</u>
Special Purpose:	
Aviation Block Grant Program	(\$10,000,000)
Motor Carrier Safety Assistance Program	(11,965,000)
Total Appropriation, Department of Transportation	<u>\$1,632,942,726</u>

Notwithstanding the provisions of subsection d. of section 21 of P.L.1984, c.73 (C.27:1B-21), approval by the Joint Budget Oversight Committee of transfers among federal appropriations by project shall not be required. Notice of a transfer approved by the Director of the Division of Budget and Accounting pursuant to that section shall be

provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

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>3,588,000</u>
Total Appropriation, Economic Regulation	<u>\$4,188,000</u>
Personal Services:	
Salaries and Wages	(\$876,000)
Employee Benefits	(298,000)
Materials and Supplies	(51,000)
Services Other Than Personal	(2,161,000)
Maintenance and Fixed Charges	(110,000)
Special Purpose:	
Division of Gas Expansion	(600,000)
Diamond Shamrock Administration	(42,000)
Additions, Improvements and Equipment	(50,000)

80 Special Government Services
82 Protection of Citizens' Rights

57-2048 Trial Services to Indigents and Special Programs	<u>\$1,228,000</u>
Total Appropriation, Protection of Citizens' Rights	<u>\$1,228,000</u>
Personal Services:	
Salaries and Wages	(\$69,000)
Employee Benefits	(19,000)
Materials and Supplies	(1,000)
Special Purpose:	
State Legal Services Office	(1,000)
State Aid and Grants	(1,138,000)

Total Appropriation, Department of the Treasury \$5,416,000

98 THE JUDICIARY
10 Public Safety and Criminal Justice
15 Judicial Services

05-9730 Family Courts	\$31,554,000
05-9853 Family Courts	450,000
05-9903 Family Courts	450,000
07-9740 Probation Services	56,399,000
11-9760 Trial Court Services	<u>4,550,000</u>
Total Appropriation, Judicial Services	<u>\$93,403,000</u>
Personal Services:	
Salaries and Wages	(\$59,212,000)
Employee Benefits	(20,574,000)
Materials and Supplies	(10,000)
Services Other Than Personal	(3,778,000)
Special Purpose:	
NJ Court Improvement Database	(350,000)
NJ Court Improvement Training	(350,000)
Essex Family Drug Court	(450,000)
Sussex Family Drug Court	(450,000)

NJ State Court Improvement Grant	(475,000)
State Access and Visitation Program	(254,000)
State Aid and Grants	(7,500,000)
Total Appropriation, Judiciary	<u>\$93,403,000</u>
Total Appropriation, Federal Funds	<u>\$10,197,242,726</u>

Notwithstanding the provisions of any State law or regulation 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 the approval of 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% of unanticipated grant awards, and up to 25% 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, and any such grants intended to prevent threats to homeland security up to 100% of previously anticipated or unanticipated grant award amounts for which no State matching funds are required, 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 at the end of the preceding fiscal year of federal funds are appropriated for the same purposes. The Director of the Division of Budget and Accounting shall inform the Legislative Budget and Finance Officer by November 1, 2007 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, 2008, reports on proposed expenditures during the current fiscal year 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.

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.

Notwithstanding the provisions of any law, regulation or Executive Order to the contrary, any purchase by the State or by a State agency or local government unit of equipment, goods or services related to homeland security and domestic preparedness, that is paid for or reimbursed by federal funds awarded by the U.S. Department of Homeland Security or other federal agency, appropriated in the current fiscal year, may be made through the receipt of public bids or as an alternative to public bidding and subject to the provisions of this paragraph, through direct purchase without advertising for bids or rejecting bids already received but not awarded. The equipment, goods or services purchased by a local government unit shall be referred to in the grant agreement issued by the State administrative agency administering such funds and shall be authorized by resolution of the governing body of the local government unit entering into the grant agreement. Such resolution may, without subsequent action of the local governing body, simultaneously accept the grant from the State administrative agency, authorize the insertion of the revenue and offsetting appropriation in the budget of the local government unit, and authorize the contracting agent of the local government unit to procure the equipment, goods or services. A copy of such resolution shall be filed with the chief financial officer of the local government unit, the State Administrative agency and the Division of Local Government Services in the Department of Community Affairs. Purchases made without public bidding shall be from vendors that shall either (1) be holders of a current State contract for the equipment, goods or services sought, or (2) be participating in a federal procurement program established by a federal department or agency, or (3) have been approved by the State Treasurer in consultation with the New Jersey Domestic Security Preparedness Task Force. All homeland security purchases herein shall continue to be subject to all grant requirements and conditions approved by the State administrative agency. The Director of the Division of Purchase and Property may enter into or participate in purchasing agreements with one or more other states, or political subdivisions or compact agencies thereof, for the purchase of such equipment, goods or services, using monies appropriated under this act, to meet the domestic preparedness and homeland security needs of this State. Such purchasing agreement may provide for the sharing of costs and the methods of payments relating to such purchases. Furthermore, a county government awarding a contract for Homeland Security equipment, goods or services, may, with the approval of the vendor, extend the terms and conditions of the contract to any other county government that wants to purchase under that contract, subject to notice and documentation requirements issued by the Director of the Division of Local Government Services.

Of the amounts appropriated for Income Maintenance Management, amounts may be transferred to the various departments in accordance with the Division of Family Development's agreements, subject to the approval of the Director of the Division of Budget and Accounting. Any unobligated balances remaining from funds transferred to the departments shall be transferred back to the Division of Family Development subject to the approval of the Director of the Division of Budget and Accounting.

Grand Total Appropriation, All Funds \$43,668,156,726

2. All dedicated funds are hereby appropriated for their dedicated purposes. 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 at the end of the preceding fiscal year 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 at the end of the preceding fiscal year 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. 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.

10. 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.

11. The unexpended balances at the end of the preceding fiscal year 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.

12. The unexpended balances at the end of the preceding fiscal year in the Capital Construction accounts for all departments and agencies are appropriated.

13. Unless otherwise provided, unexpended balances at the end of the preceding fiscal year in accounts of appropriations enacted subsequent to April 1, 2007 are appropriated.

14. The unexpended balances at the end of the preceding fiscal year in accounts that are funded by Interfund Transfers are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

15. Notwithstanding any provisions in this act or the provisions of any law or regulation to the contrary, no unexpended balances at the end of the preceding fiscal year 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.

16. The administrative costs of the Special Education Medicaid Initiative (SEMI) and the Medicaid Administrative Claiming (MAC) 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.

17. The following transfer of appropriations rules are in effect for the current fiscal year:

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 or Judicial branches 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 Interdepartmental Accounts program classification and transfers from the appropriations to the various accounts in the category of Salary Increases and Other Benefits, both in the Interdepartmental Accounts, shall not be subject to legislative approval or disapproval.

18. 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 therefore, 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.

19. 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 February 22, 2007.

20. 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 \$2,500, as shall be specified by Circular Letter.

21. 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.

22. 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.

23. 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, data processing, 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 or credited 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, or to reimburse the Department of the Treasury, an Inter-Departmental account, or the General Fund for reductions made representing statewide savings in the above expense classifications, as the director shall determine. Receipts in any non-State funds are appropriated for the purpose of such transfer.

24. 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, or disaster. In addition, there are appropriated such additional sums as may be necessary for emergency repairs and reconstruction of State facilities or property, subject to the approval of the Director of the Division of Budget and Accounting and the Joint Budget Oversight Committee. Appropriations referred to the Joint Budget Oversight Committee shall be deemed approved unless a resolution of disapproval is adopted within 10 working days of receipt of notification of the proposed appropriation.

25. 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.

26. 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.

27. 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.

28. 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.

29. 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.

30. 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).

31. 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.

32. 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.

33. 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.

34. The Director of the Division of Budget and Accounting may, upon application therefore, 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 therefore, and the money thus allotted shall be disbursed by such custodian who shall require a receipt therefore from all persons obtaining money from the fund. The director shall make regulations governing disbursement from petty cash funds.

35. 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.

36. Notwithstanding the provisions of any law or regulation to the contrary, 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 and such sums as are necessary shall be appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

37. 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.

38. 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.

39. 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.

40. Notwithstanding the provisions of any law or regulation 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 17.5% of claims approved by the State by June 30.

41. Notwithstanding the provisions of any law or regulation to the contrary, each local school district that participates in the Medicaid Administrative Claiming (MAC) initiative shall receive a percentage of the federal revenue realized for current year claims. The percentage share shall be 17.5% of claims approved by the State by June 30.

42. 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.

43. State agencies shall prepare and submit a copy of their agency or departmental budget requests for Fiscal Year 2009 by October 1, 2007 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, 2007, and updated spending plans on February 1, and May 1, 2008. The spending plans shall account for any changes in departmental spending which differ from this appropriations 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.

44. 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.

45. 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 2008 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.

46. 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.

47. 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 at the end of the preceding fiscal year in the Tobacco Settlement Fund are appropriated. The Tobacco Settlement Fund shall be the repository for 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 shall be excluded when calculating deposits to the Surplus Revenue Fund pursuant to P.L.1990, c.44 (C.52:9H-14 et seq.).

48. Notwithstanding the provisions of any law or regulation to the contrary, 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.

49. With respect to appropriations provided to various departments for services provided by the Office of Information Technology, 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.

50. Notwithstanding the provisions of section 29 of P.L.1983, c.303 (C.52:27H-88), or any law or regulation to the contrary, interest earned in the current fiscal year on balances in the Enterprise Zone Assistance Fund, shall be credited to the General Fund.

51. Notwithstanding the provisions of any law or regulation to the contrary, funds may be transferred from the State Disability Benefits Fund to the General Fund during the

current fiscal year, which 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 and Workforce Development, subject to the approval of the Director of the Division of Budget and Accounting.

52. There is appropriated \$600,000 from the Casino Simulcasting Fund for transfer to the Casino Revenue Fund.

53. 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.

54. 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.

55. Notwithstanding the provisions of any departmental language or statute, no receipts in excess of those anticipated or appropriated as provided in the Departmental Revenue Statements (BB-103's) in the fiscal 2008 budget submission are available for expenditure until a comprehensive expenditure plan is submitted to and approved by the Director of the Division of Budget and Accounting.

56. Such sums as may be necessary are appropriated or transferred from existing appropriations for the purpose of promoting awareness to increase participation in programs that are administered by the State subject to the approval of the Director of the Division of Budget and Accounting.

57. There are appropriated such additional sums as may be required to pay the amount of any civil penalty imposed on a State officer, employee or custodian pursuant to section 12 of P.L.2001, c.404 (C.47:1A-11), as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.

58. Receipts derived from the provision of copies and other materials related to compliance with P.L.2001, c.404, are appropriated for the purpose of offsetting agency and departmental expenses of complying with the public access law, subject to the approval of the Director of the Division of Budget and Accounting.

59. Notwithstanding the provisions of any law or regulation to the contrary, there is appropriated from the Universal Service Fund \$72,570,000 for transfer to the General Fund as State revenue.

60. Notwithstanding the provisions of section 32 of P.L.2002, c.40 (C.52:9H-38) to the contrary, revenues derived from the corporation business tax during the preceding fiscal year shall not be credited to the "Corporation Business Tax Excess Revenue Fund" but shall be available as undesignated funds in the General Fund except as are dedicated by Article VIII, Section II, paragraph 6 of the State Constitution.

61. Any qualifying State aid or Grants-In-Aid appropriation, or part thereof, made from the General Fund may be transferred and recorded as an appropriation from the Casino Revenue 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 Casino Revenue Fund, as determined by the State Treasurer, is sufficient to support the expenditure.

62. Providing that the contributions made during the current fiscal year by the University of Medicine and Dentistry of New Jersey and its affiliates to the University of Medicine and Dentistry of New Jersey - Self Insurance Reserve Fund is equal to the amount established in a memorandum of agreement between the Department of the Treasury and the University, and if after such amount having been contributed, the receipts deposited within the University of Medicine and Dentistry of New Jersey's Self Insurance Reserve Fund are insufficient to pay claims expenditures, there is appropriated from the General Fund to the Self Insurance Reserve Fund such sums as may be necessary to pay the remaining claims, subject to the approval of the Director of the Division of Budget and Accounting.

63. In addition to any amounts hereinabove appropriated to pay debt service on bonds, notes and other obligations by the various independent authorities, payment of which is to be made by the State subject to appropriation pursuant to a contract with the State Treasurer or pursuant to a lease with a State department, there is hereby appropriated such additional 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 or leases, as applicable.

64. All proceeds derived from the sale of real property shall be deposited in the General Fund, and notwithstanding the provisions of any law or regulation to the contrary there are appropriated from the proceeds of the sale of real property such sums as may be determined by the State Treasurer to the department which formerly owned or operated the asset for the purpose of capital improvements, purchase of equipment, or other program expenses, subject to the approval of the Director of the Division of Budget and Accounting.

65. Monies appropriated pursuant to this act to counties, municipalities or school districts as State grants or State Aid may, in addition to the uses specifically provided under this act, be used for purposes of implementing best practices adopted by the New Jersey Domestic Security Preparedness Task Force.

66. The unexpended balances at the end of the preceding fiscal year for the Statewide Local Domestic Preparedness Equipment Grant Program are appropriated subject to the same conditions and limitations imposed pursuant to P.L.2004, c.71, subject to the approval of the Director of the Division of Budget and Accounting.

67. If any law requires annual State funding, and if the amount of the funding in this act is insufficient to meet the requirement, the statutory requirement shall be deemed to be suspended for the current fiscal year to the extent that the funding is insufficient.

68. Such sums as may be required to initiate the implementation of information systems development or modification during the current fiscal year to support fees, fines or other revenue enhancements, or to initiate cost savings or budget efficiencies that are to be implemented during the fiscal year ending June 30, 2009 and that are proposed in the Governor's Budget Recommendation Document for the fiscal year ending June 30, 2009, shall be transferred between appropriate accounts subject to the approval of the Director of the Division of Budget and Accounting.

69. Notwithstanding the provisions of any law or regulation to the contrary, no funding shall be provided by any program supported in part or in whole by State funding for erectile dysfunction medications for individuals who are registered on New Jersey's Sex Offender Registry.

70. Due to opportunities for increased recoveries in the Department of Human Services, unexpended balances carried forward are appropriated to the developmental centers in the Department of Human Services, subject to the approval of the Director of the Division of Budget and Accounting. For the purposes of the "State Appropriations Limitation Act," P.L.1990 (C.52:9H-24 et seq.), the amounts carried forward in these accounts and amounts carried forward in the State Employees Health Benefits accounts shall be deemed a "Base Year Appropriation."

71. The amounts appropriated herein for employee fringe benefits in Inter-Departmental Direct State Services and Grants-in-Aid; Department of Education State Aid; and Department of the Treasury State Aid may be transferred between accounts for the same purposes, as the Director of the Division of Budget and Accounting shall determine.

72. There is appropriated \$75,000,000 from the State Disability Benefits Fund for transfer to the General Fund as State revenue.

73. Notwithstanding the provisions of P.L.2000, c.12, or any law or regulation to the contrary, funds may be transferred from the Tobacco Settlement Fund to the General Fund during the fiscal year ending June 30, 2008, which transfer amount shall be based upon the available balances in the Tobacco Settlement Fund, subject to the approval of the Director of the Division of Budget and Accounting.

74. Notwithstanding the provisions of sections 5 and 6 of P.L.1990, c.44 (C.52:9H-18 and 52:9H-19) or any law or regulation to the contrary, there may be transferred from the Surplus Revenue Fund to the General Fund an amount equal to the credit made to the Surplus Revenue Fund during the 2007 fiscal year, but not in excess of \$100,000,000, as revenue for general State purposes, subject to the approval of the Director of the Division of Budget and Accounting.

75. There are appropriated such sums as may be necessary for legal and engineering fees, financial advisors and other consultants and services associated with, as well as any other costs determined necessary in preparation for, the monetization or lease of public assets, subject to the approval of the Director of the Division of Budget and Accounting.

76. Notwithstanding the provisions of P.L.2004, c.68 (C.34:1B-21.16 et seq.) or any law or regulation to the contrary, funds remaining in the Dedicated Cigarette Tax Revenue Fund at the end of the current fiscal year are appropriated from such fund for transfer to the General Fund as State revenue.

77. The unexpended balances at the end of the preceding fiscal year in accounts that provide matching State funds in the various departments and agencies are appropriated in order to provide State authority to match federal grants that have project periods extending beyond the current State fiscal year.

78. This act shall take effect July 1, 2007.

Approved June 28, 2007.

CHAPTER 112

AN ACT concerning the reduction of greenhouse gases, supplementing Title 26 of the Revised Statutes, and amending P.L.1999, c.23.

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

C.26:2C-37 Short title.

1. This act shall be known and may be cited as the “Global Warming Response Act.”

C.26:2C-38 Findings, declarations relative to greenhouse gas emissions.

2. The Legislature finds and declares that internationally the issue of global warming has caused alarm, awareness, and action concerning climate changes occurring around the globe attributed to the high level of certain gases called “greenhouse gases” – gases that increase temperatures in the atmosphere and the risk of catastrophic changes to the Earth’s ecosystems and environment; that, while this global warming may be a theory to some, the effects of increasing levels of greenhouse gases in the atmosphere are accepted by many respected scientists and members of the international community as seriously detrimental to the ecosystems and environment of the world; that, ultimately, if steps are not taken to reverse these trends, the effects on human, animal and plant life on Earth may be catastrophic; that solutions exist to halt the increasing of greenhouse gases in the atmosphere and reduce these emissions; that, as a global issue, each country and region within a country must do its part to reduce these greenhouse gases that threaten the globe; and that, as a State, there are specific actions that can be taken to attack the problem of global warming, through reductions of greenhouse gas emissions in the State and participation in regional and interstate initiatives to reduce these emissions regionally, nationally, and internationally.

The Legislature therefore finds and declares that it is in the public interest to establish a greenhouse gas emissions reduction program to limit the level of Statewide greenhouse gas emissions, and greenhouse gas emissions from electricity generated outside the State but consumed in the State, to the 1990 level or below, of those emissions by the year 2020, and to reduce those emissions to 80% below the 2006 level by the year 2050.

C.26:2C-39 Definitions relative to greenhouse gas emissions.

3. For the purposes of this act:

“Department” means the Department of Environmental Protection.

“Greenhouse gas” means carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and any other gas or substance determined by the Department of Environmental Protection to be a significant contributor to the problem of global warming.

“Statewide greenhouse gas emissions” means the sum of calendar year emissions of greenhouse gases from all sources within the State, and from electricity generated outside the State but consumed in the State, as determined by the department pursuant to subsection c. of section 5 of this act.

“2020 limit” means the level of greenhouse gas emissions equal to the 1990 level of Statewide greenhouse gas emissions.

“2050 limit” means the level of greenhouse gas emissions equal to 80 percent less than the 2006 level of Statewide greenhouse gas emissions.

C.26:2C-40 Limit on Statewide greenhouse gas emissions mandated for 2020, 2050.

4. a. No later than January 1, 2020, the level of Statewide greenhouse gas emissions shall be reduced to, or below, the 2020 limit. No later than January 1, 2050, the greenhouse gas emissions in the State shall be stabilized at or below the 2050 limit and shall not exceed that level thereafter. The department shall consider the economic impact upon the State and upon the emitters of a greenhouse gas for any measure imposed to meet the 2020 limit and the 2050 limit.

b. No later than one year after the date of enactment of this act, the department shall establish:

- (1) an inventory of the current and 2006 Statewide greenhouse gas emissions; and
- (2) an inventory of the 1990 level of Statewide greenhouse gas emissions.

C.26:2C-41 Rules, regulations for monitoring, reporting emissions.

5. a. No later than January 1, 2009, the department shall adopt, pursuant to the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations establishing a greenhouse gas emissions monitoring and reporting program to monitor and report Statewide greenhouse gas emissions.

b. The rules and regulations adopted pursuant to subsection a. of this section shall identify all significant sources of Statewide greenhouse gas emissions and shall provide for, but need not be limited to, the following:

- (1) monitoring and reporting of existing emissions and changes in emissions over time from the sources identified by the department;

(2) reporting the levels of those emissions and changes in those emissions levels annually, commencing on January 1, 2009; and

(3) monitoring progress toward the 2020 limit and the 2050 limit.

c. Pursuant to the rules and regulations adopted pursuant to subsection a. of this section, the department shall require reporting of the greenhouse gas emissions:

(1) associated with fossil fuels used in the State, as reported by entities that are manufacturers and distributors of fossil fuels, which may include, but need not be limited to, oil refineries, oil storage facilities, natural gas pipelines, and fuel wholesale and retail distributors;

(2) from any entity generating electricity in the State and from any entity that generates electricity outside the State that is delivered for end use in the State. With respect to electricity generated outside the State and imported into the State, the department shall determine the emissions from that generation by subtracting the kilowatt-hours of electricity generated in the State from the kilowatt-hours of electricity consumed in the State, and multiplying the difference by a default emissions rate determined by the department;

(3) from any gas public utility as defined in section 3 of P.L.1999, c.23 (C.48:3-51); and

(4) from any additional entities that are significant emitters of greenhouse gases, as determined by the department, and as appropriate to enable the department to monitor compliance with progress toward the 2020 limit and the 2050 limit.

C.26:2C-42 Evaluation of policies, measures for achievement of 2020 limit, 2050 limit; reports.

6. a. The department, in consultation with the Board of Public Utilities, the Department of Agriculture, the Department of Transportation, and the Department of Community Affairs, shall evaluate policies and measures that will enable the State to achieve the 2020 limit, shall make specific recommendations on how to achieve the emission reduction targets, including measures that reduce emissions in all sectors of the economy including transportation, housing, and consumer products, and shall evaluate the economic benefits and costs of implementing these recommendations. The department shall coordinate its evaluation of greenhouse gas emission reduction policies and measures with the work of the Energy Master Plan Committee established pursuant to section 12 of P.L.1977, c.146 (C.52:27F-14).

b. No later than June 30, 2008, the department, and any other State agencies, as appropriate, shall prepare a report recommending the measures necessary to reduce greenhouse gas emissions to achieve the 2020 limit.

The report shall include specific recommendations for legislative and regulatory action that will be necessary to achieve the 2020 limit. The report shall be transmitted to the Governor, to the State Treasurer, to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) and to the members of the Senate Environment Committee and the Assembly Environment and Solid Waste Committee.

c. No later than June 30, 2010, the department, and any other State agencies, as appropriate, shall prepare a report recommending the measures necessary to reduce greenhouse gas emissions to achieve the 2050 limit. The report shall include specific recommendations for legislative and regulatory action that will be necessary to achieve the 2050 limit. The report shall also include recommendations for additional policies and measures that will be required if the State is otherwise expected to exceed the 2020 limit and any additional measures that will be required to meet the 2050 limit. The report shall be transmitted to the Governor, to the State Treasurer, to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) and to the members of the Senate Environment Committee and the Assembly Environment and Solid Waste Committee.

d. The Energy Master Plan Committee shall include in its adoption of the first update of the energy master plan completed after the date of enactment of this act, a list of recommended policies and measures to reduce the emission of greenhouse gases from the production, processing, distribution, transmission, storage, or use of energy that will contribute to achieving the 2020 limit.

e. Nothing in this act shall impose any limit on the existing authority of the department, the Board of Public Utilities, or any other State department or agency to limit or regulate greenhouse gas emissions pursuant to law.

C.26:2C-43 Transmission of biennial report on greenhouse gas emission statistics; 2015 evaluation.

7. a. No later than January 1, 2009, and biennially thereafter, the department shall prepare and transmit, in writing, a report to the Governor, to the State Treasurer, to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) and to the members of the Senate Environment Committee and the Assembly Environment and Solid Waste Committee, on the status of the greenhouse gas emissions monitoring and reporting program established pursuant to this act, the current level of greenhouse gas emissions in the State and the progress made toward compliance with the 2020 limit and the 2050 limit established pursuant to this act. The report shall

also include updated and comparative inventories of Statewide greenhouse gas emissions.

b. No later than January 1, 2015, the department shall evaluate the ecological, economic, and environmental factors and the technological capability affecting the attainment or maintenance of the 2020 limit and the 2050 limit established pursuant to this act.

8. Section 38 of P.L. 1999, c.23 (C.48:3-87) is amended to read as follows:

C.48:3-87 Environmental disclosure requirements; standards; terms defined.

38. a. The board shall require an electric power supplier or basic generation service provider to disclose on a customer's bill or on customer contracts or marketing materials, a uniform, common set of information about the environmental characteristics of the energy purchased by the customer, including, but not limited to:

(1) Its fuel mix, including categories for oil, gas, nuclear, coal, solar, hydroelectric, wind and biomass, or a regional average determined by the board;

(2) Its emissions, in pounds per megawatt hour, of sulfur dioxide, carbon dioxide, oxides of nitrogen, and any other pollutant that the board may determine to pose an environmental or health hazard, or an emissions default to be determined by the board; and

(3) Any discrete emission reduction retired pursuant to rules and regulations adopted pursuant to P.L.1995, c.188.

b. Notwithstanding any provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the board shall initiate a proceeding and shall adopt, in consultation with the Department of Environmental Protection, after notice and opportunity for public comment and public hearing, interim standards to implement this disclosure requirement, including, but not limited to:

(1) A methodology for disclosure of emissions based on output pounds per megawatt hour;

(2) Benchmarks for all suppliers and basic generation service providers to use in disclosing emissions that will enable consumers to perform a meaningful comparison with a supplier's or basic generation service provider's emission levels; and

(3) A uniform emissions disclosure format that is graphic in nature and easily understandable by consumers. The board shall periodically review the disclosure requirements to determine if revisions to the environmental disclosure system as implemented are necessary.

Such standards shall be effective as regulations immediately upon filing with the Office of Administrative Law and shall be effective for a period not to exceed 18 months, and may, thereafter, be amended, adopted or readopted by the board in accordance with the provisions of the "Administrative Procedure Act."

c. (1) The board may adopt, in consultation with the Department of Environmental Protection, after notice and opportunity for public comment, an emissions portfolio standard applicable to all electric power suppliers and basic generation service providers, upon a finding that:

(a) The standard is necessary as part of a plan to enable the State to meet federal Clean Air Act or State ambient air quality standards; and

(b) Actions at the regional or federal level cannot reasonably be expected to achieve the compliance with the federal standards.

(2) If a State department or agency adopts regulations to implement a State policy or an interstate or regional agreement to reduce Statewide greenhouse gas emissions related to electricity generation, then the board shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a greenhouse gas emissions portfolio standard to mitigate leakage or another regulatory mechanism to mitigate leakage applicable to all electric power suppliers and basic generation service providers that provide electricity to customers within the State. Any regulation to mitigate leakage shall:

(a) Allow a transition period, either before or after the effective date of the regulation to mitigate leakage, for a basic generation service provider or electric power supplier to either meet the emissions portfolio standard or other regulatory mechanism to mitigate leakage, or to transfer any customer to a basic generation service provider or electric power supplier that meets the emissions portfolio standard or other regulatory mechanism to mitigate leakage. If the transition period allowed pursuant to this subparagraph occurs after the implementation of an emissions portfolio standard or other regulatory mechanism to mitigate leakage, the transition period shall be no longer than three years; and

(b) Exempt the provision of basic generation service pursuant to a basic generation service purchase and sale agreement effective prior to the date of the regulation.

d. Notwithstanding any provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the board shall initiate a proceeding and shall adopt, after notice, provision of the opportunity for comment, and public hearing, interim renewable energy portfolio standards that shall require:

(1) that two and one-half percent of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider be from Class I or Class II renewable energy sources; and

(2) beginning on January 1, 2001, that one-half of one percent of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider be from Class I renewable energy sources. The board shall increase the required percentage for Class I renewable energy sources so that by January 1, 2006, one percent of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider shall be from Class I renewable energy sources and shall additionally increase the required percentage for Class I renewable energy sources by one-half of one percent each year until January 1, 2012, when four percent of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider shall be from Class I renewable energy sources.

An electric power supplier or basic generation service provider may satisfy the requirements of this subsection by participating in a renewable energy trading program approved by the board in consultation with the Department of Environmental Protection.

Such standards shall be effective as regulations immediately upon filing with the Office of Administrative Law and shall be effective for a period not to exceed 18 months, and may, thereafter, be amended, adopted or readopted by the board in accordance with the provisions of the "Administrative Procedure Act."

e. Notwithstanding any provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the board shall initiate a proceeding and shall adopt, after notice, provision of the opportunity for comment, and public hearing:

(1) net metering standards for electric power suppliers and basic generation service providers. The standards shall require electric power suppliers and basic generation service providers to offer net metering at non-discriminatory rates to residential and small commercial customers that generate electricity, on the customer's side of the meter, using wind or solar photovoltaic systems for the net amount of electricity supplied by the electric power supplier or basic generation service provider over an annualized period. Where the amount of electricity generated by the customer-generator plus any kilowatt hour credits held over from the previous billing periods exceed the electricity supplied by the electric power supplier or basic generation service provider, the electric power supplier or basic generation service provider, as the case may be, shall credit the customer for the

excess kilowatt hours until the end of the annualized period at which point the customer-generator will be compensated for any remaining credits at the electric power supplier's or basic generation service provider's avoided cost of wholesale power. The board may authorize an electric power supplier or basic generation service provider to cease offering net metering whenever the total rated generating capacity owned and operated by net metering customer-generators Statewide equals 0.1 percent of the State's peak electricity demand or the annual aggregate financial impact to electric power suppliers and basic generation service providers Statewide, as determined by the board, exceeds \$2,000,000, whichever is less; and

(2) safety and power quality interconnection standards for wind and solar photovoltaic systems that shall be eligible for net metering.

Such standards shall take into consideration the standards of other states and the Institute of Electrical and Electronic Engineers and shall allow customers to use a single, non-demand, non-time differentiated meter.

Such standards shall be effective as regulations immediately upon filing with the Office of Administrative Law and shall be effective for a period not to exceed 18 months, and may, thereafter, be amended, adopted or readopted by the board in accordance with the provisions of the "Administrative Procedure Act."

f. The board may assess, by written order and after notice and opportunity for comment, a separate fee to cover the cost of implementing and overseeing an emission disclosure system or emission portfolio standard, which fee shall be assessed based on an electric power supplier's or basic generation service provider's share of the retail electricity supply market. The board shall not impose a fee for the cost of implementing and overseeing a greenhouse gas emissions portfolio standard adopted pursuant to paragraph (2) of subsection c. of this section, the electric energy efficiency portfolio standard adopted pursuant to subsection g. of this section, or the gas energy efficiency portfolio standard adopted pursuant to subsection h. of this section.

g. The board may adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), an electric energy efficiency portfolio standard that may require each electric public utility to implement energy efficiency measures that reduce electricity usage in the State by 2020 to a level that is 20 percent below the usage projected by the board in the absence of such a standard. Nothing in this section shall be construed to prevent an electric public utility from meeting the requirements of this section by contracting with another entity for the performance of the requirements.

h. The board may adopt, pursuant to the “Administrative Procedure Act,” a gas energy efficiency portfolio standard that may require each gas public utility to implement energy efficiency measures that reduce natural gas usage for heating in the State by 2020 to a level that is 20 percent below the usage projected by the board in the absence of such a standard. Nothing in this section shall be construed to prevent a gas public utility from meeting the requirements of this section by contracting with another entity for the performance of the requirements.

i. As used in this section:

“Energy efficiency portfolio standard” means a requirement to procure a specified amount of energy efficiency or demand side management resources as a means of managing and reducing energy usage and demand by customers.

“Greenhouse gas emissions portfolio standard” means a requirement that addresses or limits the amount of carbon dioxide emissions indirectly resulting from the use of electricity as applied to any electric power suppliers and basic generation service providers of electricity.

“Leakage” means an increase in greenhouse gas emissions related to generation sources located outside of the State that are not subject to a state, interstate or regional greenhouse gas emissions cap or standard that applies to generation sources located within the State.

C.26:2C-44 Designation of independent research panel to review agency reports.

9. a. No later than June 30, 2008, the department shall designate an independent research review panel consisting of economists, business managers, nonprofit environmental organization representatives, and public officials, and scientists from academia, industry and the government, to review the recommendations and evaluations submitted by the department and any other State agencies, as appropriate, in the reports required pursuant to section 6 of this act.

b. The independent research review panel shall review the recommendations and evaluations of the department and any other State agencies, as appropriate, and shall, within 12 months of the date of transmittal of the reports required pursuant to section 6 of this act, prepare and transmit a report evaluating the ecological, economic and social impact of the proposed recommendations submitted by the department and any other State agencies, as appropriate, to the Governor, to the State Treasurer, to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) and to the members of the Senate Environment Committee and the Assembly Environment and Solid Waste Committee.

c. This section shall not be construed to affect the requirements of the greenhouse gas emissions monitoring and reporting program or the department's administration of the program established pursuant to this act.

10. This act shall take effect immediately.

Approved July 6, 2007.

CHAPTER 113

AN ACT concerning the sale, use, and burning of creosote or creosote-treated wood, and supplementing Title 13 of the Revised Statutes.

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

C.13:1K-36 Findings, declarations, determinations relative to sale, use, burning of creosote.

1. The Legislature finds and declares that creosote, commonly used as a wood preservative to repel insects and prevent rot and water damage of wood and wooden structures, is a hazardous substance, is recognized by the United States Environmental Protection Agency as a carcinogen and regulated as a restricted-use pesticide, and is composed of over 300 chemicals known to pose a threat to the environment and human health; that leakage of creosote from industrial and other hazardous waste sites and seepage from in-use creosote-treated wood have led to the contamination of soil and groundwater; and that ingestion of water, plant material, or animal tissues contaminated with creosote or absorption of creosote through the skin may result in skin irritation, chemical burns, convulsions and mental confusion, liver or kidney disease, damage to the nervous or reproductive systems, development of skin cancer, or, in extreme cases, death.

The Legislature therefore determines that it is in the public interest to prohibit the sale, use, and burning of creosote and creosote-treated wood products.

C.13:1K-37 "Creosote," "utility company" defined.

2. As used in this act:

"Creosote" means the substance produced by the high temperature treatment of coal tar and used primarily as a wood preservative.

“Utility company” means any public utility company as defined by R.S.48:2-13.

C.13:1K-38 Sale, use of certain creosote products prohibited.

3. On or after July 1, 2007 neither creosote nor any wood or other product treated with or containing creosote shall be sold, offered for sale, or used in this State. Nothing in this section shall prohibit the removal, demolition or repair of existing structures that contain products treated with or containing creosote.

C.13:1K-39 Burning, disposal of certain creosote products prohibited.

4. On or after July 1, 2007 neither creosote nor any wood or other product treated with or containing creosote shall be burned in any manner in this State, including in fireplaces and stoves, or shall be disposed of in this State, except in a landfill properly lined to prevent groundwater contamination.

C.13:1K-40 Inapplicability of act.

5. The provisions of this act shall not apply to:
- a. the operation, use or maintenance of railroad and railroad shipping facilities, including but not limited to, the right of way, tracks, track siding, team tracks and bridges; or
 - b. the operation, use or maintenance of any new or existing power pole or facility owned or used, in whole or in part, by any utility company.

C.13:1K-41 Violations, penalties, civil actions.

6. a. Any person who violates this act shall be subject to a civil penalty of \$500 for the first offense and \$1,000 for the second or subsequent offense, to be collected in a civil action by a summary proceeding under the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.). If the violation is of a continuing nature, each day during which it continues shall constitute an additional, separate and distinct offense.

b. The Department of Environmental Protection may institute a civil action for injunctive relief to enforce this act and to prohibit and prevent a violation of this act, and the court may proceed in the action in a summary manner.

C.13:1K-42 Rules, regulations; temporary waivers.

7. a. The Department of Environmental Protection shall adopt, pursuant to the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations, as appropriate, to implement the provisions of this act.

b. The department shall have the authority to temporarily waive the provisions of this act on a case by case basis if it is determined by the department to be necessary to meet the construction and reconstruction need as a result of a declared state of emergency. The waiver, once granted by the department, shall expire within one year after receipt of the waiver.

8. This act shall take effect immediately.

Approved July 13, 2007.

CHAPTER 114

AN ACT concerning the classification of construction employees for certain purposes and supplementing Title 34 of the Revised Statutes.

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

C.34:20-1 Short title.

1. This act shall be known and may be cited as the “Construction Industry Independent Contractor Act.”

C.34:20-2 Findings, declarations relative to classification of construction employees.

2. The Legislature finds that employers in the construction industry who improperly classify employees as independent contractors deprive these workers of proper Social Security benefits and other benefits, while reducing the employers’ State and federal tax withholdings and related obligations. Moreover, this practice puts businesses that bear higher costs for complying with the law at a competitive disadvantage.

C.34:20-3 Definitions relative to classification of construction employees.

3. For purposes of this act:

“Employer” means a partnership, association, joint stock company, trust, corporation, or other legal business entity or successor thereof who is primarily engaged in the business of, or enters into a contract for, making improvements to real property and includes any subcontractor or lower tier contractor.

“Public body” means the State of New Jersey, any of its political subdivisions, any authority created by the Legislature of the State of New Jer-

sey and any instrumentality or agency of the State of New Jersey or of any of its political subdivisions.

"Public work" means construction, reconstruction, demolition, alteration, custom fabrication, or repair work, or maintenance work, including painting and decorating, done under contract and paid for in whole or in part out of the funds of a public body, except work performed under a rehabilitation program. "Public work" shall also mean construction, reconstruction, demolition, alteration, custom fabrication, or repair work, done on any property or premises, whether or not the work is paid for from public funds, if, at the time of the entering into of the contract:

(a) Not less than 55% of the property or premises is leased by a public body, or is subject to an agreement to be subsequently leased by the public body; and

(b) The portion of the property or premises that is leased or subject to an agreement to be subsequently leased by the public body measures more than 20,000 square feet.

C.34:20-4 Certain services deemed employment; exceptions.

4. For purposes of the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.), the "unemployment compensation law," R.S.43:21-1 et seq., the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.), the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., or other applicable State tax laws, P.L.1965, c.173 (C.34:11-4.1 et seq.) and the "New Jersey State Wage and Hour Law," P.L.1966, c.113 (C.34:11-56a et seq.), services performed in the making of improvements to real property by an individual for remuneration paid by an employer shall be deemed to be employment unless and until it is shown to the satisfaction of the Department of Labor and Workforce Development that:

a. the individual has been and will continue to be free from control or direction over the performance of that service, both under his contract of service and in fact; and

b. the service is either outside the usual course of the business for which the service is performed, or the service is performed outside of all the places of business of the employer for which the service is performed; and

c. the individual is customarily engaged in an independently established trade, occupation, profession or business.

The failure to withhold federal or State income taxes or to pay unemployment compensation contributions or workers' compensation premiums with respect to an individual's wages shall not be considered in making a determination under this section.

C.34:20-5 Improper classification of construction employees, degree of offense, crime; penalties.

5. a. An employer, or any officer, agent, superintendent, foreman, or employee of the employer who fails to properly classify an individual as an employee in accordance with section 4 of this act, for purposes of the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.), the "unemployment compensation law," R.S.43:21-1 et seq., the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.), the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., P.L.1965, c.173 (C.34:11-4.1 et seq.) or other applicable State tax laws, and the "New Jersey State Wage and Hour Law," P.L.1966, c.113 (C.34:11-56a et seq.), and fails to pay wages, benefits, taxes or other contributions required by any of those acts, shall be:

(1) Guilty of a disorderly persons offense and shall, upon conviction, be fined not less than \$100 nor more than \$1,000 or be imprisoned for not less than 10 nor more than 90 days, or both. Each week, in any day of which an employee is misclassified and each employee so misclassified, shall constitute a separate offense.

(2) If the failure is done knowingly, guilty of a crime of the second degree if the contract amount is for \$75,000 or above; guilty of a crime of the third degree if the contract amount exceeds \$2,500, but is less than \$75,000; and guilty of a crime of the fourth degree if the contract amount is for \$2,500 or less. In addition, the violator shall be deemed to have caused loss to the employees in any amount by which the employees were underpaid in connection with the misclassification and shall be subject to the provisions of N.J.S.2C:43-3 regarding fines and restitution to victims and be subject to other pertinent provisions of Title 2C of the New Jersey Statutes, including, but not limited to, N.J.S.2C:43-4, 2C:43-6 and 2C:44-1.

b. As an alternative to or in addition to any other sanctions provided by law for violations of any provision of this act, when the Commissioner of Labor and Workforce Development finds that an employer has violated this act, the commissioner is authorized to assess and collect administrative penalties, up to a maximum of \$2,500 for a first violation and up to a maximum of \$5,000 for each subsequent violation, specified in a schedule of penalties to be promulgated by regulation by the commissioner in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). When determining the amount of the penalty imposed because of a violation, the commissioner shall consider factors which include the history of previous violations by the employer, the seriousness of the violation, the good faith of the employer and the size of the employer's business. No

administrative penalty shall be levied pursuant to this section unless the Commissioner of Labor and Workforce Development provides the alleged violator with notification of the violation and of the amount of the penalty by certified mail and an opportunity to request a hearing before the commissioner or his designee within 15 days following the receipt of the notice. If a hearing is requested, the commissioner shall issue a final order upon that hearing and a finding that a violation has occurred. If no hearing is requested, the notice shall become a final order upon expiration of the 15-day period. Payment of the penalty is due when a final order is issued or when the notice becomes a final order. Any penalty imposed pursuant to this section may be recovered with costs in a summary proceeding commenced by the commissioner pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

c. Any sum collected as a penalty pursuant to this section shall be applied toward enforcement and administration costs of the Division of Workplace Standards in the Department of Labor and Workforce Development.

d. When the Commissioner of Labor and Workforce Development finds that the employer has violated provisions of this act, the commissioner may refer the matter to the Attorney General or his designee for investigation and prosecution. Nothing in this subsection shall be deemed to limit the authority of the Attorney General to investigate and prosecute violations of the New Jersey Code of Criminal Justice, nor to limit the commissioner's ability to refer any matter for criminal investigation or prosecution.

e. A complaint or indictment under the provisions of subsection a. or subsection d. of this section may be brought in Superior Court in accordance with the Rules of Court of the State of New Jersey.

C.34:20-6 Penalty for knowingly improperly classifying construction employee; debarment.

6. If the Commissioner of Labor and Workforce Development determines, after investigation, that an employer or any officer, agent, superintendent, foreman, or employee of the employer has knowingly failed to properly classify an individual as an employee in accordance with section 4 of this act and failed to pay required wages, benefits, taxes or other contributions, or if a final conviction and disposition of a violation of this act is made pursuant to section 5 of this act in which the violator is found to be guilty of a crime of the second, third or fourth degree, then the commissioner shall place the employer on a list of employers who are prohibited from contracting, directly or indirectly, with any public body for the construction of any public building or other public work projects, or from per-

forming any work on the same, for a period of three years. The commissioner shall give notice by mail of that list to any public body who shall request the commissioner so to do.

In the case of a determination by the commissioner, if the person responsible denies that a failure to properly classify an employee has occurred, he shall have the right to apply to the commissioner for a hearing in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), which shall be afforded and a decision shall be rendered within 48 hours of the request for a hearing. The commissioner may bring an action in Superior Court to enjoin or invalidate any contract award made in violation of this section.

C.34:20-7 Suspension of contractor's registration; notification, hearing, appeal; stop-work order, civil penalty for continued violation.

7. a. If the Commissioner of Labor and Workforce Development determines, after investigation, that an employer failed to properly classify an individual as an employee in accordance with section 4 of this act, the commissioner may order the immediate suspension of a contractor's registration issued pursuant to section 7 of P.L.1999, c.238 (C.34:11-56.54), if the commissioner also determines that ordering an immediate suspension is in the public interest, and provided that the contractor is afforded an opportunity to contest the immediate suspension in the following manner:

(1) The commissioner shall notify the contractor in writing of the immediate revocation and the contractor's rights under this subsection.

(2) The contractor may notify the commissioner of its request for an opportunity to be heard and contest the immediate suspension in writing within 72 hours of its receipt of immediate suspension notification.

(3) Within seven business days of receipt of the notification from the contractor pursuant to paragraph (2) of this subsection, the commissioner shall grant the contractor a hearing to contest the immediate suspension. The commissioner shall permit the contractor to present evidence at the hearing.

(4) The commissioner shall issue a written decision within five business days of the hearing either upholding or reversing the contractor's immediate suspension. The decision shall include the grounds for upholding or reversing the contractor's immediate suspension.

(5) If the contractor disagrees with the written decision, the contractor may appeal the decision to the commissioner, in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

b. If the commissioner orders the immediate suspension of a contractor's registration pursuant to subsection a. of this section, the violation shall

have no effect on the registration of any contractor or subcontractor, regardless of tier, in the contractual chain with the suspended contractor.

c. For a second violation of the provisions of this act, the commissioner shall issue a stop-work order requiring the cessation of all business operations at every site at which the violation occurred within 72 hours of that determination. The order shall take effect when served upon the employer, or, for a particular employer worksite, when served at that worksite. The order shall remain in effect until the commissioner issues an order releasing the stop-work order upon finding that the employer has properly classified the individual as an employee and has paid any penalty assessed under this section. As a condition of release from a stop-work order, the commissioner may require an employer who is found to have failed to properly classify an individual as an employee to file with the department periodic reports for a probationary period that shall not exceed two years that demonstrate the employer's continued compliance with this section. The department shall promulgate rules and regulations to determine filing times and report requirements.

d. For a third or any subsequent violation of the provisions of this act, the commissioner shall issue a stop-work order requiring the cessation of all business operations of the violator within 72 hours of that determination. The order shall take effect when served upon the employer. The order shall remain in effect until the commissioner issues an order releasing the stop-work order upon finding that the employer has properly classified the individual as an employee and has paid any penalty assessed under this section. As a condition of release from a stop-work order, the commissioner may require an employer who is found to have failed to properly classify an individual as an employee, to file with the department periodic reports for a probationary period that shall not exceed two years that demonstrate the employer's continued compliance with this section. The department shall promulgate rules and regulations to determine filing times and report requirements.

e. Stop-work orders and penalty assessment orders issued pursuant to this section against an employer shall be in effect against any successor corporation or business entity that has one or more of the same principals or officers as the employer against whom the stop-work order was issued and which is engaged in the same or equivalent trade or activity.

f. The commissioner may assess a civil penalty of \$5,000 per day against an employer for each day that it conducts business operations that are in violation of a stop-work order issued pursuant to this section.

g. In addition to any other penalties provided for in this section, the commissioner may assess against an employer a civil penalty of \$5,000 for

each individual who the employer failed to properly classify as an employee.

h. If the employer denies that a failure to properly classify an employee has occurred, the employer shall have the right to apply to the commissioner to request a hearing, which shall be afforded and a decision rendered within 48 hours of the request for the hearing.

i. The penalty shall be collected by the commissioner in a summary proceeding in accordance with the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

C.34:20-8 Improper classification of construction worker, civil action by employee.

8. a. No employer shall require or request that any individual enter into an agreement or sign a document which results in the misclassification of the individual as an independent contractor or otherwise does not accurately reflect the employment relationship with the employer.

b. An individual employed as a construction worker who has not been properly classified as an employee may bring a civil action for damages against the employer or any other employer who was in contract with the employee, for failing to properly classify the employee if the employer had knowledge of the misclassification. An individual representative, including a labor organization, may bring the action on behalf of the individual or as a class action. The court may award attorneys fees and other costs of the action in addition to damages to an individual or class of individuals who have not been properly classified as employees in accordance with section 4 of this act.

C.34:20-9 Discrimination, retaliation prohibited.

9. It shall be unlawful for an employer or any other party to discriminate in any manner or take adverse action against any person in retaliation for exercising rights protected under this act. Rights protected under this act include, but are not limited to: the right to file a complaint or inform any person about an employer's noncompliance with this act; the right to inform any person of his potential rights and to assist him in asserting those rights. Any person who in good faith alleges noncompliance with this act shall be afforded the rights provided by this act, notwithstanding his failure on the merits. Taking adverse action against a person within 90 days of the person's exercise of rights protected under this act shall raise a rebuttable presumption of having done so in retaliation for the exercise of those rights.

C.34:20-10 Severability.

10. The provisions of this act shall be deemed to be severable and if any section, subsection, paragraph, sentence or other part of this act is de-

clared to be unconstitutional, or the applicability thereof to any person is held invalid, the remainder of this act shall not thereby be deemed to be unconstitutional or invalid.

C.34:20-11 Rules, regulations.

11. The commissioner shall, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), make and promulgate rules and regulations necessary to implement the purposes of this act.

12. This act shall take effect immediately.

Approved July 13, 2007.

CHAPTER 115

AN ACT concerning civil service examinations and proof of status as a disabled veteran or veteran and amending N.J.S.11A:5-1.

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. 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 and received a determination of status no later than eight days prior to the issuance of an employment list, for which that individual received a passing score on 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 and received a determination of status no later than eight days prior to the issuance of an employment list, for which that individual received a passing score on 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 Northern Watch and Operation Southern Watch, on or after August 27, 1992, or the date of inception of that operation, as proclaimed by the President of the United States, Congress or United States Secretary of Defense, whichever date of inception is earliest, who served in the theater of operation, including in the Arabian peninsula and the Persian Gulf, and in direct support of that operation for a period, continuously or in the aggregate, of at least 14 days in such active service commencing on or before the date of termination of that operation, as proclaimed by the President of the United States, Congress or United States Secretary of Defense, whichever date of termination is the latest; provided, that any person receiving an actual service-incurred injury or disability while engaged in such service shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(11) Operation "Restore Hope" in Somalia, 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, who has served in Somalia 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 commencing on or before March 31, 1994; 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;

(12) Operations "Joint Endeavor" and "Joint Guard" in the Republic of Bosnia and Herzegovina, on or after November 20, 1995, who served in such active service in direct support of one or both of the operations for at least 14 days, continuously or in the aggregate, commencing on or before June 20, 1998, 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;

(13) Operation "Uphold Democracy" in Haiti, on or after September 19, 1994, 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 commencing on or before March 31, 1995, 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;

(14) Operation "Enduring Freedom", on or after September 11, 2001, who served in a theater of operation and in direct support of that operation for a period, continuously or in the aggregate, of at least 14 days in such active service commencing on or before the date the President of the United States or the United States Secretary of Defense designates as the termination date of that operation; provided, that any person receiving an actual service-incurred injury or disability while engaged in such service shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided; and

(15) Operation "Iraqi Freedom", on or after the date the President of the United States or the United States Secretary of Defense designates as the inception date of that operation, who served in Iraq or in another area in the region in direct support of that operation for a period, continuously or in the aggregate, of at least 14 days in such active service commencing on or before the date the President of the United States or the United States Secretary of Defense designates as the termination date of that operation; provided, that any person receiving an actual service-incurred injury or disability while engaged in such service shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

c. "War service" means service by a veteran in any war or conflict described in this chapter during the periods specified.

2. Notwithstanding the provision of any other law to the contrary, status as a disabled veteran or veteran for the purposes of chapter 5 of Title 11A of the New Jersey Statutes with regard to the 2006 Law Enforcement Examination may be established as follows:

a. status as a disabled veteran or veteran established by the Adjutant General of the Department of Military and Veterans' Affairs for a candidate on or after March 30, 2006, the closing date for that examination, and by December 16, 2006 shall be recognized and applied to all certifications issued or to be issued for that examination; and

b. status as a disabled veteran or veteran established by the Adjutant General of the Department of Military and Veterans' Affairs for a candidate on or after December 17, 2006 and by the 60th day after the date of enactment of P.L.2007, c.115 shall be recognized and applied to all certifications issued for that examination after the 60th day of enactment.

3. This act shall take effect on the 60th day after enactment, except that section 2 shall take effect immediately.

Approved July 18, 2007.

CHAPTER 116

AN ACT adopting Article 15 of the Interstate Civil Defense and Disaster Compact and supplementing Title 38A of the New Jersey Statutes.

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

C.38A:20-3.1 Article XV of the Interstate Civil Defense and Disaster Compact on mutual aid.

1. a. This article shall be in effect only as among those states which have enacted it into law or in which the governors have adopted it pursuant to constitutional or statutory authority sufficient to give it the force of law as part of this compact. Nothing contained in this article or in any supplementary agreement made in implementation thereof shall be construed to abridge, impair or supersede any other provision of this compact or any obligation undertaken by a state pursuant thereto, except that if its terms so provide, a supplementary agreement in implementation of this article may modify, expand or add to any such obligation as among the parties to the supplementary agreement.

b. In addition to the occurrences, circumstances and subject matters to which preceding articles of this compact make it applicable, this compact and the authorizations, entitlements and procedures thereof shall apply to:

(1) searches for and rescue of persons who are lost, marooned, or otherwise in danger;

(2) action useful in coping with disasters arising from any cause or designed to increase capability to cope with any such disasters;

(3) incidents, or the imminence thereof, which endanger the health or safety of the public and which require the use of special equipment, trained personnel or personnel in larger numbers than are locally available in order to reduce, counteract or remove the danger;

(4) the giving and receiving of aid by subdivisions of party states;

(5) exercises, drills or other training or practice activities designed to aid personnel to prepare for, cope with, or prevent any disaster or other emergency to which this compact applies.

c. Except as expressly limited by this compact or a supplementary agreement in force pursuant thereto, any aid authorized by this compact or such supplementary agreement may be furnished by any agency of a party state, a subdivision of such state, or by a joint agency of any two or more party states or of their subdivisions. Any joint agency providing such aid shall be entitled to reimbursement therefor to the same extent and in the same manner as a state. The personnel of such a joint agency, when rendering aid pursuant to this compact, shall have the same rights, authority and immunity as personnel of party states.

d. Nothing in this article shall be construed to exclude from the coverage of Articles I through XIV of this compact any matter which, in the absence of this article, could reasonably be construed to be covered thereby.

2. This act shall take effect immediately.

Approved July 18, 2007.

CHAPTER 117

AN ACT authorizing the creation of a debt of the State of New Jersey by the issuance of bonds of the State in the aggregate principal amount of \$450 million for the purpose of financing stem cell research grants, and the costs thereof, for institutions of higher education and other entities in the State conducting scientific and medical research; providing the ways and means to pay and discharge the principal of and interest on the bonds; providing for the submission of this act to the people at a general election; and making an appropriation therefor.

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 "New Jersey Stem Cell Research Bond Act."

2. The Legislature finds and declares that:

a. Millions of people suffer from currently chronic, debilitating and often incurable diseases and conditions, including cancer, diabetes, heart disease, Alzheimer's disease, Huntington's disease, Parkinson's disease, Lou Gehrig's disease, HIV/AIDS, sickle cell anemia and multiple sclerosis, as well as irreversible injuries;

b. New regenerative medical therapies, such as those that include the use of human stem cells, offer immense promise for the development of cures and more effective treatments for many of these devastating diseases and irreversible injuries;

c. It is the policy of this State, as established by P.L.2003, c.203, that stem cell research that is conducted ethically and in accordance with the highest scientific standards shall be permitted;

d. The development of new cures and more effective treatments resulting from stem cell research has the potential to improve the quality of life for New Jersey residents, reduce long-term health care costs and benefit the New Jersey economy;

e. New Jersey, as home to many of the leading corporations and institutions engaged in life sciences, biotechnology and pharmaceutical research, should preserve its leading role in attracting investment in cutting-edge research;

f. The New Jersey Commission on Science and Technology is the most appropriate body to effectively and efficiently allocate research grants among a diverse community of research entities in a manner consistent with the highest level of scientific rigor and quality;

g. Financing these grants will further the public interest by facilitating the transition of basic research into lifesaving clinical applications for New Jersey residents and can most economically be accomplished through a general obligation bond issuance duly approved by the voters of this State;and

h. In accordance with principles of fiscal responsibility and sound financing practices, new State debt should not be issued unless sufficient recurring revenues of the State have been identified to account for the annual debt service obligations related to such bonds.

3. As used in this act:

"Approved research project" means a stem cell research project proposed by an eligible research institution that has been approved by the

commission, the independent research review panel and the independent ethics review panel, pursuant to section 5 of this act;

"Bonds" mean the bonds authorized to be issued, or issued, under this act;

"Commission" means the New Jersey Commission on Science and Technology as established by section 3 of P.L.1985, c.102 (C.52:9X-3);

"Cost" means the expenses incurred in connection with: the procurement of legal, financial, or other professional services, including the services of a bond registrar or an authenticating agent; the issuance of bonds, or any interest or discount thereon; the establishment of a reserve fund or funds for the payment or security of principal or interest on bonds, as the Director of the Division of Budget and Accounting in the Department of the Treasury may determine; the reimbursement to any fund of the State of moneys which may have been transferred or advanced therefrom to any fund created by this act, or of any moneys which may have been expended therefrom for, or in connection with, any approved research project authorized by this act; or any other expenses incurred in connection with the administrative, organizational or operating expenses incident to the financing, completing and placing into service of any stem cell research grant authorized by this act, including the empanelment of qualified experts as required by this act;

"Eligible research institution" means an institution of higher education in the State, State or local government agency, or other public or private entity which has a substantial business presence in the State and conducts scientific and medical research in the State. An eligible research institution shall be approved by the commission, the independent research review panel and the independent ethics review panel, as provided by this act. A for profit entity shall enter into a collaborative agreement with a New Jersey-based nonprofit entity in order to be eligible to receive a stem cell research grant pursuant to this act;

"Government securities" means any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any federal agency, to the extent those obligations are unconditionally guaranteed by the United States of America, and any certificates or any other evidences of an ownership interest in those obligations of, or unconditionally guaranteed by, the United States of America or in specified portions which may consist of the principal of, or the interest on, those obligations;

"Human cloning" means human asexual reproduction accomplished by introducing nuclear material from one or more human cells into a fertilized or unfertilized oocyte whose nuclear material has been removed or inacti-

vated so as to produce a human fetus that is substantially genetically identical to a previously born human being;

"Independent ethics review panel" means an independent panel established by the commission in order to effectuate the provisions of section 5 of this act. The panel shall include, but need not be limited to, the following: recognized bioethicists, members of academic and religious communities, and at least one member who currently serves on an institutional review board;

"Independent research review panel" means an independent panel established by the commission in accordance with subsection c. of section 5 of this act in order to effectuate the provisions of section 5 of this act;

"Stem cell" means any unspecialized or undifferentiated cell that can self-replicate and has the potential to differentiate into a specialized cell type, including but not limited to the stem cells generally referred to as adult stem cells and embryonic stem cells;

"Stem cell research grant" means a grant awarded to an eligible research institution pursuant to this act to fund any expenses incurred in connection with a stem cell research project;

"Stem cell research project" means scientific and medical research conducted in the State, including, but not limited to: basic stem cell biology using human or non-human adult or embryonic stem cells; recovery and collection of biomaterials; translational and clinical work; the development of tools and processes including, but not limited to, diagnostic tools and processes; training programs; the development of capacity for additional stem cell research in the State; regenerative therapy development; and the development of pharmacologies and treatments through clinical trials that will result in the cure for or substantial mitigation of major diseases, injuries, or orphan diseases.

4. The commission 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. a. Bonds of the State of New Jersey are authorized to be issued in the aggregate principal amount of \$450 million for the purpose of financing stem cell research grants, and the costs thereof, at eligible research institutions. Provided however, that no bonds shall be issued pursuant to this act unless the State Treasurer first certifies that recurring revenues of the State would be available annually in an amount equal to the sum necessary to satisfy the annual debt service obligations related to such bonds. Nothing contained in this section shall be construed to limit, impair, or affect in any way

the pledge of the full faith and credit of the State for the payment of the interest and redemption premium thereon, if any, when due, and for the payment of the principal thereof at maturity or earlier redemption date, for any bonds issued pursuant to this act. Stem cell research grants funded by bond moneys shall be distributed annually and shall not exceed \$45 million per year, except that any unused grant capacity shall carry over to subsequent years. Funds to support stem cell research grants shall be subject to appropriation pursuant to the provisions of section 15 of this act. In the event that the "Stem Cell Research Fund" established pursuant to section 14 of this act is supplemented or replenished as provided in subsection f. of this section or subsection c. of section 15 of this act, the stem cell research grant program shall remain in effect until all supplementing or replenishing funds are disbursed as grants pursuant to this act.

b. The commission shall establish, by regulation, reasonable limitations on the proportion of stem cell research grant funding awarded to an eligible research institution pursuant to this act that may be used for the administrative costs of the eligible research institution. In exercising its discretion to establish appropriate limitations on the use of grant funding for administrative costs, the commission shall take into consideration the restrictions and limitations established by other states and government entities that provide funding for stem cell research, in order to promote and maintain the State's competitive position in this field while, at the same time, ensuring that potential applicants are not inappropriately deterred from applying for stem cell research grants pursuant to this act. The commission shall include, as part of the annual plan called for under section 25 of this act, a description and explanation of any limitations established pursuant to this subsection, as well as current information concerning the actual use of stem cell research grant funding awarded pursuant to this act for administrative costs by eligible research institutions.

c. The commission shall administer the stem cell research grant program and solicit and evaluate stem cell research grant applications. The commission shall designate an independent research review panel composed of nationally recognized experts, which shall consist of individuals with relevant experience, which may include, but shall not be limited to, experience in the following areas: basic science; collecting, culturing, and growing stem cells; transplant immunology; clinical specialties in neurology, cardiology, pulmonary, oncology, or hematology; diabetes; liver disease; stem cell transplantation; recovery and collection of cells from biomaterial sources; biotechnology involving stem cell research; engineering; business marketing; and intellectual property, to review stem cell research grant applications. The

commission shall also designate an independent ethics review panel to ensure that stem cell research conducted pursuant to this act will be carried out in a scientifically sound and ethical manner.

d. The independent research review panel shall conduct a scientific review, in accordance with this act, of the research proposed in each grant application and analyze and make recommendations with respect to each grant application.

The commission, after receiving the analysis and recommendations from the independent research review panel, shall review such analysis and recommendations and prepare a list of eligible projects which:

(1) are likely to result in research that can be applied to therapies to treat chronic, debilitating or often incurable diseases or irreversible injuries; and

(2) will be conducted in a scientifically sound and ethical manner.

The list shall be submitted to the independent ethics review panel for final approval.

A stem cell research grant awarded to an eligible research institution shall be contingent upon approval by the independent ethics review panel and approval by the eligible research institution's institutional review board operating in accordance with applicable law.

The commission shall consult with the authority concerning the commercial viability of the eligible projects. The authority shall assist the State Treasurer in structuring the payment terms and conditions on the State's return on investment.

e. Funds appropriated by the Legislature to support stem cell research grants shall be disbursed by the commission only in accordance with the list approved by the independent ethics review panel. A directory of the eligible research institutions receiving stem cell research grants and the amount of each grant award shall be made available to the public on an annual basis. No funds authorized for, or made available to, an eligible research institution pursuant to this act shall be used for the purpose of human cloning.

f. The State Treasurer shall require an eligible research institution to make payments to the State in an amount representing a reasonable return on the investment made pursuant to this act if the eligible research institution realizes a financial gain or benefit directly associated with an approved research project funded pursuant to this act.

The payments shall be subject to such terms and conditions as the State Treasurer may require. In exercising the Treasurer's discretion to establish appropriate payment terms and conditions, the Treasurer shall consult with the authority and shall take into consideration the payment terms and condi-

tions established by other states and government entities that provide funding for stem cell research, in order to promote and maintain the State's competitive position in this field while, at the same time, ensuring that potential applicants are not inappropriately deterred from applying for stem cell research grants pursuant to this act. Payments pursuant to this section shall be paid into the "Stem Cell Research Fund" established pursuant to section 14 of this act for the purpose of replenishing the fund.

g. An eligible research institution shall indemnify or insure and hold the State harmless against any and all losses, claims, damages, expenses or liabilities, including attorney fees, arising from the research it conducts pursuant to a stem cell research grant awarded pursuant to this act. In the alternative, an eligible research institution shall name the State as an additional insured and submit proof of such insurance.

Notwithstanding any other provision of law to the contrary, the State of New Jersey and its officers, employees and agents shall not be liable for damages in any civil action resulting, directly or indirectly, from the State's funding of stem cell research pursuant to this act. For the purposes of this section, the "funding of stem cell research" shall include, but not be limited to, the administration of the stem cell research grant application process established pursuant to this act, the selection of approved research projects, the disbursement of stem cell research grants and any other activities authorized or required by this act.

h. Members of the commission, as well as members of the independent ethics review panel and the independent research review panel established pursuant to this act, shall comply with the provisions of the "New Jersey Conflicts of Interest Law," P.L.1971, c.182 (C.52:13D-12 et seq.) and the provisions of the Code of Ethics adopted by the commission. The commission members and the members of the panels shall also comply with any financial disclosure requirements imposed by the Governor by Executive Order. In addition, members of the panels shall be subject to such confidentiality, non-disclosure, and non-competition agreements as shall be required by the commission.

6. The bonds authorized under this act shall be serial bonds, term bonds, or a combination thereof, and shall be known as "Stem Cell Research Bonds." They shall be issued from time to time as the issuing officials herein named shall determine and may be issued in coupon form, fully-registered form or book-entry form. The bonds may be subject to redemption prior to maturity and shall mature and be paid not later than 35 years from the respective dates of their issuance.

7. The Governor, the State Treasurer and the Director of the Division of Budget and Accounting in the Department of the Treasury, or any two of these officials, herein referred to as "the issuing officials," are authorized to carry out the provisions of this act relating to the issuance of bonds, and shall determine all matters in connection therewith, subject to the provisions of this act. If an issuing official is absent from the State or incapable of acting for any reason, the powers and duties of that issuing official shall be exercised and performed by the person authorized by law to act in an official capacity in the place of that issuing official.

8. Bonds issued in accordance with the provisions of this act shall be a direct obligation of the State of New Jersey, and the faith and credit of the State are pledged for the payment of the interest and redemption premium thereon, if any, when due, and for the payment of the principal thereof at maturity or earlier redemption date. The principal of and interest on the bonds shall be exempt from taxation by the State or by any county, municipality or other taxing district of the State.

9. The bonds shall be signed in the name of the State by means of the manual or facsimile signature of the Governor under the Great Seal of the State, which seal may be by facsimile or by way of any other form of reproduction on the bonds, and attested by the manual or facsimile signature of the Secretary of State, or an Assistant Secretary of State, and shall be countersigned by the facsimile signature of the Director of the Division of Budget and Accounting in the Department of the Treasury and may be manually authenticated by an authenticating agent or bond registrar, as the issuing official shall determine. Interest coupons, if any, attached to the bonds shall be signed by the facsimile signature of the Director of the Division of Budget and Accounting in the Department of the Treasury. The bonds may be issued notwithstanding that an official signing them or whose manual or facsimile signature appears on the bonds or coupons has ceased to hold office at the time of issuance, or at the time of the delivery of the bonds to the purchaser thereof.

10. a. The bonds shall recite that they are issued for the purposes set forth in section 5 of this act, that they are issued pursuant to this act, that this act was submitted to the people of the State at the next general election held at least 70 days after enactment as specified in section 23 of this act, and that this act was approved by a majority of the legally qualified voters of the State voting thereon at the election. This recital shall be conclusive

evidence of the authority of the State to issue the bonds and their validity. Any bonds containing this recital shall, in any suit, action or proceeding involving their validity, be conclusively deemed to be fully authorized by this act and to have been issued, sold, executed and delivered in conformity herewith and with all other provisions of laws applicable hereto, and shall be incontestable for any cause.

b. The bonds shall be issued in those denominations and in the form or forms, whether coupon, fully-registered or book-entry, and with or without provisions for interchangeability thereof, as may be determined by the issuing officials.

11. When the bonds are issued from time to time, the bonds of each issue shall constitute a separate series to be designated by the issuing officials. Each series of bonds shall bear such rate or rates of interest as may be determined by the issuing officials, which interest shall be payable semiannually; except that the first and last interest periods may be longer or shorter, in order that intervening semiannual payments may be at convenient dates.

12. The bonds shall be issued and sold at the price or prices and under the terms, conditions and regulations as the issuing officials may prescribe, after notice of the sale, published at least once in at least three newspapers published in this State, and at least once in a publication carrying municipal bond notices and devoted primarily to financial news, published in this State or in the city of New York, the first notice to appear at least five days prior to the day of bidding. The notice of sale may contain a provision to the effect that any bid in pursuance thereof may be rejected. In the event of rejection or failure to receive any acceptable bid, the issuing officials, at any time within 60 days from the date of the advertised sale, may sell the bonds at a private sale at such price or prices under the terms and conditions as the issuing officials may prescribe. The issuing officials may sell all or part of the bonds of any series as issued to any State fund or to the federal government or any agency thereof, at a private sale, without advertisement.

13. Until permanent bonds are prepared, the issuing officials may issue temporary bonds in the form and with those privileges as to their registration and exchange for permanent bonds as may be determined by the issuing officials.

14. The proceeds from the sale of bonds used to finance stem cell research grants to eligible research institutions for approved research projects, and the costs thereof, shall be paid to the State Treasurer and be held by the State Treasurer in a separate fund, and be deposited in such depositories as may be selected by the State Treasurer to the credit of the fund, which fund shall be known as the "Stem Cell Research Fund."

15. a. The moneys in the "Stem Cell Research Fund" are specifically dedicated and shall be applied to the purpose of financing stem cell research grants and the costs thereof as set forth in section 5 of this act. However, no moneys in the fund shall be expended for those purposes, except as otherwise authorized by this act, without the specific appropriation thereof by the Legislature, but bonds may be issued as herein provided, notwithstanding that the Legislature shall not have then adopted an act making a specific appropriation of any of the moneys.

b. At any time prior to the issuance and sale of bonds under this act, the State Treasurer is authorized to transfer from any available moneys in any fund of the treasury of the State to the credit of the "Stem Cell Research Fund" those sums as the State Treasurer may deem necessary. The 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 bonds.

c. Pending their application to the purposes provided in this act, the moneys in the "Stem Cell Research Fund" may be invested and reinvested as are other trust funds in the custody of the State Treasurer, in the manner provided by law. Net earnings received from the investment or deposit of moneys in the "Stem Cell Research Fund" shall be paid into the "Stem Cell Research Fund" for the purpose of supplementing or replenishing the fund.

16. If any coupon bond, coupon or registered bond is lost, mutilated or destroyed, a new bond or coupon shall be executed and delivered of like tenor, in substitution for the lost, mutilated or destroyed bond or coupon, upon the owner furnishing to the issuing officials evidence satisfactory to them of the loss, mutilation or destruction of the bond or coupon, the ownership thereof, and security, indemnity and reimbursement for expenses connected therewith, as the issuing officials may require.

17. The accrued interest, if any, received upon the sale of the bonds shall be applied to the discharge of a like amount of interest upon the bonds when due. Any expense incurred by the issuing officials for advertising, engraving, printing, clerical, authenticating, registering, legal or other ser-

vices necessary to carry out the duties imposed upon them by the provisions of this act shall be paid from the proceeds of the sale of the bonds by the State Treasurer, upon the warrant of the Director of the Division of Budget and Accounting in the Department of the Treasury, in the same manner as other obligations of the State are paid.

18. Bonds of each series issued hereunder shall mature, including any sinking fund redemptions, not later than the 35th year from the date of issue of that series, and in amounts as shall be determined by the issuing officials. The issuing officials may reserve to the State by appropriate provision in the bonds of any series the power to redeem any of the bonds prior to maturity at the price or prices and upon the terms and conditions as may be provided in the bonds.

19. Any bond or bonds issued hereunder which are subject to refinancing pursuant to the "Refunding Bond Act of 1985," P.L.1985, c.74 as amended by P.L.1992, c.182 (C.49:2B-1 et seq.), shall no longer be deemed to be outstanding, shall no longer constitute a direct obligation of the State of New Jersey, and the faith and credit of the State shall no longer be pledged to the payment of the principal of, redemption premium, if any, and interest on the bonds, and the bonds shall be secured solely by and payable solely from moneys and government securities deposited in trust with one or more trustees or escrow agents, which trustees and escrow agents shall be trust companies or national or state banks having powers of a trust company, located either within or without the State, as provided herein, whenever there shall be deposited in trust with the trustees or escrow agents, as provided herein, either moneys or government securities, including government securities issued or held in book-entry form on the books of the Department of the Treasury of the United States, the principal of and interest on which when due will provide money which, together with the moneys, if any, deposited with the trustees or escrow agents at the same time, shall be sufficient to pay when due the principal of, redemption premium, if any, and interest due and to become due on the bonds on or prior to the redemption date or maturity date thereof, as the case may be; provided the government securities shall not be subject to redemption prior to their maturity other than at the option of the holder thereof. The State of New Jersey hereby covenants with the holders of any bonds for which government securities or moneys shall have been deposited in trust with the trustees or escrow agents as provided in this section that, except as otherwise provided in this section, neither the government securities nor moneys so deposited

with the trustees or escrow agents shall be withdrawn or used by the State for any purpose other than, and shall be held in trust for, the payment of the principal of, redemption premium, if any, and interest to become due on the bonds; provided that any cash received from the principal or interest payments on the government securities deposited with the trustees or escrow agents, to the extent the cash will not be required at any time for that purpose, shall be paid over to the State, as received by the trustees or escrow agents, free and clear of any trust, lien, pledge or assignment securing the bonds; and to the extent the cash will be required for that purpose at a later date, shall, to the extent practicable and legally permissible, be reinvested in government securities maturing at times and in amounts sufficient to pay when due the principal of, redemption premium, if any, and interest to become due on the bonds on and prior to the redemption date or maturity date thereof, as the case may be, and interest earned from the reinvestments shall be paid over to the State, as received by the trustees or escrow agents, free and clear of any trust, lien or pledge securing the bonds. Notwithstanding anything to the contrary contained herein: a. the trustees or escrow agents shall, if so directed by the issuing officials, apply moneys on deposit with the trustees or escrow agents pursuant to the provisions of this section, and redeem or sell government securities so deposited with the trustees or escrow agents, and apply the proceeds thereof to (1) the purchase of the bonds which were refinanced by the deposit with the trustees or escrow agents of the moneys and government securities and immediately thereafter cancel all bonds so purchased, or (2) the purchase of different government securities; provided however, that the moneys and government securities on deposit with the trustees or escrow agents after the purchase and cancellation of the bonds or the purchase of different government securities shall be sufficient to pay when due the principal of, redemption premium, if any, and interest on all other bonds in respect of which the moneys and government securities were deposited with the trustees or escrow agents on or prior to the redemption date or maturity date thereof, as the case may be; and b. in the event that on any date, as a result of any purchases and cancellations of bonds or any purchases of different government securities, as provided in this sentence, the total amount of moneys and government securities remaining on deposit with the trustees or escrow agents is in excess of the total amount which would have been required to be deposited with the trustees or escrow agents on that date in respect of the remaining bonds for which the deposit was made in order to pay when due the principal of, redemption premium, if any, and interest on the remaining bonds, the trustees or escrow agents shall, if so directed by the issuing officials, pay the

amount of the excess to the State, free and clear of any trust, lien, pledge or assignment securing the refunding bonds.

20. Refunding bonds issued pursuant to P.L.1985, c.74 as amended by P.L.1992, c.182 (C.49:2B-1 et seq.) may be consolidated with bonds issued pursuant to section 5 of this act or with bonds issued pursuant to any other act for purposes of sale.

21. To provide funds to meet the interest and principal payment requirements for the bonds and refunding bonds issued under this act and outstanding, there is appropriated in the order following:

a. Revenue derived from the collection of taxes under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), or so much thereof as may be required; and

b. If, at any time, funds necessary to meet the interest, redemption premium, if any, and principal payments on outstanding bonds issued under this act are insufficient or not available, there shall be assessed, levied and collected annually in each of the municipalities of the counties of this State, a tax on the real and personal property upon which municipal taxes are or shall be assessed, levied and collected, sufficient to meet the interest on all outstanding bonds issued hereunder and on the bonds proposed to be issued under this act in the calendar year in which the tax is to be raised and for the payment of bonds falling due in the year following the year for which the tax is levied. The tax shall be assessed, levied and collected in the same manner and at the same time as are other taxes upon real and personal property. The governing body of each municipality shall cause to be paid to the county treasurer of the county in which the municipality is located, on or before December 15 in each year, the amount of tax herein directed to be assessed and levied, and the county treasurer shall pay the amount of the tax to the State Treasurer on or before December 20 in each year.

If on or before December 31 in any year, the issuing officials, by resolution, determine that there are moneys in the General Fund beyond the needs of the State, sufficient to pay the principal of bonds falling due and all interest and redemption premium, if any, payable in the ensuing calendar year, the issuing officials shall file the resolution in the office of the State Treasurer, whereupon the State Treasurer shall transfer the moneys to a separate fund to be designated by the State Treasurer, and shall pay the principal, redemption premium, if any, and interest out of that fund as the same shall become due and payable, and the other sources of payment of the principal, redemption premium, if any, and interest provided for in this

section shall not then be available, and the receipts for the year from the tax specified in subsection a. of this section shall be considered and treated as part of the General Fund, available for general purposes.

22. Should the State Treasurer, by December 31 of any year, deem it necessary, because of the insufficiency of funds collected from the sources of revenues as provided in this act, to meet the interest and principal payments for the year after the ensuing year, then the State Treasurer shall certify to the Director of the Division of Budget and Accounting in the Department of the Treasury the amount necessary to be raised by taxation for those purposes, the same to be assessed, levied and collected for and in the ensuing calendar year. The director shall, on or before March 1 following, calculate the amount in dollars to be assessed, levied and collected in each county as herein set forth. This calculation shall be based upon the corrected assessed valuation of each county for the year preceding the year in which the tax is to be assessed, but the tax shall be assessed, levied and collected upon the assessed valuation of the year in which the tax is assessed and levied. The director shall certify the amount to the county board of taxation and the treasurer of each county. The county board of taxation shall include the proper amount in the current tax levy of the several taxing districts of the county in proportion to the ratables as ascertained for the current year.

23. For the purpose of complying with the provisions of the State Constitution, this act shall be submitted to the people at the general election next occurring at least 70 days after enactment. To inform the people of the contents of this act, it shall be the duty of the Attorney General, after this section takes effect, and at least 60 days prior to the election, to cause this act to be published at least once in one or more newspapers of each county, if any newspapers be published therein and to notify the clerk of each county of this State of the passage of this act; and the clerks respectively, in accordance with the instructions of the Attorney General, shall have printed on each of the ballots the following:

If you approve of the act entitled below, make a cross (x), plus (+), or check (✓) mark in the square opposite the word "Yes."

If you disapprove of the act entitled below, make a cross (x), plus (+), or check (✓) mark in the square opposite the word "No."

If voting machines are used, a vote of "Yes" or "No" shall be equivalent to these markings respectively.

	YES	<p>STEM CELL RESEARCH BOND ISSUE</p> <p>Shall the "New Jersey Stem Cell Research Bond Act," which authorizes the State to issue bonds in the amount of \$450 million for grants to fund " stem cell research projects," as defined in the act, at institutions of higher education and other entities in the State conducting scientific and medical research, and providing the ways and means to pay the interest on the debt and also to pay and discharge the principal thereof, provided that recurring revenues of the State are certified by the State Treasurer to be available in an amount equal to the sum necessary to satisfy the annual debt service obligations related to such bonds, be approved?</p>
	NO	<p>INTERPRETIVE STATEMENT</p> <p>Approval of this act would authorize the sale of \$450 million in State general obligation bonds to provide grants for stem cell, scientific, and medical research, as defined in the act, at institutions of higher education and other nonprofit and for profit entities in the State conducting scientific and medical research, provided that recurring revenues of the State are certified by the State Treasurer to be available in an amount equal to the sum necessary to satisfy the annual debt service obligations related to such bonds. Grants would be awarded by the Commission on Science and Technology, subject to evaluation by an independent research review panel composed of experts in stem cell and related research and by an independent ethics review panel. If a grant recipient realizes a financial gain or benefit directly associated with the research funded by its grant, the act requires the recipient to make payments to the State in an amount representing a reasonable return on the State's investment, as determined by the State Treasurer. The purpose of providing these funds is to promote research that could benefit State residents afflicted with diseases and severe injuries such as Alzheimer's disease, cancer, diabetes, Lou Gehrig's disease, Parkinson's disease, sickle cell anemia and spinal cord injuries.</p>

The fact and date of the approval or passage of this act, as the case may be, may be inserted in the appropriate place after the title in the ballot. No

other requirements of law of any kind or character as to notice or procedure, except as herein provided, need be adhered to.

The votes so cast for and against the approval of this act, by ballot or voting machine, shall be counted and the result thereof returned by the election officer, and a canvass of the election had in the same manner as is provided for by law in the case of the election of a Governor, and the approval or disapproval of this act so determined shall be declared in the same manner as the result of an election for a Governor, and if there is a majority of all the votes cast for and against it at the election in favor of the approval of this act, then all the provisions of this act not made effective theretofore shall take effect forthwith.

24. There is appropriated the sum of \$5,000 to the Department of Law and Public Safety for expenses in connection with the publication of notice pursuant to section 23 of this act.

25. The commission shall submit to the State Treasurer a plan for the expenditure of funds from the "Stem Cell Research Fund" for the upcoming fiscal year. This plan shall include the following information: a performance evaluation of the expenditures made from the funds to date; a description of approved research projects planned during the upcoming fiscal year; a copy of the regulations in force governing the operation of approved research projects that are financed, in part or in whole, by funds from the "Stem Cell Research Fund," including the information concerning use of research grant funding for administrative costs as required under subsection b. of section 5 of this act, and an estimate of expenditures for the upcoming fiscal year.

26. Immediately following the submission to the Legislature of the Governor's annual budget message, the commission shall submit to the Health, Human Services and Senior Citizens Committee of the Senate and the Health and Senior Services Committee of the General Assembly, or their designated successors, and to the Joint Budget Oversight Committee, or its successor, a copy of the plan called for under section 25 of this act, together with such changes therein as may have been required by the Governor's budget message.

27. This section and sections 23 and 24 of this act shall take effect immediately and the remainder of this act shall take effect as and when provided in section 23.

Approved July 26, 2007.

CHAPTER 118

AN ACT concerning safety violations with respect to certain natural gas or hazardous liquid facilities 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 14 of P.L.1994, c.118 (C.48:2-86) is amended to read as follows:

C.48:2-86 Violation of act; injunction; civil penalties.

14. a. Whenever it appears to the board that a person has violated any provision of P.L. 1994, c.118 (C.48:2-73 et al.), or any rule, regulation or order adopted pursuant thereto, it may issue an order specifying the provision or provisions of P.L.1994, c.118, or the rule, regulation or order of which the person is in violation, citing the action which constituted the violation, ordering abatement of the violation, and giving notice to the person of his right to a hearing on the matters contained in the order. Such order shall be effective upon receipt and any person to whom such order is directed shall comply with the order immediately.

b. The board may institute an action or proceeding in the Superior Court for injunctive and other relief for any violation of P.L.1994, c.118 (C.48:2-73 et al.), or of any rule or regulation adopted pursuant to P.L.1994, c.118 and the court may proceed in the action in a summary manner. In any such proceeding the court may grant temporary or interlocutory relief, notwithstanding the provisions of R.S.48:2-24.

Such relief may include, singly or in combination:

- (1) A temporary or permanent injunction; and
- (2) Assessment of the violator for the costs of any investigation, inspection, or monitoring survey which led to the establishment of the violation, and for the reasonable costs of preparing and litigating the case under this subsection. Assessments under this subsection shall be paid to the State Treasurer.

The board or an affected operator may institute an action in the Superior Court to enjoin a person whose repeated failure to comply with the provisions of P.L.1994, c.118 constitutes a threat to public safety from engaging in any further excavation or demolition work within the State, except under such terms and conditions as the Superior Court may prescribe to ensure the safety of the public.

c. The provisions of section 16 of P.L.1994, c.118 (C.48:2-88) to the contrary notwithstanding, a person who is determined by the board, after notice and opportunity to be heard, to have violated any provision of P.L.1994, c.118 (C.48:2-73 et al.) or any rule, regulation, or order adopted pursuant thereto with respect to a natural gas underground pipeline or distribution facility, or a hazardous liquid underground pipeline or distribution facility, shall be liable to a civil penalty not to exceed \$100,000 for each violation for each day the violation continues, except that the maximum civil penalty may not exceed \$1,000,000 for any related series of violations.

Any civil penalty imposed pursuant to this subsection may be compromised by the board. In determining the amount of the penalty, or the amount agreed upon in compromise, the board shall consider the nature, circumstances, and gravity of the violation; the degree of the violator's culpability; any history of prior violations; the prospective effect of the penalty on the ability of the violator to conduct business; any good faith effort on the part of the violator in attempting to achieve compliance; the violator's ability to pay the penalty; and other factors the board determines to be appropriate.

The amount of the penalty when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the State to the person charged, or may be recovered, if necessary, in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The Superior Court shall have jurisdiction to enforce the provisions of the "Penalty Enforcement Law of 1999" in connection with P.L.1994, c.118.

d. Pursuit of any remedy specified in this section shall not preclude the pursuit of any other remedy, including any civil remedy for damage to an operator's underground facilities or for damage to a person's property, provided by any other law. Administrative and judicial remedies provided in this section may be pursued simultaneously.

2. Section 1 of P.L.1989, c.80 (C.48:9-33) is amended to read as follows:

C.48:9-33 Penalties for violation of natural gas pipelines safety.

1. a. Any person who is determined by the Board of Public Utilities, after notice and opportunity to be heard, to have violated the provisions of any law, rule, regulation, or order relating to natural gas pipeline safety shall be subject to a civil penalty of not more than \$100,000 for each such violation for each day that the violation persists, except that the maximum civil penalty shall not exceed \$1,000,000 for any related series of violations.

b. Any civil penalty imposed pursuant to subsection a. of this section may be compromised by the board. In determining the amount of the penalty, or the amount agreed upon in compromise, the board shall consider the nature, circumstances, and gravity of the violation; the degree of the violator's culpability; any history of prior violations; the prospective effect of the penalty on the ability of the violator to conduct business; any good faith on the part of the violator in attempting to achieve compliance; his ability to pay the penalty; and any other factors justice may require. The amount of the penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the State to the person charged, or may be recovered in a summary proceeding instituted by the board in Superior Court in accordance with the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

c. Whenever it shall appear to the board that a person has violated, intends to violate, or will violate any provision of any law, rule, regulation, or order relating to natural gas pipeline safety, the board may institute a civil action in Superior Court for injunctive relief or for any other appropriate relief under the circumstances, and the court may proceed on any such action in a summary manner.

3. Section 1 of P.L.1971, c.62 (C.48:10-11) is amended to read as follows:

C.48:10-11 Penalties.

1. Any person who violates any provision of the Natural Gas Safety Act, P.L.1952, c.166 (C.48:10-2 et seq.) as amended and supplemented or any order, rule or regulation issued thereunder, shall be subject to a civil penalty of not more than \$100,000 for each violation for each day that the violation persists; however, the maximum civil penalty shall not exceed \$1,000,000 for any related series of violations.

Any civil penalty may be compromised by the Board of Public Utilities. In determining the amount of the penalty, or the amount agreed upon in compromise, the appropriateness of the penalty to the size of the business of the person charged, the gravity of the violation, and the good faith of the person charged in attempting to achieve compliance, after notification of a violation, shall be considered. The amount of the penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the State to the person charged or may be recovered in a summary proceeding in accordance with the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The Supe-

rior Court and the municipal court shall have jurisdiction to enforce the provisions of P.L.1952, c.166 (C.48:10-2 et seq.).

4. This act shall take effect immediately.

Approved July 27, 2007.

CHAPTER 119

AN ACT authorizing the creation of a debt of the State of New Jersey by the issuance of bonds of the State in the aggregate principal amount of \$200,000,000 to provide moneys for acquisition and development of lands for public recreation and conservation purposes, for farmland development easement and fee simple acquisitions, for Blue Acres projects, and for historic preservation projects; providing the ways and means to pay and discharge the principal of and interest on the bonds; providing for the submission of this act to the people at a general election; and making an appropriation therefor.

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 “Green Acres, Farmland, Blue Acres, and Historic Preservation Bond Act of 2007.”

2. The Legislature finds and declares that enhancing the quality of life of the citizens of New Jersey is a paramount policy of the State; that the acquisition and preservation of open space, farmland, and historic properties in New Jersey protects and enhances the character and beauty of the State and provides its citizens with greater opportunities for recreation, relaxation, and education; that the lands and resources now dedicated to these purposes will not be adequate to meet the needs of an expanding population in years to come; that the open space and farmland that is available and appropriate for these purposes will gradually disappear as the costs of preserving them correspondingly increase; and that it is necessary and desirable to provide funding for the development of parks and other open space for recreation and conservation purposes.

The Legislature further finds and declares that agriculture plays an integral role in the prosperity and well-being of the State as well as providing

a fresh and abundant supply of food for its citizens; that much of the farmland in the State faces an imminent threat of permanent conversion to non-farm uses; and that the retention and development of an economically viable agricultural industry is of high public priority.

The Legislature further finds and declares that the Delaware River, the Passaic River, and the Raritan River, and their respective tributaries, have been subject to serious flooding over the years, causing on some occasions loss of life and significant property damage; that to best ensure the public health, safety, and welfare while also accomplishing the desired objectives of (1) restoring, enhancing, and preserving the water quality as well as the ecosystems of the Delaware River, Passaic River, and Raritan River basins for the public benefit, and (2) utilizing public funds in the most economical manner, it behooves the State to establish a program to acquire from willing sellers those properties in the floodways of the Delaware River, the Passaic River, and the Raritan River, and their respective tributaries, that are prone to flooding and to dedicate those lands that are purchased for recreation and conservation; and that the issuance of bonds is necessary and desirable to provide funds for such purposes.

The Legislature further finds and declares that there is an urgent need to preserve the State's historic heritage to enable present and future generations to experience, understand, and enjoy the landmarks of New Jersey's role in the birth and development of this nation; that the restoration and preservation of properties of historic character and importance in the State is central to meeting this need; and that a significant number of these historic properties are located in urban centers, where their restoration and preservation will advance urban revitalization efforts of the State and local governments.

The Legislature further finds and declares that there is growing public recognition that the quality of life, economic prosperity, and environmental quality in New Jersey are served by the protection and timely preservation of open space and farmland and better management of the lands, resources, historic properties, and recreational facilities that are already under public ownership or protection; that the protection and preservation of New Jersey's water resources, including the quality and quantity of the State's limited water supply, is essential to the quality of life and the economic health of the citizens of the State; that the acquisition of flood-prone areas is in the best interests of the State to prevent the loss of life and property; that the preservation of the existing diversity of animal and plant species is essential to sustaining both the environment and the economy of the Garden State, and the conservation of adequate habitat for endangered, threatened, and

other rare species is necessary to preserve this biodiversity; that there is a need to continue the funding provided by the 1998 constitutional amendment, the "Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995," P.L.1995, c.204, and the nine previous similar bond acts enacted in 1961, 1971, 1974, 1978, 1981, 1983, 1987, 1989, and 1992, and various implementing laws.

The Legislature therefore determines that it is in the public interest to issue bonds to ensure the continuation of funding for the State's programs for the acquisition and development of lands for recreation and conservation purposes, for the preservation of farmland for agricultural or horticultural use and production, and for historic preservation, and to establish a program for the purchase of flood-prone lands in the Delaware River, Passaic River, and Raritan River basins.

3. As used in this act:

"Acquisition" or "acquire" means the obtaining of a fee simple or lesser interest in land, including but not limited to a development easement, a conservation restriction or easement, or any other restriction or easement permanently restricting development, by purchase, installment purchase agreement, gift, donation, eminent domain by the State or a local government unit, or devise; except that any acquisition of lands by the State for recreation and conservation purposes by eminent domain shall be only as authorized pursuant to section 28 of P.L.1999, c.152 (C.13:8C-28).

"Blue Acres cost" means the expenses incurred in connection with: all things deemed necessary or useful and convenient for the acquisition by the State, for recreation and conservation purposes, of lands that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or that may buffer or protect other lands from such damage; the execution of any agreements or franchises deemed by the Department of Environmental Protection to be necessary or useful and convenient in connection with any Blue Acres project authorized by this act; the procurement or provision of appraisal, archaeological, architectural, conservation, design, engineering, financial, geological, historic research, hydrological, inspection, legal, planning, relocation, surveying, or other professional advice, estimates, reports, services, or studies; the services of a bond registrar or an authenticating agent; the purchase of title insurance; the undertaking of feasibility studies; the demolition of structures, the removal of debris, and the restoration of lands to a natural state or to a state useful for recreation and conservation purposes; the issuance of bonds, or any interest or discount thereon; organizational, administrative and other

work and services, including salaries, equipment and materials necessary to administer the applicable provisions of this act; the establishment of a reserve fund or funds for working capital, operating, maintenance, or replacement expenses and for the payment or security of principal or interest on bonds, as the Director of the Division of Budget and Accounting in the Department of the Treasury may determine; and reimbursement to any fund of the State of moneys that may have been transferred or advanced therefrom to any fund established by this act, or any moneys that may have been expended therefrom for, or in connection with, this act.

“Blue Acres project” means any project of the State to acquire, for recreation and conservation purposes, lands in the floodways of the Delaware River, Passaic River, or Raritan River, and their respective tributaries, that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or that may buffer or protect other lands from such damage, and which is funded with moneys made available pursuant to section 7 of this act.

“Bonds” mean the bonds authorized to be issued, or issued, under this act.

“Commission” means the New Jersey Commission on Capital Budgeting and Planning.

“Commissioner” means the Commissioner of Environmental Protection.

“Cost” means the expenses incurred in connection with: all things deemed necessary or useful and convenient for the acquisition or development of lands for recreation and conservation purposes, the acquisition of development easements or fee simple titles to farmland, or the preservation of historic properties, as the case may be; the execution of any agreements or franchises deemed by the Department of Environmental Protection, State Agriculture Development Committee, or New Jersey Historic Trust, as the case may be, to be necessary or useful and convenient in connection with any project authorized by this act; the procurement or provision of appraisal, archaeological, architectural, conservation, design, engineering, financial, geological, historic research, hydrological, inspection, legal, planning, relocation, surveying, or other professional advice, estimates, reports, services, or studies; the purchase of title insurance; the undertaking of feasibility studies; the issuance of bonds, or any interest or discount thereon; organizational, administrative and other work and services, including salaries, equipment and materials necessary to administer the applicable provisions of this act; the establishment of a reserve fund or funds for working capital, operating, maintenance, or replacement expenses and for the payment or security of principal or interest on bonds, as the Director of the Division of Budget and Accounting in the Department of the Treasury

may determine; and reimbursement to any fund of the State of moneys that may have been transferred or advanced therefrom to any fund established by this act, or any moneys that may have been expended therefrom for, or in connection with, this act.

“Development” or “develop” means, except as used in the definitions of “acquisition” and “development easement” in this section, any improvement made to a land or water area designed to expand and enhance its utilization for recreation and conservation purposes, and shall include the construction, renovation, or repair of any such improvement, but shall not mean shore protection or beach nourishment or replenishment activities.

“Development easement” means an interest in land, less than fee simple title thereto, which interest represents the right to develop that land for all nonagricultural purposes and which interest may be transferred under laws authorizing the transfer of development potential.

“Farmland” means land identified as having prime or unique soils as classified by the Natural Resources Conservation Service in the United States Department of Agriculture, having soils of Statewide importance according to criteria adopted by the State Soil Conservation Committee, established pursuant to R.S.4:24-3, or having soils of local importance as identified by local soil conservation districts, and which land qualifies for differential property taxation pursuant to the “Farmland Assessment Act of 1964,” P.L.1964, c.48 (C.54:4-23.1 et seq.), and any other land on the farm that is necessary to accommodate farm practices as determined by the State Agriculture Development Committee.

“Farmland preservation,” “farmland preservation purposes” or “preservation of farmland” means the permanent preservation of farmland to support agricultural or horticultural production as the first priority use of that land.

“Floodway” means “flood hazard area” as defined pursuant to section 2 of P.L.1962, c.19 (C.58:16A-51).

“Garden State Preservation Trust” means the Garden State Preservation Trust established pursuant to section 4 of P.L.1999, c.152 (C.13:8C-4).

“Government securities” means any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any federal agency, to the extent those obligations are unconditionally guaranteed by the United States of America, and any certificates or any other evidences of an ownership interest in those obligations of, or unconditionally guaranteed by, the United States of America or in specified portions which may consist of the principal of, or the interest on, those obligations.

“Historic preservation,” “historic preservation purposes,” or “preservation of historic properties” means any work relating to the conservation, improvement, interpretation, preservation, protection, rehabilitation, renovation, repair, restoration, or stabilization of any historic property, and shall include any work related to providing access thereto for disabled or handicapped persons.

“Historic property” means any area, building, facility, object, property, site, or structure approved for inclusion, or which meets the criteria for inclusion, in the New Jersey Register of Historic Places pursuant to P.L.1970, c.268 (C.13:1B-15.128 et seq.).

“Land” or “lands” means real property, including improvements thereof or thereon, rights-of-way, water, lakes, riparian and other rights, easements, privileges and all other rights or interests of any kind or description in, relating to, or connected with real property.

“Local government unit” means a county, municipality, or other political subdivision of the State, or any agency, authority, or other entity thereof; except, with respect to the acquisition and development of lands for recreation and conservation purposes, “local government unit” means a county, municipality, or other political subdivision of the State, or any agency, authority, or other entity thereof the primary purpose of which is to administer, protect, acquire, develop, or maintain lands for recreation and conservation purposes.

“New Jersey Historic Trust” means the entity established pursuant to section 4 of P.L.1967, c.124 (C.13:1B-15.111).

“Qualifying tax exempt nonprofit organization” means a nonprofit organization that is exempt from federal taxation pursuant to section 501 (c)(3) of the federal Internal Revenue Code, 26 U.S.C.s.501 (c)(3), and which meets the same qualifications as those required for a grant pursuant to section 27, 39, or 41 of P.L.1999, c.152 (C.13:8C-27, C.13:8C-39, or C.13:8C-41), as the case may be.

“Recreation and conservation purposes” means the use of lands for beaches, biological or ecological study, boating, camping, fishing, forests, greenways, hunting, natural areas, parks, playgrounds, protecting historic properties, water reserves, watershed protection, wildlife preserves, active sports, or a similar use for either public outdoor recreation or conservation of natural resources, or both.

“Secretary” means the Secretary of Agriculture.

4. a. (1) At least twice during each State fiscal year, the Department of Environmental Protection, the State Agriculture Development Committee, and the New Jersey Historic Trust shall each submit to the Garden State

Preservation Trust a list of projects that are recommended to receive funding from the proceeds of the bonds authorized to be issued pursuant to this act, based upon the respective priority systems, ranking criteria, and funding policies established pursuant to sections 23, 24, 26, 27, and 37 through 41 of P.L.1999, c.152 (C.13:8C-23, C.13:8C-24, C.13:8C-26, C.13:8C-27, and C.13:8C-37 through 41), section 7 of P.L.2005, c.178 (C.13:8C-38.1), and sections 1 and 2 of P.L.2001, c.405 (C.13:8C-40.1 and C.13:8C-40.2), and any rules or regulations adopted pursuant to those laws. The Department of Environmental Protection shall also submit to the Garden State Preservation Trust at least twice during each State fiscal year a list of projects that are recommended to receive funding from the proceeds of the bonds authorized to be issued pursuant to section 7 of this act.

(2) The Garden State Preservation Trust shall review each such list and may make such deletions, but not additions, of projects therefrom as it deems appropriate and in accordance with the procedures established for such deletions pursuant to section 23 of P.L.1999, c.152 (C.13:8C-23), whereupon the Garden State Preservation Trust shall approve the list and submit to the Governor and to the President of the Senate and the Speaker of the General Assembly for introduction in the Legislature, proposed legislation appropriating moneys from the proceeds of the bonds authorized to be issued pursuant to this act, for appropriation for the purposes set forth in this act.

b. The Commissioner of Environmental Protection, the Secretary of Agriculture, and the New Jersey Historic Trust shall review and consider the findings and recommendations of the commission in the administration of the provisions of this act.

5. a. Bonds of the State of New Jersey are authorized to be issued in the aggregate principal amount of \$109,000,000 for the purposes of: providing moneys to meet the cost of public acquisition and development of lands by the State for recreation and conservation purposes; providing State grants and loans to assist local government units to meet the cost of acquiring and developing lands for recreation and conservation purposes; and providing State matching grants to assist qualifying tax exempt nonprofit organizations to meet the cost of acquiring lands for recreation and conservation purposes, to be allocated as follows:

(1) \$45,000,000 for the acquisition and development of lands by the State for recreation and conservation purposes;

(2) \$55,000,000 for State grants and loans to assist local government units to acquire and develop lands for recreation and conservation purposes; and

(3) \$9,000,000 for State grants, on an up to 50% matching basis, to qualifying tax exempt nonprofit organizations to acquire and develop lands for recreation and conservation purposes.

b. To the end that municipalities may not suffer a loss of taxes by reason of the acquisition and ownership by the State of lands in fee simple for recreation and conservation purposes, or the acquisition and ownership by qualifying tax exempt nonprofit organizations of lands in fee simple for recreation and conservation purposes that become certified exempt from property taxes pursuant to P.L.1974, c.167 (C.54:4-3.63 et seq.) or similar laws, under the provisions of this section, the State shall make payments annually in the same manner as payments are made pursuant to section 29 of P.L.1999, c.152 (C.13:8C-29).

c. Of the amount authorized pursuant to this section, not more than 5% shall be utilized for organizational, administrative and other work and services, including salaries, equipment and materials necessary to administer the applicable provisions of this act.

6. a. Bonds of the State of New Jersey are authorized to be issued in the aggregate principal amount of \$73,000,000 for the purpose of the preservation of farmland. The proceeds from the sale of the bonds shall be for appropriation to the State Agriculture Development Committee established pursuant to section 4 of P.L.1983, c.31 (C.4:1C-4), and shall be used for the purposes set forth in paragraphs (1) through (4) of subsection a. of section 37 of P.L.1999, c.152 (C.13:8C-37).

b. Of the amount authorized pursuant to this section, not more than 5% shall be utilized for organizational, administrative and other work and services, including salaries, equipment and materials necessary to administer the applicable provisions of this act.

7. a. Bonds of the State of New Jersey are authorized to be issued in the aggregate principal amount of \$12,000,000 for the purposes of providing moneys to meet the Blue Acres cost of acquisition by the State, for recreation and conservation purposes, of lands in the floodways of the Delaware River, Passaic River, or Raritan River, and their respective tributaries, that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or that may buffer or protect other lands from such damage.

b. To the end that municipalities may not suffer a loss of taxes by reason of the acquisition and ownership by the State of lands in fee simple for recreation and conservation purposes under the provisions of this section,

the State shall make payments annually in the same manner as payments are made pursuant to section 29 of P.L.1999, c.152 (C.13:8C-29).

c. The State shall not utilize the power of eminent domain in any manner to acquire lands utilizing funds made available pursuant to the Blue Acres bond program; such lands shall be acquired only from willing sellers.

d. The Department of Environmental Protection shall establish an advisory committee composed of experts and appropriate interested parties concerned with flood management in the floodways of the Delaware River, Passaic River, or Raritan River, and their respective tributaries, through land acquisition and preservation efforts to advise the department with respect to the acquisition of lands by the State utilizing funds made available pursuant to the Blue Acres bond program. The advisory committee shall recommend Blue Acres project priority lists to the Department of Environmental Protection to be submitted by the department to the Garden State Preservation Trust for funding approval as required pursuant to section 4 of this act.

e. The Office of Green Acres in the Department of Environmental Protection shall administer the Blue Acres bond program.

f. Of the amount authorized pursuant to this section, not more than 5% shall be utilized for organizational, administrative and other work and services, including salaries, equipment and materials necessary to administer the applicable provisions of this act.

8. a. Bonds of the State of New Jersey are authorized to be issued in the aggregate principal amount of \$6,000,000 for the purpose of providing State matching grants to assist State agencies or entities, local government units, and qualifying tax exempt nonprofit organizations to meet the cost of preservation of historic properties.

b. Of the amount authorized pursuant to this section, not more than 5% shall be utilized for organizational, administrative and other work and services, including salaries, equipment and materials necessary to administer the applicable provisions of this act.

9. The bonds authorized under this act shall be serial bonds, term bonds, or a combination thereof, and shall be known as "2007 New Jersey Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds." They shall be issued from time to time as the issuing officials herein named shall determine and may be issued in coupon form, fully-registered form or book-entry form. The bonds may be subject to redemption prior to maturity and shall mature and be paid not later than 35 years from the respective dates of their issuance.

10. The Governor, the State Treasurer and the Director of the Division of Budget and Accounting in the Department of the Treasury, or any two of these officials, herein referred to as "the issuing officials," are authorized to carry out the provisions of this act relating to the issuance of bonds, and shall determine all matters in connection therewith, subject to the provisions of this act. If an issuing official is absent from the State or incapable of acting for any reason, the powers and duties of that issuing official shall be exercised and performed by the person authorized by law to act in an official capacity in the place of that issuing official.

11. Bonds issued in accordance with the provisions of this act shall be a direct obligation of the State of New Jersey, and the faith and credit of the State are pledged for the payment of the interest and redemption premium thereon, if any, when due, and for the payment of the principal thereof at maturity or earlier redemption date. The principal of and interest on the bonds shall be exempt from taxation by the State or by any county, municipality or other taxing district of the State.

12. The bonds shall be signed in the name of the State by means of the manual or facsimile signature of the Governor under the Great Seal of the State, which seal may be by facsimile or by way of any other form of reproduction on the bonds, and attested by the manual or facsimile signature of the Secretary of State, or an Assistant Secretary of State, and shall be countersigned by the facsimile signature of the Director of the Division of Budget and Accounting in the Department of the Treasury and may be manually authenticated by an authenticating agent or bond registrar, as the issuing official shall determine. Interest coupons, if any, attached to the bonds shall be signed by the facsimile signature of the Director of the Division of Budget and Accounting in the Department of the Treasury. The bonds may be issued notwithstanding that an official signing them or whose manual or facsimile signature appears on the bonds or coupons has ceased to hold office at the time of issuance, or at the time of the delivery of the bonds to the purchaser thereof.

13. a. The bonds shall recite that they are issued for the purposes set forth in section 5, 6, 7, or 8 of this act, that they are issued pursuant to this act, that this act was submitted to the people of the State at the general election next occurring at least 70 days after enactment as specified in section 29 of this act, and that this act was approved by a majority of the legally qualified voters of the State voting thereon at the election. This recital shall

be conclusive evidence of the authority of the State to issue the bonds and their validity. Any bonds containing this recital shall, in any suit, action or proceeding involving their validity, be conclusively deemed to be fully authorized by this act and to have been issued, sold, executed and delivered in conformity herewith and with all other provisions of laws applicable hereto, and shall be incontestable for any cause.

b. The bonds shall be issued in those denominations and in the form or forms, whether coupon, fully-registered or book-entry, and with or without provisions for interchangeability thereof, as may be determined by the issuing officials.

14. When the bonds are issued from time to time, the bonds of each issue shall constitute a separate series to be designated by the issuing officials. Each series of bonds shall bear such rate or rates of interest as may be determined by the issuing officials, which interest shall be payable semiannually; except that the first and last interest periods may be longer or shorter, in order that intervening semiannual payments may be at convenient dates.

15. The bonds shall be issued and sold at the price or prices and under the terms, conditions and regulations as the issuing officials may prescribe, after notice of the sale, published at least once in at least three newspapers published in this State, and at least once in a publication carrying municipal bond notices and devoted primarily to financial news, published in this State or in the city of New York, the first notice to appear at least five days prior to the day of bidding. The notice of sale may contain a provision to the effect that any bid in pursuance thereof may be rejected. In the event of rejection or failure to receive any acceptable bid, the issuing officials, at any time within 60 days from the date of the advertised sale, may sell the bonds at a private sale at such price or prices under the terms and conditions as the issuing officials may prescribe. The issuing officials may sell all or part of the bonds of any series as issued to any State fund or to the federal government or any agency thereof, at a private sale, without advertisement.

16. Until permanent bonds are prepared, the issuing officials may issue temporary bonds in the form and with those privileges as to their registration and exchange for permanent bonds as may be determined by the issuing officials.

17. a. The State Treasurer shall establish a fund, to be known as the "2007 Green Acres Fund," and the moneys therein are to be held in those

depositories as the State Treasurer may select. The State Treasurer shall deposit into the fund all proceeds from the sale of the bonds issued by the State under this act for acquisitions and developments for recreation and conservation purposes as set forth in section 5 of this act. The moneys in the fund are specifically dedicated and shall be applied to the cost of the purposes set forth in section 5 of this act. Moneys derived from the payment of interest and principal on the loans to local government units authorized in section 5 of this act shall also be held in the fund. Such grants, contributions, donations, and reimbursements from federal aid programs as may be lawfully used for the purposes set forth in section 5 of this act may also be held in the "2007 Green Acres Fund." Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law, but bonds may be issued as herein provided, notwithstanding that the Legislature shall not have then adopted an act making a specific appropriation of any of the moneys.

b. Any act appropriating moneys from the "2007 Green Acres Fund" shall identify the particular project or projects to be funded by the moneys, and any expenditure for a project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee or its successor, except as permitted otherwise in accordance with the exceptions specified in subsection a. of section 23 of P.L.1999, c.152 (C.13:8C-23).

c. Unexpended moneys due to project withdrawals, cancellations, or cost savings shall be returned to the fund to be used for the purposes of the fund.

18. a. The State Treasurer shall establish a fund to be known as the "2007 Farmland Preservation Fund," and the moneys therein are to be held in those depositories as the State Treasurer may select. The State Treasurer shall deposit into the fund all proceeds from the sale of bonds issued by the State under this act for the acquisition of development easements or fee simple titles on farmland, all as set forth in section 6 of this act. The moneys in the fund are specifically dedicated and shall be applied to the cost of the purposes set forth in section 6 of this act. Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law, but bonds may be issued as herein provided, notwithstanding that the Legislature shall not have then adopted an act making a specific appropriation of any of the moneys.

b. Any act appropriating moneys from the "2007 Farmland Preservation Fund" shall identify the particular project or projects to be funded with the moneys, and any expenditure for a project for which the location is not

identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee or its successor, except as permitted otherwise in accordance with the exceptions specified in subsection b. of section 23 of P.L.1999, c.152 (C.13:8C-23).

c. Unexpended moneys due to project withdrawals, cancellations, or cost savings shall be returned to the fund to be used for the purposes of the fund.

19. a. The State Treasurer shall establish a fund, to be known as the "2007 Blue Acres Fund," and the moneys therein are to be held in those depositories as the State Treasurer may select. The State Treasurer shall deposit into the fund all proceeds from the sale of the bonds issued by the State under this act for acquisitions for recreation and conservation purposes as set forth in section 7 of this act. The moneys in the fund are specifically dedicated and shall be applied to the Blue Acres cost of the purposes set forth in section 7 of this act. Such grants, contributions, donations, and reimbursements from federal aid programs as may be lawfully used for the purposes set forth in section 7 of this act may also be held in the "2007 Blue Acres Fund." Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law, but bonds may be issued as herein provided, notwithstanding that the Legislature shall not have then adopted an act making a specific appropriation of any of the moneys.

b. Any act appropriating moneys from the "2007 Blue Acres Fund" shall identify the particular project or projects to be funded by the moneys, and any expenditure for a project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee or its successor.

c. Unexpended moneys due to project withdrawals, cancellations, or cost savings shall be returned to the fund to be used for the purposes of the fund.

20. a. The State Treasurer shall establish a fund to be known as the "2007 Historic Preservation Fund," and the moneys therein are to be held in those depositories as the State Treasurer may select. The State Treasurer shall deposit into the fund all proceeds from the sale of bonds issued by the State under this act for the funding of historic preservation projects as set forth in section 8 of this act. The moneys in the fund are specifically dedicated and shall be applied to the cost of preservation of historic properties as set forth in section 8 of this act. Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law, but bonds may be issued as herein provided, notwithstanding that the

Legislature shall not have then adopted an act making a specific appropriation of any of the moneys.

b. Any act appropriating moneys from the "2007 Historic Preservation Fund" shall identify the particular project or projects to be funded by the moneys, and any expenditure for a project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee or its successor.

c. Unexpended moneys due to project withdrawals, cancellations, or cost savings shall be returned to the fund to be used for the purposes of the fund.

21. a. At any time prior to the issuance and sale of bonds under this act, the State Treasurer is authorized to transfer from any available moneys in any fund of the treasury of the State to the credit of the "2007 Green Acres Fund," the "2007 Farmland Preservation Fund," the "2007 Blue Acres Fund," or the "2007 Historic Preservation Fund," those sums as the State Treasurer may deem necessary. The 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 bonds.

b. Pending their application to the purposes provided in the applicable provisions of this act, the moneys in the "2007 Green Acres Fund," the "2007 Farmland Preservation Fund," the "2007 Blue Acres Fund," and the "2007 Historic Preservation Fund," may be invested and reinvested as are other trust funds in the custody of the State Treasurer, in the manner provided by law. Net earnings received from the investment or deposit of moneys in these funds shall be redeposited therein and become part of the respective funds.

22. If any coupon bond, coupon or registered bond is lost, mutilated or destroyed, a new bond or coupon shall be executed and delivered of like tenor, in substitution for the lost, mutilated or destroyed bond or coupon, upon the owner furnishing to the issuing officials evidence satisfactory to them of the loss, mutilation or destruction of the bond or coupon, the ownership thereof, and security, indemnity and reimbursement for expenses connected therewith, as the issuing officials may require.

23. The accrued interest, if any, received upon the sale of the bonds shall be applied to the discharge of a like amount of interest upon the bonds when due. Any expense incurred by the issuing officials for advertising, engraving, printing, clerical, authenticating, registering, legal or other ser-

vices necessary to carry out the duties imposed upon them by the provisions of this act shall be paid from the proceeds of the sale of the bonds by the State Treasurer, upon the warrant of the Director of the Division of Budget and Accounting in the Department of the Treasury, in the same manner as other obligations of the State are paid.

24. Bonds of each series issued hereunder shall mature, including any sinking fund redemptions, not later than the 35th year from the date of issue of that series, and in amounts as shall be determined by the issuing officials. The issuing officials may reserve to the State by appropriate provision in the bonds of any series the power to redeem any of the bonds prior to maturity at the price or prices and upon the terms and conditions as may be provided in the bonds.

25. Any bond or bonds issued hereunder which are subject to refinancing pursuant to the "Refunding Bond Act of 1985," P.L.1985, c.74 as amended by P.L.1992, c.182 (C.49:2B-1 et seq.), shall no longer be deemed to be outstanding, shall no longer constitute a direct obligation of the State of New Jersey, and the faith and credit of the State shall no longer be pledged to the payment of the principal of, redemption premium, if any, and interest on the bonds, and the bonds shall be secured solely by and payable solely from moneys and government securities deposited in trust with one or more trustees or escrow agents, which trustees and escrow agents shall be trust companies or national or state banks having powers of a trust company, located either within or without the State, as provided herein, whenever there shall be deposited in trust with the trustees or escrow agents, as provided herein, either moneys or government securities, including government securities issued or held in book-entry form on the books of the Department of the Treasury of the United States, the principal of and interest on which when due will provide money which, together with the moneys, if any, deposited with the trustees or escrow agents at the same time, shall be sufficient to pay when due the principal of, redemption premium, if any, and interest due and to become due on the bonds on or prior to the redemption date or maturity date thereof, as the case may be; provided the government securities shall not be subject to redemption prior to their maturity other than at the option of the holder thereof. The State of New Jersey hereby covenants with the holders of any bonds for which government securities or moneys shall have been deposited in trust with the trustees or escrow agents as provided in this section that, except as otherwise provided in this section, neither the government securities nor moneys so deposited

with the trustees or escrow agents shall be withdrawn or used by the State for any purpose other than, and shall be held in trust for, the payment of the principal of, redemption premium, if any, and interest to become due on the bonds; provided that any cash received from the principal or interest payments on the government securities deposited with the trustees or escrow agents, to the extent the cash will not be required at any time for that purpose, shall be paid over to the State, as received by the trustees or escrow agents, free and clear of any trust, lien, pledge or assignment securing the bonds; and to the extent the cash will be required for that purpose at a later date, shall, to the extent practicable and legally permissible, be reinvested in government securities maturing at times and in amounts sufficient to pay when due the principal of, redemption premium, if any, and interest to become due on the bonds on and prior to the redemption date or maturity date thereof, as the case may be, and interest earned from the reinvestments shall be paid over to the State, as received by the trustees or escrow agents, free and clear of any trust, lien or pledge securing the bonds. Notwithstanding anything to the contrary contained herein: a. the trustees or escrow agents shall, if so directed by the issuing officials, apply moneys on deposit with the trustees or escrow agents pursuant to the provisions of this section, and redeem or sell government securities so deposited with the trustees or escrow agents, and apply the proceeds thereof to (1) the purchase of the bonds which were refinanced by the deposit with the trustees or escrow agents of the moneys and government securities and immediately thereafter cancel all bonds so purchased, or (2) the purchase of different government securities; provided however, that the moneys and government securities on deposit with the trustees or escrow agents after the purchase and cancellation of the bonds or the purchase of different government securities shall be sufficient to pay when due the principal of, redemption premium, if any, and interest on all other bonds in respect of which the moneys and government securities were deposited with the trustees or escrow agents on or prior to the redemption date or maturity date thereof, as the case may be; and b. in the event that on any date, as a result of any purchases and cancellations of bonds or any purchases of different government securities, as provided in this sentence, the total amount of moneys and government securities remaining on deposit with the trustees or escrow agents is in excess of the total amount which would have been required to be deposited with the trustees or escrow agents on that date in respect of the remaining bonds for which the deposit was made in order to pay when due the principal of, redemption premium, if any, and interest on the remaining bonds, the trustees or escrow agents shall, if so directed by the issuing officials, pay the

amount of the excess to the State, free and clear of any trust, lien, pledge or assignment securing the refunding bonds.

26. Refunding bonds issued pursuant to P.L.1985, c.74 as amended by P.L.1992, c.182 (C.49:2B-1 et seq.) may be consolidated with bonds issued pursuant to section 5, 6, 7, or 8 of this act or with bonds issued pursuant to any other act for purposes of sale.

27. To provide funds to meet the interest and principal payment requirements for the bonds and refunding bonds issued under this act and outstanding, there is appropriated in the order following:

a. Revenue derived from the collection of taxes under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), or so much thereof as may be required; and

b. If, at any time, funds necessary to meet the interest, redemption premium, if any, and principal payments on outstanding bonds issued under this act are insufficient or not available, there shall be assessed, levied and collected annually in each of the municipalities of the counties of this State, a tax on the real and personal property upon which municipal taxes are or shall be assessed, levied and collected, sufficient to meet the interest on all outstanding bonds issued hereunder and on the bonds proposed to be issued under this act in the calendar year in which the tax is to be raised and for the payment of bonds falling due in the year following the year for which the tax is levied. The tax shall be assessed, levied and collected in the same manner and at the same time as are other taxes upon real and personal property. The governing body of each municipality shall cause to be paid to the county treasurer of the county in which the municipality is located, on or before December 15 in each year, the amount of tax herein directed to be assessed and levied, and the county treasurer shall pay the amount of the tax to the State Treasurer on or before December 20 in each year.

If on or before December 31 in any year, the issuing officials, by resolution, determine that there are moneys in the General Fund beyond the needs of the State, sufficient to pay the principal of bonds falling due and all interest and redemption premium, if any, payable in the ensuing calendar year, the issuing officials shall file the resolution in the office of the State Treasurer, whereupon the State Treasurer shall transfer the moneys to a separate fund to be designated by the State Treasurer, and shall pay the principal, redemption premium, if any, and interest out of that fund as the same shall become due and payable, and the other sources of payment of the principal, redemption premium, if any, and interest provided for in this

section shall not then be available, and the receipts for the year from the tax specified in subsection a. of this section shall be considered and treated as part of the General Fund, available for general purposes.

28. Should the State Treasurer, by December 31 of any year, deem it necessary, because of the insufficiency of funds collected from the sources of revenues as provided in this act, to meet the interest and principal payments for the year after the ensuing year, then the State Treasurer shall certify to the Director of the Division of Budget and Accounting in the Department of the Treasury the amount necessary to be raised by taxation for those purposes, the same to be assessed, levied and collected for and in the ensuing calendar year. The director shall, on or before March 1 following, calculate the amount in dollars to be assessed, levied and collected in each county as herein set forth. This calculation shall be based upon the corrected assessed valuation of each county for the year preceding the year in which the tax is to be assessed, but the tax shall be assessed, levied and collected upon the assessed valuation of the year in which the tax is assessed and levied. The director shall certify the amount to the county board of taxation and the treasurer of each county. The county board of taxation shall include the proper amount in the current tax levy of the several taxing districts of the county in proportion to the ratables as ascertained for the current year.

29. For the purpose of complying with the provisions of the State Constitution, this act shall be submitted to the people at the general election next occurring at least 70 days after enactment. To inform the people of the contents of this act, it shall be the duty of the Attorney General, after this section takes effect, and at least 60 days prior to the election, to cause this act to be published at least once in one or more newspapers of each county, if any newspapers be published therein and to notify the clerk of each county of this State of the passage of this act; and the clerks respectively, in accordance with the instructions of the Attorney General, shall have printed on each of the ballots the following:

If you approve of the act entitled below, make a cross (x), plus (+), or check (✓) mark in the square opposite the word "Yes."

If you disapprove of the act entitled below, make a cross (x), plus (+), or check (✓) mark in the square opposite the word "No."

If voting machines are used, a vote of "Yes" or "No" shall be equivalent to these markings respectively.

	YES	<p>GREEN ACRES, FARMLAND, BLUE ACRES, AND HISTORIC PRESERVATION BOND ACT OF 2007</p> <p>Shall the “Green Acres, Farmland, Blue Acres, and Historic Preservation Bond Act of 2007,” which authorizes the State to issue bonds in the amount of \$200 million to provide moneys for (1) the acquisition and development of lands for recreation and conservation purposes, (2) the preservation of farmland for agricultural or horticultural use and production, (3) the acquisition, for recreation and conservation purposes, of properties in the floodways of the Delaware River, Passaic River, and Raritan River, and their tributaries, that are prone to or have incurred flood or storm damage, and (4) funding historic preservation projects; and providing the ways and means to pay the interest on the debt and also to pay and discharge the principal thereof, be approved?</p>
	NO	<p>INTERPRETIVE STATEMENT</p> <p>Approval of this act would authorize \$200 million in funding for Green Acres, farmland, Blue Acres, and historic preservation projects through the sale of State general obligation bonds. The Green Acres program preserves open space, including parks, fish and wildlife habitat, flood prone or affected areas, and lands that protect water supplies. It also funds park improvements and facilities. Of the total sum authorized: (1) \$109 million will be used for Green Acres; (2) \$73 million will be used for farmland preservation purposes; (3) \$12 million will be used to fund a new “Blue Acres” program by which the State may purchase from willing sellers, for open space preservation purposes, properties in the Delaware River, Passaic River, and Raritan River basin floodways that are prone to or have incurred flood or storm damage; and (4) \$6 million will be used for historic preservation purposes.</p>

The fact and date of the approval or passage of this act, as the case may be, may be inserted in the appropriate place after the title in the ballot. No other requirements of law of any kind or character as to notice or procedure, except as herein provided, need be adhered to.

The votes so cast for and against the approval of this act, by ballot or voting machine, shall be counted and the result thereof returned by the election officer, and a canvass of the election had in the same manner as is provided for by law in the case of the election of a Governor, and the approval or disapproval of this act so determined shall be declared in the same manner as the result of an election for a Governor, and if there is a majority of all the votes cast for and against it at the election in favor of the approval of this act, then all the provisions of this act not made effective theretofore shall take effect forthwith.

30. There is appropriated the sum of \$5,000 to the Department of Law and Public Safety for expenses in connection with the publication of notice pursuant to section 29 of this act.

31. The commissioner, the secretary, and the New Jersey Historic Trust, as the case may be, shall submit to the State Treasurer and the commission with each respective department's or agency's annual budget request a plan for the expenditure of funds from the "2007 Green Acres Fund," the "2007 Farmland Preservation Fund," the "2007 Blue Acres Fund," and the "2007 Historic Preservation Fund," as the case may be, for the upcoming fiscal year. Each plan shall include the following information: a performance evaluation of the expenditures made from the appropriate fund to date; a description of programs planned during the upcoming fiscal year; a copy of the regulations in force governing the operation of programs that are financed, in part or in whole, by moneys from the particular fund; and an estimate of expenditures for the upcoming fiscal year.

32. Immediately following the submission to the Legislature of the Governor's annual budget message, the commissioner, the secretary, and the New Jersey Historic Trust shall submit to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), and to the Joint Budget Oversight Committee, or its successor, copies of the appropriate plan called for under section 31 of this act, together with such changes therein as may have been required by the Governor's budget message.

33. Not less than 30 days prior to entering into any contract, lease, obligation, or agreement to effectuate the purposes of this act, the commissioner, the secretary, or the New Jersey Historic Trust, as appropriate, shall report to and consult with the Joint Budget Oversight Committee, or its successor.

34. Except as otherwise provided by this act, all appropriations from the bond funds established by this act shall be by specific allocation for each project, and any transfer of any funds so appropriated shall require the approval of the Joint Budget Oversight Committee or its successor. Except as otherwise provided by this act, any expenditure for a project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee or its successor.

35. This section and sections 29 and 30 of this act shall take effect immediately and the remainder of this act shall take effect as and when provided in section 29.

Approved July 31, 2007.

CHAPTER 120

AN ACT concerning the prevention of health care facility-acquired infections and supplementing Title 26 of the Revised Statutes.

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

C.26:2H-12.35 Findings, declarations relative to prevention of health care facility-acquired infections.

1. The Legislature finds and declares that:
 - a. Two million patients in this country become infected after entering hospitals each year and about 90,000 of those patients die as a result of those infections;
 - b. Methicillin-Resistant *Staphylococcus aureus* (MRSA) is a common staph infection which is resistant to powerful antibiotics and which is increasingly prevalent in health care settings;
 - c. MRSA can survive on cloth and plastic for up to 90 days, and is frequently transmitted by contaminated hands, clothes and non-invasive instruments, so that the number of patients who can become infected from even one carrier multiplies dramatically;
 - d. The federal Centers for Disease Control and Prevention (CDC) estimates that one in 20 patients entering a hospital carries MRSA, and re-

ported that MRSA accounted for 60% of infections in American hospitals in 2004, up from 2% in 1974;

e. The annual nationwide cost to treat hospitalized patients infected with MRSA is estimated to be more than \$4 billion;

f. These infections are preventable, and recent data support a multifaceted approach to successfully combat them, including routine screening, isolation of colonized and infected patients, strict compliance with hygiene guidelines, and a change in culture to ensure that infection prevention and control is everyone's job and is a natural component of care at each patient encounter each day;

g. Virtually all published analyses comparing the costs of screening patients upon admission and adopting effective infection control practices with the costs of caring for infected patients have concluded that caring for infected patients is much more expensive;

h. Routine screening and isolation of all patients with MRSA in hospitals in Denmark and Holland have reduced MRSA to 10% of their bacterial infections, and a pilot program undertaken by the Department of Veterans Affairs (VA) Pittsburgh Healthcare System that reduced MRSA infections in its surgical care unit by 70% was so successful that all VA health care facilities have been directed to develop and implement similar approaches to prevent the spread of MRSA in at least one unit, with the goal to apply successful strategies facility-wide; and

i. It is a matter of public health and fiscal policy that patients in New Jersey's health care facilities receive health care that incorporates these best practices in infection control, not only to protect their health and lives, but also to ensure the economic viability of New Jersey's health care institutions.

C.26:2H-12.36 Hospitals required to implement an infection prevention program, reporting of cases of MRSA.

2. a. Within one month after the effective date of this act, all general hospitals licensed by the Department of Health and Senior Services pursuant to P.L.1971, c.136 (C.26:2H-1 et al.) shall implement an infection prevention program in their intensive care unit or units, as applicable, and if the hospital has no intensive care unit, then in another high-risk unit such as a surgical unit, or other unit where there is significant risk of facility-acquired infections.

Ultimately, the hospital shall expand the infection prevention program to all areas of the hospital, with the exception of an inpatient psychiatric unit, if applicable. The expansion of the infection prevention program shall

be completed as quickly as feasible, taking into account the hospital's patient population, physical plant and other facility-specific circumstances.

b. In addition to any other best practices and effective strategies, the hospital shall incorporate the following strategies:

(1) identification and isolation of both colonized and infected patients by screening patients upon admission in order to break the chain of transmission;

(2) contact precautions for patients found to be MRSA positive, as "contact precautions" is defined by the Centers for Disease Control and Prevention;

(3) patient cultures for MRSA upon discharge or transfer from the unit where the infection prevention program has been implemented, and flagging of patients who are readmitted to the hospital;

(4) strict adherence to hygiene guidelines;

(5) a written infections prevention and control policy with input from frontline caregivers; and

(6) a worker education requirement regarding modes of transmission of MRSA, use of protective equipment, disinfection policies and procedures, and other preventive measures.

c. A general hospital shall report to the Department of Health and Senior Services, in a manner and according to a schedule prescribed by the Commissioner of Health and Senior Services, the number of cases of hospital-acquired MRSA that occur in its facility.

C.26:2H-12.37 Violations, penalties.

3. A general hospital that is in violation of the provisions of this act shall be subject to such penalties as the Commissioner of Health and Senior Services may determine pursuant to sections 13 and 14 of P.L.1971, c.136 (C.26:2H-13 and 26:2H-14).

C.26:2H-12.38 Report to the Governor, Legislature.

4. To the extent that funds permit, the commissioner shall report within 18 months after the effective date of this act and annually thereafter to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), the Senate and General Assembly standing reference committees on health, on the effect of this act in reducing MRSA infections in hospitals.

5. This act shall take effect on the 30th day after enactment.

Approved August 2, 2007.

CHAPTER 121

AN ACT concerning organ donation information at public institutions of higher education and supplementing chapter 62 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:62-45 Placement of organ donation information at public institutions of higher education.

1. A public institution of higher education shall make available on each campus information and materials regarding organ donation in accordance with the provisions of the "Uniform Anatomical Gift Act," P.L.1969, c.161 (C.26:6-57 et seq.). The institution shall place the information and materials in an accessible location and shall make students and staff aware of its availability.

2. This act shall take effect immediately.

Approved August 2, 2007.

CHAPTER 122

AN ACT concerning comprehensive eye examinations for certain students and supplementing chapter 40 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:40-35 Findings, declarations relative to comprehensive eye examinations for certain students.

1. The Legislature finds and declares that: approximately one-half of all New Jersey students with a special education classification are classified as Specific Learning Disabled (SLD); the rate of growth in SLD classified students in recent years has been 9%, while total school enrollment has grown at only 2%; nationwide, approximately 80% of SLD students have primary difficulties with reading, and as many as 70% of those students might not have been classified if they had received appropriate early inter-

vention; undiagnosed and untreated vision-related learning problems are significant contributors to early reading difficulties and often lead to special education classification; under current State Board of Education regulations, only one vision assessment is required by the end of grade three and that screening tests only for vision acuity; the number of children classified as requiring special education continues to increase, and once classified few students return to full-time general education; it is therefore imperative that the State takes steps to study the impact of comprehensive eye examinations for students in the primary grades to assess their impact on eliminating the special education classification of students for treatable vision-related difficulties.

C.18A:40-36 "Comprehensive eye examination," defined.

2. As used in this act, "comprehensive eye examination" means an evaluation that includes a child's history, external and ophthalmoscopic examination, visual acuity, ocular alignment and motility, refraction, and assessment of accommodation and binocular vision, performed by an optometrist or ophthalmologist.

C.18A:40-37 Three-year comprehensive eye examination pilot program for second grade students.

3. a. The Commissioner of Education, in consultation with the Commissioner of Health and Senior Services, shall establish a three-year comprehensive eye examination pilot program for second grade students. The purpose of the program shall be to eliminate inappropriate referrals for special education programs and services by examining students at the end of second grade for vision-related problems that may go undiagnosed and result in special education classification.

b. The commissioner shall select for participation in the pilot program one school district in each of the northern, central, and southern regions of the State, including an urban school district, a suburban school district, and a rural school district. In selecting the pilot school districts, the commissioner may consider the percentage of students in the district classified as eligible for special education programs and services, the percentage increase in such classifications over the prior five school years, and the district's interest in participating in the program. The commissioner shall collaborate with each pilot school district on the procedures to be implemented to conduct the comprehensive eye examinations, including the coverage of any costs associated with the examinations. In any agreement concerning the cost of providing examinations, no parent or guardian of a student shall be required to make any payment to the optometrist or ophthalmologist

providing a comprehensive eye examination, or the school district or any other entity; except that if the student is covered by a health insurance plan which has a copayment requirement, the parent or guardian shall pay the health care provider the required copayment. In this case, the parent or guardian may apply to the Comprehensive Eye Examination Fund for reimbursement of the copayment.

c. The commissioner shall develop and distribute to the pilot districts a form to document and provide information on each comprehensive eye examination conducted under the program.

C.18A:40-38 Collection of data on pilot program from school districts.

4. The commissioner shall implement a plan to collect data from each participating school district on the impact of the pilot program on reducing the number of students classified as eligible for special education programs and services. The data collected from each district shall include, but not be limited to: information regarding the types, number, and severity of vision-related problems diagnosed; the percentage of students classified as eligible for special education programs and services in the district in each of the five school years prior to the inception of the pilot program; the percentage of students classified as eligible for special education programs and services in each of the school years in which the district participates in the pilot program; an analysis of the cost-savings to the school district attributable to a reduction in the number of classified students; the level of parental satisfaction with the program; and any other information required by the commissioner.

C.18A:40-39 "Comprehensive Eye Examination Fund," use.

5. There is hereby created a special fund in the Department of Education, which shall be entitled the "Comprehensive Eye Examination Fund." The fund shall be maintained in a separate account and administered by the commissioner to carry out the provisions of this section. The fund shall consist of (1) any monies appropriated by the State for the purposes of the fund; (2) any monies donated for the purposes of the fund; and (3) all interest and investment earnings received on monies in the fund. The fund shall be used to cover the costs of comprehensive eye examinations conducted pursuant to P.L.2007, c.122 (C.18A:40-35 et seq.), for any uninsured students and students without applicable healthcare coverage and to reimburse the cost of copayments for any insured students.

C.18A:40-40 Report to Governor, Legislature.

6. No later than June 30 of the third school year following the enactment of the pilot program, the commissioner shall submit to the Governor

and the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) a report that evaluates the effectiveness of the pilot program in reducing the number of students classified as in need of special education programs and services. The report shall include a recommendation on the advisability of the program's continuation and extension to additional school districts.

7. This act shall take effect immediately.

Approved August 2, 2007.

CHAPTER 123

AN ACT requiring the Department of Military and Veterans' Affairs to evaluate resources, costs and benefits of providing home health care aides for qualified veterans.

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

1. a. The Adjutant General of the Department of Military and Veterans' Affairs, in consultation with the Commissioner of Health and Senior Services, shall examine and evaluate the resources available and the costs and benefits of providing home health care services to elderly or disabled veterans through approved agencies, organizations or other entities for the purpose of enabling these veterans to remain in their homes and communities and to avoid placement in a nursing home or other long-term care facility.

b. The Adjutant General shall make specific recommendations to the Legislature regarding the allocation of State funds necessary to meet the demand for veterans' home health care services for each of the subsequent five State fiscal years. The examination and evaluation of the Adjutant General shall focus on accessibility and cost effectiveness of care to be provided, while ensuring that the integrity of the department's nursing home and related missions are maintained. The Adjutant General shall make specific recommendations for working with the Medicare and Medicaid programs, and private insurance companies to provide these alternative to veterans.

c. In the report prepared, the Adjutant General shall describe items and services that may be provided as needed by a licensed home health care agency to provide preventive, rehabilitative, and therapeutic services to patients in the patient's home or place of residence. The department shall

itemize and estimate the cost to provide each service and shall estimate the number of veterans in need of home health care services for each of the subsequent five State fiscal years.

d. Each State department or agency shall provide the Adjutant General with such resources as may be necessary for the completion of the examination and evaluation required by this section.

e. Not later than 180 days after the date of enactment, the Department of Military and Veterans' Affairs shall submit a written report to the Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), on the findings and recommendations of the Adjutant General.

2. This act shall take effect immediately and shall expire 30 days after the submission of the final report to the Legislature.

Approved August 3, 2007.

CHAPTER 124

AN ACT concerning child product safety and supplementing P.L.1960, c.39 (C.56:8-1 et seq.) and P.L.1983, c.492 (C.30:5B-1 et seq.).

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

C.56:8-53.1 Definitions relative to child product safety.

1. As used in this act:

"Child" means a person less than 14 years of age.

"Children's product" means a product, including, but not limited to, a full-size crib, non-full-size crib, toddler bed, bed, car seat, chair, high chair, booster chair, hook-on chair, bath seat, gate or other enclosure for confining a child, play yard, stationary activity center, carrier, stroller, walker, swing, or toy or play equipment, that meets the following criteria:

a. the product is designed or intended for the care of, or use by, a child; or

b. the product is designed or intended to come into contact with a child while the product is used.

Notwithstanding any other provision of this section to the contrary, a product is not a "children's product" for the purposes of this act if it may be used by or for the care of a child, but it is designed or intended for use by

the general population or segments of the general population and not solely or primarily for use by or for the care of a child, or it is a balloon, medication, drug, or food or is intended to be ingested.

"Commercial user" means any person who deals in children's products or who otherwise by one's occupation holds oneself out as having knowledge or skill peculiar to children's products, or any person who is in the business of remanufacturing, retrofitting, selling, leasing, subletting, or otherwise placing in the stream of commerce children's products.

"Crib" means a bed or containment designed to accommodate an infant.

"Full-size crib" means a full-size crib as defined in Sections 1508.1 and 1508.3 of title 16, Code of Federal Regulations regarding the requirements for full-size cribs.

"Non-full-size crib" means a non-full-size crib as defined in Section 1509.2 of title 16, Code of Federal Regulations regarding the requirements of non-full-sized cribs.

"Place in the stream of commerce" means to sell, offer for sale, give away, offer to give away, or allow the use of.

C.56:8-53.2 Unlawful practices relative to children's products deemed unsafe.

2. a. It shall be an unlawful practice for any commercial user to knowingly remanufacture, retrofit, sell, contract to sell or resell, lease, sublet, or otherwise place in the stream of commerce a children's product deemed unsafe in accordance with this section.

b. A children's product is deemed to be unsafe for purposes of this section if it meets any of the following criteria:

(1) it has been recalled for any reason by a federal agency or the product's manufacturer, distributor, or importer and the recall has not been rescinded; or

(2) a federal agency has issued a warning that a specific product's intended use constitutes a safety hazard and the warning has not been rescinded.

C.56:8-53.3 Duties of Division of Consumer Affairs; immunity from liability.

3. a. The Division of Consumer Affairs in the Department of Law and Public Safety shall:

(1) create, maintain, and update a comprehensive list of children's products that have been identified as meeting any of the criteria set forth in section 2 of P.L.2007, c.124 (C.56:8-53.2); and

(2) make the comprehensive list available to the public at no cost, including, but not limited to, posting the list on the Internet.

b. The Division of Consumer Affairs shall not be liable for any civil

damages as a result of any acts or omissions undertaken in good faith in the creation, maintenance or updating of the list of children's products in accordance with subsection a. of this section.

C.56:8-53.4 Retrofitting of children's products.

4. A children's product deemed unsafe in accordance with P.L.2007, c.124 (C.56:8-53.1 et al.) as a result of a recall or warning issued by a federal agency, may be retrofitted by the manufacturer if the retrofit has been approved by the federal agency issuing the recall or warning or another federal agency with the authority to approve the retrofit. A retrofitted children's product may be placed in the stream of commerce. A commercial user is responsible for maintaining a record of any notice provided by the manufacturer concerning a retrofitted children's product stating that the retrofit has been approved by the federal agency issuing the recall or warning or another federal agency with the authority to approve the retrofit.

C.30:5B-15.1 Children's products deemed unsafe prohibited in certain child care centers; duties of Department of Children and Families.

5. a. A child care center licensed pursuant to P.L.1983, c.492 (C.30:5B-1 et seq.) may not use or have on its premises a children's product deemed unsafe in accordance with section 2 of P.L.2007, c.124 (C.56:8-53.2). This subsection does not apply to an antique or collectible children's product if it is not used by, or accessible to, any child in the child care center.

b. The Department of Children and Families shall make the list created by the Division of Consumer Affairs regarding unsafe children's products pursuant to section 3 of P.L.2007, c.124 (C.56:8-53.3), available to child care centers by posting the list on the department's website or providing electronic access to the list through its website to the list's posting on the Internet by the Division of Consumer Affairs, so that child care centers may more effectively inspect children's products and identify unsafe children's products.

c. (1) The department shall prepare a certification form and require each center to complete the certification form during the process of licensing, renewal, or periodic updating.

(2) The department shall retain the certification form completed by each center in each respective center's licensing file.

d. Each child care center shall:

(1) as part of the licensing, licensing renewal, or periodic inspection process conducted by the department, certify in writing that it has reviewed the list created by the Division of Consumer Affairs regarding unsafe chil-

dren's products pursuant to section 3 of P.L.2007, c.124 (C.56:8-53.3), and that there are no unsafe products in the center; and

(2) review the list periodically and make the list accessible to the center staff members and to parents of the children who attend the center.

e. The department may revoke or refuse to renew the license of any child care center, or refuse to issue a license to a center, should the center not comply with any section of P.L.2007, c.124 (C.56:8-53.1 et al.).

C.56:8-53.5 Rules, regulations.

6. a. Pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the Director of the Division of Consumer Affairs in the Department of Law and Public Safety, may adopt rules and regulations to effectuate the purposes of sections 1 through 4 of this act.

b. Pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the Commissioner of Children and Families shall adopt rules and regulations to effectuate the purposes of section 5 of this bill.

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

Approved August 6, 2007.

CHAPTER 125

AN ACT concerning the health of student athletes and supplementing chapter 40 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:40-41 Sudden cardiac death, pamphlet; development, distribution to school districts, parents of athletes.

1. a. The Commissioner of Education, in consultation with the Commissioner of Health and Senior Services, the American Heart Association, and the American Academy of Pediatrics, shall develop a pamphlet that provides information about sudden cardiac death to the parents or guardians of student athletes. The pamphlet shall include an explanation of sudden cardiac death, its incidence among student athletes, a description of early warning signs, and an overview of the options that are privately available to screen for cardiac conditions that may lead to sudden cardiac death, including a statement about the limitations of these options.

b. The commissioner shall distribute the pamphlet, at no charge, to all school districts in the State. The commissioner shall update the pamphlet as necessary, and shall make additional copies available to nonpublic schools upon request.

c. In the 2007-2008 school year and in each school year thereafter, each school district shall distribute the pamphlet to the parents or guardians of students participating in school sports.

2. This act shall take effect immediately.

Approved August 6, 2007.

CHAPTER 126

AN ACT concerning certain public contracts and supplementing Chapter 34 of Title 52 of the Revised Statutes.

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

C.52:34-6.4 State required to purchase "Energy Star" products; exceptions.

1. Notwithstanding the provisions of any other law to the contrary, and unless the head of the department, or other public officer charged with the duty by law, shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, the State, with respect to products procured for its own use under any contract paid with or out of State funds, shall acquire only products bearing the federal Environmental Protection Agency's Energy Star label.

2. This act shall take effect immediately.

Approved August 6, 2007.

CHAPTER 127

AN ACT concerning certain correctional facilities and supplementing chapter 29 of Title 2C of the New Jersey Statutes.

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

C.2C:29-10 Definitions relative to use of certain electronic communication devices in correctional facilities; possession, use, sale, crimes, certain.

1. a. For the purposes of this section:

“County correctional facility” means any prison or other secure facility managed and operated by any county of this State in which adult offenders are incarcerated.

“County juvenile detention facility” means any secure juvenile facility managed and operated by any county of this State.

“Secure juvenile facility” means the New Jersey Training School for Boys, the Juvenile Medium Security Facility, and any other secure juvenile facility managed and operated by the Juvenile Justice Commission.

“State correctional facility” means a State prison or other penal institution.

b. A person who possesses or uses an electronic communication device or a battery or device to recharge an electronic communication device while confined to a State correctional facility, secure juvenile facility, county correctional facility, or county juvenile detention facility is guilty of a crime of the third degree.

c. A person, other than an employee or a contract employee of the Department of Corrections, the Juvenile Justice Commission, a county correctional facility, or a county juvenile detention facility who knowingly sells, transfers, assigns, provides, or otherwise gives an electronic communication device to a person who is confined in a State correctional facility, secure juvenile facility, county correctional facility, or county juvenile detention facility is guilty of a crime of the third degree.

d. An employee or a contract employee of the Department of Corrections, the Juvenile Justice Commission, a county correctional facility, or a county juvenile detention facility who knowingly sells, transfers, assigns, provides, or otherwise gives an electronic communication device to a person who is confined in a State correctional facility, secure juvenile facility, county correctional facility, or county juvenile detention facility is guilty of a crime of the second degree.

2. This act shall take effect immediately.

Approved August 6, 2007.

CHAPTER 128

AN ACT concerning the monitoring of certain sex offenders, supplementing Title 30 of the Revised Statutes, and repealing sections 1 through 8 of P.L.2005, c.189.

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

C.30:4-123.89 Short title.

1. This act may be known and shall be cited as the "Sex Offender Monitoring Act."

C.30:4-123.90 Findings, declarations relative to monitoring of sex offenders.

2. The Legislature finds and declares:

a. Offenders who commit serious and violent sex crimes have demonstrated high recidivism rates and, according to some studies, are four to five times more likely to commit a new sex offense than those without such prior convictions, thereby posing an unacceptable level of risk to the community.

b. Intensive supervision of serious and violent sex offenders is a crucial element in both the rehabilitation of the released inmate and the safety of the surrounding community.

c. Technological solutions currently exist to provide improved supervision and behavioral control of sex offenders following their release.

d. These solutions also provide law enforcement and correctional professionals with new tools for electronic correlation of the constantly updated geographic location of supervised sex offenders following their release with the geographic location of reported crimes, to possibly link released offenders to crimes or to exclude them from ongoing criminal investigations.

e. Continuous 24 hours per day, seven days per week, monitoring is a valuable and reasonable requirement for those offenders who are determined to be a high risk to reoffend, were previously committed as sexually violent predators and conditionally discharged, or received or are serving a special sentence of community or parole supervision for life. A program to monitor these sex offenders should be established.

C.30:4-123.91 Definitions relative to monitoring of sex offenders.

3. a. As used in this act:

"Chairman" means the Chairman of the State Parole Board.

"Monitored subject" means:

(1) a person whose risk of reoffense has been determined to be high pursuant to section 3 of P.L.1994, c.128 (C.2C:7-8); and

(2) a person who the chairman deems appropriate for continuous satellite-based monitoring pursuant to the provisions of this act and who:

(a) was subject to civil commitment as a "sexually violent predator" in accordance with the provisions of P.L.1998, c.71 (C.30:4-27.24 et al.) and has been conditionally discharged or discharged pursuant to section 13 of P.L.1998, c.71 (C.30:4-27.36);

(b) has been sentenced to a term of community or parole supervision for life pursuant to section 2 of P.L.1994, c.130 (C.2C:43-6.4); or

(c) has been convicted of or adjudicated delinquent for a sex offense enumerated in subsection b. of section 2 of P.L.1994, c.133 (C.2C:7-2) and the victim of the offense was under 18 years of age or 60 years of age or older, regardless of the date of conviction.

b. In addition to those offenders whose risk of reoffense has been determined to be high pursuant to section 3 of P.L.1994, c.128 (C.2C:7-8), the chairman, in exercising his discretion in determining subjects to monitor through time correlated or continuous tracking of their geographic location under the program authorized by this act, shall consider the risk to the public posed by the subject, based on relevant risk factors such as the seriousness of the offense, the age of the victim or victims, the degree of force and contact, and any other factors the chairman deems appropriate. Time correlated or continuous tracking of the offender's geographic location shall not be provided during the time a monitored subject is in custody due to arrest, incarceration or civil commitment.

c. Nothing in this act shall be construed to preclude a judge from ordering time correlated or continuous tracking of the person's geographic location or other electronic monitoring as a condition of discharge of a person committed pursuant to P.L.1998, c.71 (C.30:4-27.24 et al.), or as a condition or requirement of supervision for any other person sentenced pursuant to N.J.S.2C:45-1 or sentenced to a term of community or parole supervision for life pursuant to section 2 of P.L.1994, c.130 (C.2C:43-6.4).

C.30:4-123.92 Program for continuous, satellite-based monitoring of sex offenders.

4. a. The chairman, in consultation with the Attorney General, shall establish a program for the continuous, satellite-based monitoring of sex offenders in this State. The system shall provide for the capability of active and passive monitoring, or a combination of both.

b. The monitoring system, at a minimum, shall provide:

(1) Time-correlated or continuous tracking of the geographic location of the monitored subject using a global positioning system based on satellite and other location technology; and

(2) An automated monitoring system that can be used to permit law enforcement agencies to compare the geographic positions of monitored subjects with reported crime incidents and whether the subject was in the proximity of such reported crime incidents.

c. The State Parole Board shall develop procedures to determine, investigate, and report on a 24 hours per day basis a monitored subject's non-compliance with the terms and conditions of the program. All reports of noncompliance shall be investigated immediately by a parole or law enforcement officer.

d. The chairman may promulgate guidelines to effectuate the provisions of this act.

C.30:4-123.93 Sharing of criminal incident information.

5. Notwithstanding any provision of law, rule or regulation to the contrary, the chairman, Attorney General, Superintendent of State Police, and federal, State, county and municipal law enforcement agencies may share criminal incident information with each other and the vendor selected by the chairman to provide the monitoring equipment for the program. The chairman may direct the vendor to use data obtained pursuant to this act in preparing correlation reports for distribution and use by federal, State, county and municipal law enforcement agencies.

C.30:4-123.94 Noncompliance, third degree crime.

6. A person who is monitored under the program established pursuant to this act and who fails to comply with its requirements is guilty of a crime of the third degree. Nothing in this act shall be construed to preclude a person who violates any condition of a special sentence of community or parole supervision for life from being subjected to the provisions of sections 16 through 19 and 21 of P.L.1979, c.441 (C.30:4-123.60 through 30:4-123.63 and C.30:4-123.65) pursuant to the provisions of subsection c. of section 3 of P.L.1997, c.117 (C.30:4-123.51b).

Nothing in this act shall be construed to preclude a person on conditional discharge pursuant to P.L.1998, c.71 (C.30:4-27.24 et al.) who violates any condition of discharge imposed by the court from being subjected to the provisions of paragraph (3) of subsection c. of section 9 of P.L.1998, c.71 (C.30:4-27.32).

C.30:4-123.95 Interference with monitoring device, third degree crime.

7. Any person who tampers with, removes or vandalizes a device worn or utilized by a monitored subject pursuant to this act is guilty of a crime of the third degree.

Repealer.

8. Sections 1 through 8 of P.L.2005, c.189 (C.30:4-123.80 et seq.) are hereby repealed.

9. This act shall take effect immediately.

Approved August 6, 2007.

CHAPTER 129

AN ACT concerning harassment and bullying prevention in public school districts and amending and supplementing P.L.2002, c.83.

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

1. Section 2 of P.L.2002, c.83 (C.18A:37-14) is amended to read as follows:

C.18A:37-14 Definitions relative to adoption of harassment and bullying prevention policies.

2. As used in this act:

"Electronic communication" means a communication transmitted by means of an electronic device, including, but not limited to, a telephone, cellular phone, computer, or pager;

"Harassment, intimidation or bullying" means any gesture, any written, verbal or physical act, or any electronic communication that is reasonably perceived as being motivated either by any actual or perceived characteristic, such as race, color, religion, ancestry, national origin, gender, sexual orientation, gender identity and expression, or a mental, physical or sensory handicap, or by any other distinguishing characteristic, that takes place on school property, at any school-sponsored function or on a school bus and that:

a. a reasonable person should know, under the circumstances, will have the effect of harming a student or damaging the student's property, or placing a student in reasonable fear of harm to his person or damage to his property; or

b. has the effect of insulting or demeaning any student or group of students in such a way as to cause substantial disruption in, or substantial interference with, the orderly operation of the school.

C.18A:37-15.1 "Electronic communication" included in school districts' harassment and bullying prevention policy.

2. a. A school district's policy on prohibiting harassment, intimidation or bullying adopted pursuant to section 3 of P.L.2002, c.83 (C.18A:37-15), shall be amended, if necessary, to reflect the provisions of P.L.2007, c.129 (C.18A:37-15.1 et al.). The district shall transmit a copy of the amended policy to the appropriate county superintendent of schools. Notice of the amended policy shall appear in any publication of the school district that sets forth the comprehensive rules, procedures and standards of conduct for schools within the school district, and in any student handbook.

b. In the event that a school district's policy on prohibiting harassment, intimidation or bullying adopted pursuant to section 3 of P.L.2002, c.83 (C.18A:37-15) does not accord with the provisions of subsection a. of this section by the 90th day following the effective date of this act, the district's existing policy prohibiting harassment, intimidation or bullying shall be deemed to include an "electronic communication" as defined in section 2 of P.L.2002, c.83 (C.18A:37-14) as amended by section 1 of P.L.2007, c.129.

3. This act shall take effect immediately.

Approved August 6, 2007.

CHAPTER 130

AN ACT concerning child abuse and neglect and amending P.L.1994, c.119.

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

1. Section 2 of P.L.1994, c.119 (C.9:6-8.75) is amended to read as follows:

C.9:6-8.75 "New Jersey Task Force on Child Abuse and Neglect," established, purpose; powers, duties.

2. There is established the "New Jersey Task Force on Child Abuse and Neglect."

a. The purpose of the task force is to study and develop recommendations regarding the most effective means of improving the quality and scope of child protective and preventative services provided or supported by State government, including a review of the practices and policies utilized by the Division of Youth and Family Services and Division of Prevention and Community Partnerships in the Department of Children and Families in order to:

(1) optimize coordination of child abuse-related services and investigations;

(2) promote the safety of children at risk of abuse or neglect;

(3) ensure a timely determination with regard to reports of alleged child abuse;

(4) educate the public about the problems of, and coordinate activities relating to, child abuse and neglect;

(5) develop a Statewide plan to prevent child abuse and neglect and mechanisms to facilitate child abuse and neglect prevention strategies in coordination with the Division of Prevention and Community Partnerships;

(6) mobilize citizens and community agencies in a proactive effort to prevent and treat child abuse and neglect; and

(7) foster cooperative working relationships between State and local agencies responsible for providing services to victims of child abuse and neglect and their families.

b. The task force shall receive, evaluate and approve applications of public and private agencies and organizations for grants from moneys annually appropriated from the "Children's Trust Fund" established pursuant to section 2 of P.L.1985, c.197 (C.54A:9-25.4). Any portion of the moneys actually appropriated which are remaining at the end of a fiscal year shall lapse to the "Children's Trust Fund."

Grants shall be awarded to public and private agencies for the purposes of planning and establishing or improving programs and services for the prevention of child abuse and neglect, including activities which:

(1) Provide Statewide educational and public informational seminars for the purpose of developing appropriate public awareness regarding the problems of child abuse and neglect;

(2) Encourage professional persons and groups to recognize and deal with problems of child abuse and neglect;

(3) Make information about the problems of child abuse and neglect available to the public and organizations and agencies which deal with problems of child abuse and neglect; and

(4) Encourage the development of community prevention programs, including:

(a) community-based educational programs on parenting, prenatal care, prenatal bonding, child development, basic child care, care of children with special needs, coping with family stress, personal safety and sexual abuse prevention training for children, and self-care training for latchkey children; and

(b) community-based programs relating to crisis care, aid to parents, child abuse counseling, peer support groups for abusive or potentially abusive parents and their children, lay health visitors, respite of crisis child care, and early identification of families where the potential for child abuse and neglect exists.

The task force shall, in awarding grants, establish such priorities respecting the programs or services to be funded and the amounts of funding to be provided as it deems appropriate, except that the task force shall place particular emphasis on community-based programs and services which are designed to develop and demonstrate strategies for the early identification, intervention and assistance of families and children at risk in order to prevent child abuse and neglect.

The task force shall adopt such rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to govern the awarding of grants pursuant to this subsection as may be necessary to establish adequate reporting requirements on the use of grant funds by recipient agencies and organizations and to permit the task force to evaluate the programs and services for which grants are awarded.

c. The task force shall establish a Staffing and Oversight Review Subcommittee to review staffing levels of the Division of Youth and Family Services in order to develop recommendations regarding staffing levels and the most effective methods of recruiting, hiring, and retaining staff within the division. In addition, the subcommittee shall review the division's performance in the achievement of management and client outcomes, and shall issue a preliminary report with its findings and recommendations no later than January 1, 2007, and subsequent reports annually thereafter with the first full report due no later than July 1, 2007. The subcommittee shall directly issue its reports to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature.

2. This act shall take effect immediately.

Approved August 6, 2007.

CHAPTER 131

AN ACT concerning the statute of limitations for certain environmental crimes and crimes causing widespread injury or damage and amending N.J.S.2C:1-6.

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

1. N.J.S.2C:1-6 is amended to read as follows:

Time limitations.

2C:1-6. Time Limitations. a. (1) A prosecution for any offense set forth in N.J.S.2C:11-3, N.J.S.2C:11-4, N.J.S.2C:14-2 or sections 1 through 5 of P.L.2002, c.26 (C.2C:38-1 through C.2C:38-5) may be commenced at any time.

(2) A prosecution for any offense set forth in N.J.S.2C:17-2, section 9 of P.L.1970, c.39 (C.13:1E-9), section 20 of P.L.1989, c.34 (C.13:1E-48.20), section 19 of P.L.1954, c.212 (C.26:2C-19), section 10 of P.L.1984, c.173 (C.34:5A-41), or section 10 of P.L.1977, c.74 (C.58:10A-10) may be commenced at any time.

b. Except as otherwise provided in this section, prosecutions for other offenses are subject to the following periods of limitations:

(1) A prosecution for a crime must be commenced within five years after it is committed;

(2) A prosecution for a disorderly persons offense or petty disorderly persons offense must be commenced within one year after it is committed;

(3) A prosecution for any offense set forth in N.J.S.2C:27-2, N.J.S.2C:27-4, N.J.S.2C:27-6, N.J.S.2C:27-7, N.J.S.2C:29-4, N.J.S.2C:30-2, N.J.S.2C:30-3, or any attempt or conspiracy to commit such an offense, must be commenced within seven years after the commission of the offense;

(4) A prosecution for an offense set forth in N.J.S.2C:14-3 or N.J.S.2C:24-4, when the victim at the time of the offense is below the age of 18 years, must be commenced within five years of the victim's attaining the age of 18 or within two years of the discovery of the offense by the victim, whichever is later;

(5) (Deleted by amendment, P.L.2007, c.131).

c. An offense is committed either when every element occurs or, if a legislative purpose to prohibit a continuing course of conduct plainly appears, at the time when the course of conduct or the defendant's complicity therein is terminated. Time starts to run on the day after the offense is committed,

except that when the prosecution is supported by physical evidence that identifies the actor by means of DNA testing or fingerprint analysis, time does not start to run until the State is in possession of both the physical evidence and the DNA or fingerprint evidence necessary to establish the identification of the actor by means of comparison to the physical evidence.

d. A prosecution is commenced for a crime when an indictment is found and for a nonindictable offense when a warrant or other process is issued, provided that such warrant or process is executed without unreasonable delay. Nothing contained in this section, however, shall be deemed to prohibit the downgrading of an offense at any time if the prosecution of the greater offense was commenced within the statute of limitations applicable to the greater offense.

e. The period of limitation does not run during any time when a prosecution against the accused for the same conduct is pending in this State.

f. The limitations in this section shall not apply to any person fleeing from justice.

g. Except as otherwise provided in this code, no civil action shall be brought pursuant to this code more than five years after such action accrues.

2. This act shall take effect immediately and shall apply to any offense for which the time limitation for bringing a prosecution has not expired.

Approved August 6, 2007.

CHAPTER 132

AN ACT concerning green buildings and supplementing Title 52 of the Revised Statutes.

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

C.52:27D-130.6 Green building manual, preparation, availability.

1. The Commissioner of Community Affairs is authorized to prepare, in consultation with other State agencies, and make available to the public, a green building manual for the purpose of ensuring that standards are available for those owners and builders who participate in any program that encourages or requires the construction of green buildings. The manual shall include federal guidelines and regulations for energy efficiency in

building construction. The manual shall cover residential as well as commercial buildings. For the purposes of this act, “green building” means those building construction practices that significantly reduce or eliminate the negative impact of buildings on the environment and their occupants and may consider, but need not be limited to five broad areas: sustainable site planning; safeguarding water and water efficiency; energy efficiency and renewable energy; conservation of materials and resources; and indoor environmental quality.

2. This act shall take effect immediately.

Approved August 6, 2007.

CHAPTER 133

AN ACT concerning victims of crime and designated as Nicole’s Law, supplementing chapter 14 of Title 2C of the New Jersey Statutes, and amending N.J.S.2C:45-1 and N.J.S.2C:45-2.

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

C.2C:14-11 Definitions relative to victims of sex offenses.

1. As used in this act:

“Sex offense” means a sex offense as defined in subsection b. of section 2 of P.L.1994, c.133 (C.2C:7-2).

“Victim” means a “victim” as defined in N.J.S.2C:14-1.

C.2C:14-12 Conditions placed upon release of certain defendants.

2. a. When a defendant charged with a sex offense is released from custody before trial on bail or personal recognizance, the court authorizing the release may, as a condition of release, issue an order prohibiting the defendant from having any contact with the victim including, but not limited to, restraining the defendant from entering the victim’s residence, place of employment or business, or school, and from harassing or stalking the victim or the victim’s relatives in any way.

b. The written court order releasing the defendant shall contain the court’s directives specifically restricting the defendant’s ability to have contact with the victim or the victim’s friends, co-workers or relatives. The

clerk of the court or other person designated by the court shall provide a copy of this order to the victim forthwith.

c. The victim's location shall remain confidential and shall not appear on any documents or records to which the defendant has access.

C.2C:44-8 Convicted defendants, prior restrictions continued; additional restraints.

3. When a defendant is found guilty of a sex offense, the court may, at the time of sentencing and in addition to any other disposition authorized by law, order the continuation of a prior order or condition of bail that restricts the defendant's contact with the victim, or enter an order imposing such restrictions at the time of sentencing. In addition to restricting a defendant's contact with the victim, the court may enter an order:

a. restraining the defendant from entering the residence, property, school, or place of employment of the victim or of other family or household members of the victim and requiring the defendant to stay away from any specified place that is named in the order and is frequented regularly by the victim or other family or household members;

b. restraining the defendant from making contact with the plaintiff or others, including an order forbidding the defendant from personally or through an agent initiating any communication likely to cause annoyance or alarm including, but not limited to, personal, written, or telephone contact with the victim or other family members, or their employers, employees, or fellow workers, or others with whom communication would be likely to cause annoyance or alarm to the victim;

c. prohibiting the defendant from stalking or following, or threatening to harm, to stalk or to follow, the complainant or any other person named in the order in a manner that, taken in the context of past actions of the defendant, would put the complainant in reasonable fear that the defendant would cause the death or injury of the complainant or any other person. Behavior prohibited under this act includes, but is not limited to, behavior prohibited under the provisions of P.L.1992, c.209 (C.2C:12-10);

d. providing for any other appropriate restraints necessary to protect the victim.

4. N.J.S.2C:45-1 is amended to read as follows:

Conditions of suspension or probation.

2C:45-1. Conditions of Suspension or Probation.

a. When the court suspends the imposition of sentence on a person who has been convicted of an offense or sentences him to be placed on pro-

bation, it shall attach such reasonable conditions, authorized by this section, as it deems necessary to insure that he will lead a law-abiding life or is likely to assist him to do so. These conditions may be set forth in a set of standardized conditions promulgated by the county probation department and approved by the court.

b. The court, as a condition of its order, may require the defendant:

- (1) To support his dependents and meet his family responsibilities;
- (2) To find and continue in gainful employment;
- (3) To undergo available medical or psychiatric treatment and to enter and remain in a specified institution, when required for that purpose;
- (4) To pursue a prescribed secular course of study or vocational training;
- (5) To attend or reside in a facility established for the instruction, recreation or residence of persons on probation;
- (6) To refrain from frequenting unlawful or disreputable places or consorting with disreputable persons;
- (7) Not to have in his possession any firearm or other dangerous weapon unless granted written permission;
- (8) (Deleted by amendment, P.L.1991, c.329);
- (9) To remain within the jurisdiction of the court and to notify the court or the probation officer of any change in his address or his employment;
- (10) To report as directed to the court or the probation officer, to permit the officer to visit his home, and to answer all reasonable inquiries by the probation officer;
- (11) To pay a fine;
- (12) To satisfy any other conditions reasonably related to the rehabilitation of the defendant and not unduly restrictive of his liberty or incompatible with his freedom of conscience;
- (13) To require the performance of community-related service.

In addition to any condition of probation, the court may enter an order prohibiting a defendant who is convicted of a sex offense from having any contact with the victim including, but not limited to, entering the victim's residence, place of employment or business, or school, and from harassing or stalking the victim or victim's relatives in any way, and may order other protective relief as provided in section 2 of P.L.2007, c.133 (C.2C:14-12).

c. The court, as a condition of its order, shall require the defendant to pay any assessments required by section 2 of P.L.1979, c.396 (C.2C:43-3.1) and shall, consistent with the applicable provisions of N.J.S.2C:43-3, N.J.S.2C:43-4 and N.J.S.2C:44-2 or section 1 of P.L. 1983, c.411 (C.2C:43-2.1) require the defendant to make restitution.

d. In addition to any condition imposed pursuant to subsection b. or c., the court shall order a person placed on probation to pay a fee, not exceeding \$25.00 per month for the probationary term, to probation services for use by the State, except as provided in subsection g. of this section. This fee may be waived in cases of indigency upon application by the chief probation officer to the sentencing court.

e. When the court sentences a person who has been convicted of a crime to be placed on probation, it may require him to serve a term of imprisonment not exceeding 364 days as an additional condition of its order. When the court sentences a person convicted of a disorderly persons offense to be placed on probation, it may require him to serve a term of imprisonment not exceeding 90 days as an additional condition of its order. In imposing a term of imprisonment pursuant to this subsection, the sentencing court shall specifically place on the record the reasons which justify the sentence imposed. The term of imprisonment imposed hereunder shall be treated as part of the sentence, and in the event of a sentence of imprisonment upon the revocation of probation, the term of imprisonment served hereunder shall be credited toward service of such subsequent sentence. A term of imprisonment imposed under this section shall be governed by the "Parole Act of 1979," P.L.1979, c.441 (C.30:4-123.45 et al.).

Whenever a person is serving a term of parole as a result of a sentence of incarceration imposed as a condition of probation, supervision over that person shall be maintained pursuant to the provisions of the law governing parole. Upon termination of the period of parole supervision provided by law, the county probation department shall assume responsibility for supervision of the person under sentence of probation. Nothing contained in this section shall prevent the sentencing court from at any time proceeding under the provisions of this chapter against any person for a violation of probation.

f. The defendant shall be given a copy of the terms of his probation or suspension of sentence and any requirements imposed pursuant to this section, stated with sufficient specificity to enable him to guide himself accordingly. The defendant shall acknowledge, in writing, his receipt of these documents and his consent to their terms.

g. Of the moneys collected under the provisions of subsection d. of this section, \$15.00 of each monthly fee collected before January 1, 1995 shall be deposited in the temporary reserve fund created by section 25 of P.L.1993, c.275, and \$10.00 of each shall be deposited into a "Community Service Supervision Fund" which shall be established by each county. The moneys in the "Community Service Supervision Fund" shall be expended

only in accordance with the provisions of State law as shall be enacted to provide for expenditures from this fund for the purpose of supervising and monitoring probationers performing community service to ensure, by whatever means necessary and appropriate, that probationers are performing the community service ordered by the court and that the performance is in the manner and under the terms ordered by the court.

5. N.J.S.2C:45-2 is amended to read as follows:

Period of suspension or probation; modification of conditions; discharge of defendant.

2C:45-2. Period of Suspension or Probation; Modification of Conditions; Discharge of Defendant

a. When the court has suspended imposition of sentence or has sentenced a defendant to be placed on probation, the period of the suspension shall be fixed by the court at not to exceed the maximum term which could have been imposed or more than 5 years whichever is lesser. The period of probation shall be fixed by the court at not less than 1 year nor more than 5 years. The court, on application of a probation officer or of the defendant, or on its own motion, may discharge the defendant at any time.

b. During the period of the suspension or probation, the court, on application of a probation officer or of the defendant, or on its own motion, may (1) modify the requirements imposed on the defendants; or (2) add further requirements authorized by N.J.S.2C:45-1. The court shall eliminate any requirement that imposes an unreasonable burden on the defendant.

c. Upon the termination of the period of suspension or probation or the earlier discharge of the defendant, the defendant shall be relieved of any obligations imposed by the order of the court and shall have satisfied his sentence for the offense unless the defendant has failed:

(1) to fulfill conditions imposed pursuant to paragraph b. (11) of N.J.S.2C:45-1, in which event the court may order that the probationary period be extended for an additional period not to exceed that authorized by subsection a. of this section; or

(2) to fulfill the conditions imposed pursuant to subsection c. of N.J.S.2C:45-1, in which event the court shall order that the probationary period be extended for an additional period not to exceed that authorized by subsection a. of this section.

The extension may be entered by the court without the defendant's personal appearance if the defendant agrees to the extension.

Notwithstanding any provision in this section to the contrary, any order of the court prohibiting contact with a victim imposed on a defendant con-

victed of a sex offense shall continue in effect following the termination of probation supervision until further order of the court.

6. This act shall take effect immediately, but sections 3, 4, and 5 shall only apply to persons who commit sex offenses after the effective date of this act.

Approved August 6, 2007.

CHAPTER 134

AN ACT concerning human papillomavirus and supplementing Title 18A of the New Jersey Statutes and Title 26 of the Revised Statutes.

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

C.26:4-95.3 Findings, declarations relative to HPV.

1. The Legislature finds and declares that:
 - a. The human papillomavirus (HPV) is the most common sexually transmitted infection in the United States, and can be transmitted without intercourse;
 - b. Although most HPV infections are benign and many strains clear on their own, certain strains have serious consequences, including cervical cancer and genital warts;
 - c. HPV has been detected in over 90% of cervical cancer cases, and the American Cancer Society estimates that over 9,700 new cases of HPV-related cervical cancer will occur in the United States this year; and
 - d. It is appropriate to take measures through education to significantly reduce medical problems and deaths attributable to HPV.

C.18A:40-42 Educational fact sheet about HPV.

2. a. The Commissioner of Education, in consultation with the Commissioner of Health and Senior Services, shall develop an educational fact sheet about the human papillomavirus (HPV) for distribution to parents or guardians of students in grades seven through 12. The educational fact sheet shall include information about the causes, symptoms and means of transmission of HPV, and where additional information can be obtained.

b. For the 2007-2008 school year, a school district shall distribute to parents and guardians of students in grades seven through 12 the educational fact sheet on HPV, in a manner prescribed by the Commissioner of Education.

c. Beginning with the 2008-2009 school year, a school district shall distribute the educational fact sheet annually to parents or guardians of students in grade seven in a manner prescribed by the Commissioner of Education.

d. The Commissioner of Education also shall make the educational fact sheet available to private schools educating students in grades seven through 12. Such schools are encouraged, but not required, to distribute the fact sheet to parents or guardians of students at the school.

C.26:4-95.4 Public awareness campaign about HPV.

3. a. The Commissioner of Health and Senior Services, in consultation with the Commissioner of Education and the Director of the Division on Women in the Department of Community Affairs, shall establish a public awareness campaign to inform the general public about the clinical significance and public health implications of the human papillomavirus, including its causes and the most effective means of prevention and treatment. The public awareness campaign shall be established in accordance with accepted public health practice and recommendations of the federal Centers for Disease Control and Prevention, and within the limits of available funds and any other resources available for the purposes thereof.

b. The commissioner shall prepare a patient information brochure regarding the human papillomavirus, including its causes and the most effective means of prevention and treatment. The department shall distribute the pamphlet, at no charge, to all pediatricians in the State. The department shall update the pamphlet as necessary, and shall make additional copies of the pamphlet available to other health care providers upon request.

4. This act shall take effect immediately.

Approved August 6, 2007.

CHAPTER 135

AN ACT concerning grants to certain child care centers from the Hazardous Discharge Site Remediation Fund, amending P.L.1993, c.139, and supplementing P.L.2007, c.1 (C.52:27D-130.4 et al.).

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

1. Section 26 of P.L.1993, c.139 (C.58:10B-4) is amended to read as follows:

C.58:10B-4 Hazardous Discharge Site Remediation Fund.

26. a. There is established in the New Jersey Economic Development Authority a special, revolving fund to be known as the Hazardous Discharge Site Remediation Fund. Except as provided in section 4 of P.L.2007, c.135 (C.52:27D-130.7), moneys in the remediation fund shall be dedicated for the provision of financial assistance or grants to municipalities, counties, redevelopment entities authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4), and persons, for the purpose of financing remediation activities at sites at which there is, or is suspected of being, a discharge of hazardous substances or hazardous wastes.

b. The remediation fund shall be credited with:

- (1) moneys as are appropriated by the Legislature;
- (2) moneys deposited into the fund as repayment of principal and interest on outstanding loans made from the fund;
- (3) any return on investment of moneys deposited in the fund;
- (4) remediation funding source surcharges imposed pursuant to section 33 of P.L.1993, c.139 (C.58:10B-11);
- (5) moneys deposited in the fund as repayment of recoverable grants made by the New Jersey Redevelopment Authority for brownfield redevelopment;
- (6) moneys deposited into the fund from cost recovery subrogation actions; and
- (7) moneys made available to the authority for the purposes of the fund.

2. Section 27 of P.L.1993, c.139 (C.58:10B-5) is amended to read as follows:

C.58:10B-5 Financial assistance from remediation fund.

27. a. (1) Except as provided in section 4 of P.L.2007, c.135 (C.52:27D-130.7), financial assistance from the remediation fund may only be rendered to persons who cannot establish a remediation funding source for the full amount of a remediation. Financial assistance pursuant to this act may be rendered only for that amount of the cost of a remediation for

which the person cannot establish a remediation funding source. The limitations on receiving financial assistance established in this paragraph (1) shall not limit the ability of municipalities, counties, redevelopment entities authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4), persons who are not required to establish a remediation funding source for the part of the remediation involving an innovative technology, an unrestricted use remedial action or a limited restricted use remedial action, persons performing a remediation in an environmental opportunity zone, or persons who voluntarily perform a remediation, from receiving financial assistance from the fund.

(2) Financial assistance rendered to persons who voluntarily perform a remediation or perform a remediation in an environmental opportunity zone may only be made for that amount of the cost of the remediation that the person cannot otherwise fund by any of the authorized methods to establish a remediation funding source.

(3) Financial assistance rendered to persons who do not have to provide a remediation funding source for the part of the remediation that involves an innovative technology, an unrestricted use remedial action, or a limited restricted use remedial action may only be made for that amount of the cost of the remediation that the person cannot otherwise fund by any of the authorized methods to establish a remediation funding source.

b. Financial assistance may be rendered from the remediation fund to (1) owners or operators of industrial establishments who are required to perform remediation activities pursuant to P.L.1983, c.330 (C.13:1K-6 et al.), upon closing operations or prior to the transfer of ownership or operations of an industrial establishment, (2) persons who are liable for the cleanup and removal costs of a hazardous substance pursuant to P.L.1976, c.141 (C.58:10-23.11 et seq.), and (3) persons who voluntarily perform a remediation of a discharge of a hazardous substance or hazardous waste.

c. Financial assistance and grants may be made from the remediation fund to a municipality, county, or redevelopment entity authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4), for real property: (1) on which it holds a tax sale certificate; (2) that it has acquired through foreclosure or other similar means; or (3) that it has acquired, or in the case of a county governed by a board of chosen freeholders, has passed a resolution or, in the case of a municipality or a county operating under the "Optional County Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), has passed an ordinance or other appropriate document to acquire, by voluntary conveyance for the purpose of redevelopment, or for recreation and conservation purposes. Financial assistance

and grants may only be awarded for real property on which there has been a discharge or on which there is a suspected discharge of a hazardous substance or hazardous waste.

d. Grants may be made from the remediation fund 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 pursuant to section 28 of P.L.1993, c.139 (C.58:10B-6).

e. Grants may be made from the remediation fund to qualifying persons who propose to perform a remedial action that uses an innovative technology or that would result in an unrestricted use remedial action or a limited restricted use remedial action.

f. Grants may be made from the remediation fund to municipalities, counties, and redevelopment entities authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4), for the preliminary assessment, site investigation, remedial investigation and remedial action on contaminated real property within a brownfield development area. An ownership interest in the contaminated property shall not be required in order for a municipality, county, or redevelopment entity authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4) to receive a grant for a remediation of property in a brownfield redevelopment area. Notwithstanding the limitation on the total amount of financial assistance and grants that may be awarded in any one year pursuant to subsection b. of section 28 of P.L.1993, c.139 (C.58:10B-6), the authority may award an additional amount of financial assistance and grants in any one year, of up to \$2,000,000, to any one municipality, county, or redevelopment entity for the remediation of property in a brownfield development area. Any property on which a municipality, county, or redevelopment entity makes expenditures for a remedial action and the property is not owned by that entity shall be subject to the provisions of section 8 of P.L.2005, c.223 (C.58:10B-25.2).

3. 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; purposes.

28. a. Except for moneys deposited in the remediation fund for specific purposes, and as provided in section 4 of P.L. 2007, c.135 (C.52:27D-130.7), financial assistance and grants from the remediation fund shall be rendered for the following purposes. A written report shall be sent to the Senate Environment Committee, and the Assembly Environment and Solid

Waste Committee, or their successors at the end of each calendar quarter detailing the allocation and expenditures related to the financial assistance and grants from the fund.

(1) Moneys shall be allocated for financial assistance to persons, 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) Moneys shall be allocated to: (a) municipalities, counties, or redevelopment entities authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4), for:

(i) projects in brownfield development areas pursuant to subsection f. of section 27 of P.L.1993, c.139 (C.58:10B-5),

(ii) matching grants up to a cumulative total amount from the fund of \$5,000,000 per year of up to 75% of the costs of the remedial action for projects involving the redevelopment of contaminated property for recreation and conservation purposes, provided that the use of the property for recreation and conservation purposes is included in the comprehensive plan for the development or redevelopment of contaminated property, or up to 50% of the costs of the remedial action for projects involving the redevelopment of contaminated property for affordable housing pursuant to P.L.1985, c.222 (C.52:27D-301 et al.),

(iii) grants for preliminary assessment, site investigation or remedial investigation of a contaminated site,

(iv) financial assistance for the implementation of a remedial action, or

(v) financial assistance 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; or

(b) persons for financial assistance 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.

Except as provided in subsection f. of section 27 of P.L.1993, c.139 (C.58:10B-5), financial assistance and grants to municipalities, counties, or redevelopment entities authorized to exercise redevelopment powers pursu-

ant to section 4 of P.L.1992, c.79 (C.40A:12A-4) may be made 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, in the case of a county governed by a board of chosen freeholders, have passed a resolution or, in the case of a municipality or a county operating under the "Optional County Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), have passed an ordinance or other appropriate document to acquire, by voluntary conveyance for the purpose of redevelopment, or for recreation and conservation purposes. 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 and financial assistance provided pursuant to this paragraph shall be used for performing preliminary assessments, site investigations, remedial investigations, and remedial actions on real property in order to determine the existence or extent of any hazardous substance or hazardous waste contamination, and to remediate the site in compliance with the applicable health risk and environmental standards on those properties. No financial assistance or grants for a remedial action shall be awarded until the municipality, county, or redevelopment entity authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4), actually owns the real property, provided that a matching grant for 75% of the costs of a remedial action for a project involving the redevelopment of contaminated property for recreation and conservation purposes, or a matching grant for 50% of the costs of a remedial action for a project involving the redevelopment of contaminated property for affordable housing pursuant to P.L.1985, c.222 (C.52:27D-301 et al.) may be made to a municipality, county, or redevelopment entity authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 even if it does not own the real property and a grant may be made to a municipality, county, or redevelopment entity authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4) for a remediation in a brownfield development area pursuant to subsection f. of section 27 of P.L.1993, c.139 (C.58:10B-5) even if the entity does not own the real property. No grant shall be awarded for a remedial action for a project involving the redevelopment of contaminated property for recreation or conservation purposes unless the use of the property is preserved for recreation and conservation purposes by conveyance of a development easement, conservation restriction or easement, or other restriction or easement permanently restricting development, which shall be recorded and indexed with the deed in the registry of deeds for the county. A municipality

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 municipality, a county, or a redevelopment entity authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4) 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) Moneys shall be allocated for financial assistance to persons who voluntarily perform a remediation of a hazardous substance or hazardous waste discharge;

(4) 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, 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. 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 may exceed \$1,000,000;

(5) Moneys shall be allocated for (a) 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), or (b) matching grants for up to 25% of the project costs to qualifying persons, municipalities, counties, and redevelopment entities authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4), who propose to perform a remedial action that uses an innovative technology, or 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 may exceed \$250,000; and

(6) Twenty 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 (5) of this subsection.

For the purposes of paragraph (5) 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. The unpaid balance of a loan for the remediation of real property that is transferred by devise or succession shall not become immediately payable in full, and loan repayments shall be made by the person who acquires the property. Loans to municipalities, counties, and redevelopment entities authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4), 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 municipality, county, or redevelopment entity authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4) may not exceed \$3,000,000 in any calendar year except as provided in subsection f. of section 27 of P.L.1993, c.139 (C.58:10B-5). Grants to a municipality, county, or redevelopment entity authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 may be for up to 100% of the total costs of the preliminary assessment, site investigation, or remedial investigation regardless of when the application was received by the department. Grants to a municipality, a county, or a redevelopment entity authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4) may not exceed 75% of the total costs of the remedial action at any one site for any application received by the depart-

ment on or after September 15, 2005. 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 Environment and Solid Waste 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.

C.52:27D-130.7 Grants to owner of licensed child care center; rules, regulations.

4. a. Notwithstanding any provisions of P.L.1993, c.139 (C.58:10B-1 et seq.) to the contrary, the New Jersey Economic Development Authority, in conjunction with the Department of Environmental Protection, may provide a grant of \$1,500 from the Hazardous Discharge Site Remediation Fund, established pursuant to section 26 of P.L.1993, c.139 (C.58:10B-4), to the owner or operator of a child care center licensed pursuant to P.L.1983, c.492 (C.30:5B-1 et seq.), or a prospective owner or operator of a child care center who has applied for a license pursuant to P.L.1983, c.492 (C.30:5B-1 et seq.), for the costs of a preliminary assessment performed in order to obtain a no further action letter as required pursuant to the provisions of subsection b. of section 2 of P.L.2007, c.1 (C.52:27D-130.5) or performed as

part of the child care center licensing requirements established by the Department of Children and Families.

b. The New Jersey Economic Development Authority, in the administration of the Hazardous Discharge Site Remediation Fund, shall authorize the Department of Environmental Protection to implement a program for the grants to be awarded pursuant to section a. of this section.

c. For the purposes of this section, "preliminary assessment" means the same as that term is defined in section 23 of P.L.1993, c.139 (C.58:10B-1).

d. The Department of Environmental Protection may adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations necessary to effectuate this section.

5. This act shall take effect on the 90th day after the date of enactment, but the Department of Environmental Protection may take such anticipatory administrative action in advance thereof as shall be necessary for the implementation of this act.

Approved August 6, 2007.

CHAPTER 136

AN ACT concerning certain riparian lands in Jersey City, and supplementing Title 12 of the Revised Statutes.

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

1. Any part, or the entire tract, of real property described in section 1 of P.L.1872, c.596, and located in Jersey City shall be released of all duties, obligations, covenants, restrictions, including any restrictions on the right to sell and convey the property, burdens, terms, conditions, and provisos arising pursuant to the provisions of P.L.1872, c.596, P.L.1916, c.168, and P.L.1918, c.79, as to any claim by the State, or any State department or agency; and title to the real property shall be vested in the name of the current record owner of the property, in fee simple absolute, upon the delivery of a grant authorized pursuant to section 3 of this act. The property shall be subject to any terms and conditions in the grant authorized pursuant to section 3 of this act.

2. Subject to the limitations set forth in section 8 of this act, any part, or the entire tract, of real property described in section 5 of P.L.1872, c.596 shall be released of all duties, obligations, covenants, restrictions, including restrictions on the right to sell and convey the property, restrictions on filling, or the need for consent of all adjoining owners to fill, as well as all burdens, terms, conditions, and provisos arising pursuant to the provisions of P.L.1872, c.596, P.L.1916, c.168, P.L.1918, c.79, and P.L.1918, c.176, as to any claim by the State, or any State department or agency; and title to the real property shall be vested in the name of the current record owner of the property, in fee simple absolute, upon the delivery of a grant authorized pursuant to section 3 of this act. The property shall be subject to any terms and conditions in the grant authorized pursuant to section 3 of this act.

C.12:3-27.2 Authorization for approval of State tidelands, riparian grant.

3. The Tidelands Resource Council, established pursuant to section 10 of P.L.1948, c.448 (C.13:1B-10), is hereby authorized to approve a State tidelands or riparian grant and to set the amount of the consideration for the State's riparian interest in each of the real properties described in sections 1 and 5 of P.L.1872, c.596. The council shall establish the amount of consideration for each grant which shall be paid to the State of New Jersey, upon such terms and conditions as it deems appropriate. Any tidelands or riparian grant concerning property described in section 5 of P.L.1872, c.596 authorized by the Tidelands Resource Council and delivered after January 1, 1982 and prior to the date of enactment of this act is hereby validated.

4. Any grant made by the Tidelands Resource Council pursuant to the provisions of this act shall be subject to the requirements set forth in section 13 of P.L.1948, c.448 (C.13:1B-13) and shall be deemed to include any riparian interest that the State may have been able to assert.

5. Notwithstanding the provisions of any other law to the contrary, the current record owner of any real property referred to in this act shall not be required to qualify as a riparian owner of property as provided in R.S.12:3-10 in order to qualify for the benefits of this act.

6. The State acknowledges that all payments to the State required pursuant to section 3 of P.L.1872, c.596 have been made and that the real property described in section 3 of P.L.1872, c.596 is free of any obligation related to the payment requirement.

7. Notwithstanding the provisions of any law, or any rule or regulation adopted pursuant thereto, to the contrary, any grant and conveyance authorized pursuant to section 3 of this act shall not require the approval of the Department of the Treasury or the State House Commission or any further approval of the Legislature.

C.12:3-27.1 Fill, development of real property in tidewater basin.

8. Notwithstanding the provisions of R.S.12:3-27 to the contrary, the fill or development of real property within an existing tidewater basin to a width of less than 200 feet may be permitted with the approval of the Department of Environmental Protection pursuant to the provisions of R.S.12:5-1 et seq. and a grant may be approved by the Tidelands Resource Council for that fill or development pursuant to the provisions of R.S.12:3-12 and section 3 of this act.

9. This act shall take effect immediately.

Approved August 6, 2007.

CHAPTER 137

AN ACT concerning the construction and financing of public school facilities and revising parts of the statutory law.

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

C.52:18A-235 Findings, declarations relative to construction and financing of public school facilities.

1. The Legislature finds and declares that:

a. The Constitution of the State of New Jersey requires the Legislature to provide for the maintenance and support of a thorough and efficient system of free public schools and this legislative responsibility includes ensuring that students are educated in physical facilities that are safe, healthy, and conducive to learning.

b. Inadequacies in the quality, utility, and safety of educational facilities among school districts of this State, and particularly in Abbott districts, led to the enactment of the "Educational Facilities Construction and Financing Act," P.L.2000, c.72. That law authorized the New Jersey Economic

Development Authority to undertake a comprehensive school construction and financing program, including the funding, designing, and constructing of school facilities for the Abbott districts and certain other types of districts.

c. The New Jersey Schools Construction Corporation was created in August 2002 as a subsidiary of the New Jersey Economic Development Authority pursuant to the provisions of section 16 of P.L.1997, c.150 (C.34:1B-159) and Executive Order No. 24 of 2002 to, among other things, focus, coordinate, and centralize the efforts to design and construct school facilities in the Abbott districts and certain other types of districts.

d. In February 2005, an investigation of the activities of the New Jersey Schools Construction Corporation was undertaken by the Inspector General. The Inspector General found that structural and operational problems at the corporation were impeding the progress of the school construction program and made recommendations for actions to improve the program.

e. The corporation initiated reform efforts to implement the recommendations of the Inspector General. While undertaking these reform efforts and continuing to undertake the design and construction of school facilities projects, it was determined that there would be insufficient funding available under the "Educational Facilities Construction and Financing Act" to complete all the school facilities projects in the Abbott districts. A joint effort by the New Jersey Schools Construction Corporation and the Department of Education resulted in a prioritization of projects to be completed with remaining funds.

f. Governor Jon S. Corzine issued Executive Order No. 3 of 2006 in February 2006 which created an Interagency Working Group on School Construction to study management reforms and legislative action necessary to improve the school construction program.

g. The Interagency Working Group on School Construction recommended statutory changes including the creation of a new school construction authority with a specific focus on Abbott district construction, a governance structure tailored to its mission, project implementation requirements to ensure that projects are undertaken consistent with educational priorities, land acquisition and procurement reforms to improve efficiencies, provide flexibility, and control costs, and a greater role and responsibility given to the Abbott districts in managing certain types of projects.

h. The initiatives provided herein implement the recommendations of the Interagency Working Group on School Construction with regard to the creation of a new school construction authority and the undertaking of projects for and by Abbott districts so as to ensure that the agency undertaking the school construction program has adequate internal controls, processes,

and procedures to undertake additional school facilities projects; and the initiatives also provide opportunities for the Abbott districts, the public, and stakeholders to provide input during the various phases of the construction of school facilities projects.

C.52:18A-236 Definitions relative to construction and financing of public school facilities.

2. As used in sections 1 through 13 of P.L.2007, c.137 (C.52:18A-235 through C.52:18A-247), unless a different meaning appears from the context:

“Capital maintenance project” means a school facilities project intended to extend the useful life of a school facility, including up-grades and replacements of building systems, such as structure, enclosure, mechanical, plumbing and electrical systems;

“Development authority” means the New Jersey Schools Development Authority, established pursuant to section 3 of P.L.2007, c.137 (C.52:18A-237);

“District” means a local or regional school district established pursuant to chapter 8 or chapter 13 of Title 18A of the New Jersey Statutes, a county special services school district established pursuant to article 8 of chapter 46 of Title 18A of the New Jersey Statutes, a county vocational school district established pursuant to article 3 of chapter 54 of Title 18A of the New Jersey Statutes, and a school district under full State intervention pursuant to P.L.1987, c.399 (C.18A:7A-34 et al.);

“Local unit” means a county, municipality, board of education or any other political entity authorized to construct, operate and maintain a school facilities project and to borrow money for those purposes pursuant to law;

“Other facilities” means athletic stadiums, swimming pools, any associated structures or related equipment tied to such facilities including, but not limited to, grandstands and night field lights, greenhouses, facilities used for non-instructional or non-educational purposes, and any structure, building or facility used solely for school administration;

“School facilities project” means the planning, acquisition, demolition, construction, improvement, alteration, modernization, renovation, reconstruction or capital maintenance of all or any part of a school facility or of any other personal property necessary for, or ancillary to, any school facility, and shall include fixtures, furnishings and equipment, and shall also include, but is not limited to, site acquisition, site development, the services of design professionals, such as engineers and architects, construction management, legal services, financing costs and administrative costs and expenses incurred in connection with the project;

"School facility" means and includes any structure, building or facility used wholly or in part for educational purposes by a district and facilities that physically support such structures, buildings and facilities, such as district wastewater treatment facilities, power generating facilities, and steam generating facilities, but shall exclude other facilities.

C.52:18A-237 "New Jersey Schools Development Authority."

3. a. There is established in, but not of, the Department of the Treasury a public body corporate and politic, with corporate succession, to be known as the "New Jersey Schools Development Authority." The development authority shall constitute an instrumentality of the State exercising public and essential governmental functions, and the exercise by the development authority of the powers conferred by this act shall be deemed and held to be an essential governmental function of the State.

b. The development authority shall consist of the Commissioner of Education, the Commissioner of the Department of Community Affairs, the executive director of the Economic Development Authority, and the State Treasurer, who shall serve as ex officio members; and 11 public members appointed by the Governor with the advice and consent of the Senate. At least one of the public members shall have knowledge or expertise in the area of law enforcement and the remaining public members shall have knowledge or expertise in real estate development, construction management, finance, architectural or building design, or any other related field.

c. Each public member shall serve for a term of five years and shall hold office for the term of the member's appointment and until the member's successor shall have been appointed and qualified. A member shall be eligible for reappointment. Any vacancy in the membership occurring other than by expiration of term shall be filled in the same manner as the original appointment but for the unexpired term only.

In the case of the first 11 public members appointed, three shall serve for a term of two years, three shall serve for a term of three years, three shall serve for a term of four years, and two shall serve for a term of five years.

d. Each member appointed by the Governor may be removed from office by the Governor, for cause, after a public hearing, and may be suspended by the Governor pending the completion of such hearing. Each member before entering upon his duties shall take and subscribe an oath to perform the duties of the office faithfully, impartially and justly to the best of his ability. A record of such oath shall be filed in the Office of the Secretary of State.

e. A chairperson shall be appointed by the Governor from the public members. The members of the development authority shall elect from their remaining number a vice-chairperson, a secretary, and a treasurer thereof. The development authority shall employ an executive director who shall be its chief executive officer. The powers of the development authority shall be vested in the members thereof in office from time to time and eight members of the development authority shall constitute a quorum at any meeting thereof. Action may be taken and motions and resolutions adopted by the development authority at any meeting thereof by the affirmative vote of at least eight members of the development authority. No vacancy in the membership of the development authority shall impair the right of a quorum of the members to exercise all the powers and perform all the duties of the development authority.

f. Each member of the development authority shall execute a bond to be conditioned upon the faithful performance of the duties of such member in such form and amount as may be prescribed by the Director of the Division of Budget and Accounting in the Department of the Treasury. Such bonds shall be filed in the Office of the Secretary of State. At all times thereafter the members and treasurer of the development authority shall maintain such bonds in full force and effect. All costs of such bonds shall be borne by the development authority.

g. The members of the development authority shall serve without compensation, but the development authority may reimburse its members for actual expenses necessarily incurred in the discharge of their duties. Notwithstanding the provisions of any other law to the contrary, no officer or employee of the State shall be deemed to have forfeited or shall forfeit any office or employment or any benefits or emoluments thereof by reason of the acceptance of the office of ex officio member of the development authority or any services therein.

h. Each ex officio member of the development authority may designate an officer or employee of the member's department to represent the member at meetings of the development authority, and each such designee may lawfully vote and otherwise act on behalf of the member for whom the person constitutes the designee. Any such designation shall be in writing delivered to the development authority and shall continue in effect until revoked or amended by writing delivered to the development authority.

i. The development authority shall appoint from among its members an audit committee and such other committees as it deems necessary or conducive to the efficient management and operation of the development authority.

j. The development authority may be dissolved by act of the Legislature on condition that the development authority has no debts or obligations outstanding or that provision has been made for the payment or retirement of such debts or obligations. Upon any such dissolution of the development authority, all property, funds and assets thereof shall be vested in the State.

k. A true copy of the minutes of every meeting of the development authority shall be forthwith delivered by and under the certification of the secretary thereof to the Governor. No action taken at the meeting by the development authority shall have force or effect until 10 days, Saturdays, Sundays, and public holidays excepted, after the copy of the minutes shall have been so delivered, unless during such 10-day period the Governor shall approve the same in which case the action shall become effective upon such approval. If, in that 10-day period, the Governor returns a copy of the minutes with veto of any action taken by the development authority or any member thereof at the meeting, the action shall be null and void and of no effect.

l. The development authority shall cause an audit of its books and accounts to be made at least once in each year by certified public accountants and cause a copy thereof to be filed with the Secretary of State, the Director of the Division of Budget and Accounting in the Department of the Treasury, and the State Auditor.

m. The development authority shall submit to the Governor, the Joint Budget Oversight Committee, the President of the Senate and the Speaker of the General Assembly a biannual report pursuant to the provisions of section 24 of P.L.2000, c.72 (C.18A:7G-24).

n. The Director of the Division of Budget and Accounting in the Department of the Treasury and the director's legally authorized representatives are authorized and empowered from time to time to examine the accounts, books and records of the development authority including its receipts, disbursements, contracts, funds, investments and any other matters relating thereto and to its financial standing.

o. No member, officer, employee or agent of the development authority shall be interested, either directly or indirectly, in any school facilities project, or in any contract, sale, purchase, lease or transfer of real or personal property to which the development authority is a party.

C.52:18A-238 Powers of development authority.

4. The development authority shall have the following powers:

a. To adopt bylaws for the regulation of its affairs and the conduct of its business;

- b. To adopt and have a seal and to alter the same at pleasure;
- c. To sue and be sued;
- d. To acquire in the name of the development authority by purchase or otherwise, on such terms and conditions and such manner as it may deem proper, or by the exercise of the power of eminent domain in the manner provided by the "Eminent Domain Act of 1971," P.L.1971, c.361 (C.20:3-1 et seq.), any lands or interests therein or other property which it may determine is reasonably necessary for any school facilities project;
- e. To enter into contracts with a person upon such terms and conditions as the development authority shall determine to be reasonable, including, but not limited to, for the planning, design, construction, reconstruction, improvement, equipping, furnishing, operation and maintenance of a school facilities project and the reimbursement thereof, and to pay or compromise any claims arising therefrom;
- f. To sell, convey or lease to any person all or any portion of its property, for such consideration and upon such terms as the development authority may determine to be reasonable;
- g. To mortgage, pledge or assign or otherwise encumber all or any portion of any property or revenues, whenever it shall find such action to be in furtherance of the purposes of P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.);
- h. To grant options to purchase or renew a lease for any of its property on such terms as the development authority may determine to be reasonable;
- i. To contract for and to accept any gifts or grants or loans of funds or property or financial or other aid in any form from the United States of America or any agency or instrumentality thereof, or from the State or any agency, instrumentality or political subdivision thereof, or from any other source and to comply, subject to the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.), with the terms and conditions thereof;
- j. In connection with any application for assistance under P.L.2000, c.72 (C.18A:7G-1 et al.) or P.L.2007, c.137 (C.52:18A-235 et al.) or commitments therefor, to require and collect such fees and charges as the development authority shall determine to be reasonable;
- k. To adopt, amend and repeal regulations to carry out the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.);
- l. To acquire, purchase, manage and operate, hold and dispose of real and personal property or interests therein, take assignments of rentals and leases and make and enter into all contracts, leases, agreements and arrangements necessary or incidental to the performance of its duties;

m. To purchase, acquire and take assignments of notes, mortgages and other forms of security and evidences of indebtedness;

n. To purchase, acquire, attach, seize, accept or take title to any property by conveyance or by foreclosure, and sell, lease, manage or operate any property for a use specified in P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.);

o. To employ consulting engineers, architects, attorneys, real estate counselors, appraisers, and such other consultants and employees as may be required in the judgment of the development authority to carry out the purposes of P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.) and to fix and pay their compensation from funds available to the development authority therefor, all without regard to the provisions of Title 11A of the New Jersey Statutes;

p. To do and perform any acts and things authorized by P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.) under, through or by means of its own officers, agents and employees, or by contract with any person;

q. To procure insurance against any losses in connection with its property, operations or assets in such amounts and from such insurers as it deems desirable;

r. To do any and all things necessary or convenient to carry out its purposes and exercise the powers given and granted in P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.);

s. To construct, reconstruct, rehabilitate, improve, alter, equip, maintain or repair or provide for the construction, reconstruction, improvement, alteration, equipping or maintenance or repair of any property and lot, award and enter into construction contracts, purchase orders and other contracts with respect thereto, upon such terms and conditions as the development authority shall determine to be reasonable, including, but not limited to, reimbursement for the planning, designing, construction, reconstruction, improvement, equipping, furnishing, operation and maintenance of any such property and the settlement of any claims arising therefrom;

t. To undertake school facilities projects and to enter into agreements or contracts, execute instruments, and do and perform all acts or things necessary, convenient or desirable for the purposes of the development authority to carry out any power expressly provided pursuant to P.L.2000, c.72 (C.18A:7G-1 et al.) or P.L.2007, c.137 (C.52:18A-235 et al.), including, but not limited to, entering into contracts with the State Treasurer, the New Jersey Economic Development Authority, the Commissioner of Education, districts, and any other entity which may be required in order to carry out

the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.) or P.L.2007, c.137 (C.52:18A-235 et al.);

u. To enter into leases, rentals or other disposition of a real property interest in and of any school facilities project to or from any local unit pursuant to P.L.2000, c.72 (C.18A:7G-1 et al.) or P.L.2007, c.137 (C.52:18A-235 et al.);

v. To make and contract to make loans or leases to local units to finance the cost of school facilities projects and to acquire and contract to acquire bonds, notes or other obligations issued or to be issued by local units to evidence the loans or leases, all in accordance with the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.);

w. To charge to and collect from local units, the State, and any other person, any fees and charges in connection with the development authority's actions undertaken with respect to school facilities projects including, but not limited to, fees and charges for the development authority's administrative, organization, insurance, operating and other expenses incident to the planning, design, construction and placing into service and maintenance of school facilities projects.

C.52:18A-239 Rules, regulations relative to payment of prevailing wage rate.

5. a. The development authority shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to require that not less than the prevailing wage rate be paid to workers employed in the performance of any construction contract undertaken in connection with any of its school facilities projects. The development authority shall provide for the proper enforcement and administration of these rules and regulations.

b. A violation of the rules and regulations adopted pursuant to this section shall be deemed to be a violation of P.L.1963, c.150 (C.34:11-56.25 et seq.). The Commissioner of Labor and Workforce Development and any worker shall have the same powers of enforcement against violations of such rules and regulations as are provided by sections 11 through 16, inclusive, of P.L.1963, c.150 (C.34:11-56.35 through 34:11-56.40).

c. The rules and regulations concerning the prevailing wage rate in connection with school facilities projects which have been adopted by the New Jersey Schools Construction Corporation pursuant to the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.) shall remain in full force and effect unless subsequently revised by the development authority following the enactment of P.L.2007, c.137 (C.52:18A-235 et al.).

C.52:18A-240 Rules, regulations relative to affirmative action program.

6. a. The development authority shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to establish an affirmative action program for the hiring of minority workers employed in the performance of construction contracts undertaken in connection with any of its school facilities projects, and to expand the business opportunities of socially and economically disadvantaged contractors and vendors seeking to provide materials and services for those contracts, consistent with the provisions of the "Law Against Discrimination," P.L.1945, c.169 (C.10:5-1 et seq.). The development authority shall provide for the proper enforcement and administration of these rules and regulations.

b. The development authority may allocate up to one-half of one percent of the annual value of its construction program to the financing of minority and women worker outreach and training programs pertinent to school facilities project construction.

c. The rules and regulations establishing an affirmative action program adopted by the New Jersey Schools Construction Corporation pursuant to the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.) shall remain in full force and effect unless subsequently revised by the development authority following the enactment of P.L.2007, c.137 (C.52:18A-235 et al.).

C.52:18A-241 Payment of incurred claims, damages, losses, liabilities or costs by development authority.

7. In the exercise of powers granted by P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.) in connection with any school facilities project, any and all claims, damages, losses, liabilities or costs that the development authority may incur shall be payable only from the amounts made available to the development authority pursuant to P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.). In connection with any agreement or contract entered into by the development authority relating to any school facilities project, there shall be no recovery against the development authority for punitive or consequential damages arising out of contract nor shall there be any recovery against the development authority for claims based upon implied warranties or upon contracts implied in law.

C.52:18A-242 No modification by municipality of school facilities project; agreements with local government agencies.

8. a. No municipality shall modify or change the drawings, plans or specifications for the construction, reconstruction, rehabilitation, alteration

or improvement of any school facilities project of the development authority, or the construction, plumbing, heating, lighting or other mechanical branch of work necessary to complete the work in question, nor to require that any person, firm or corporation employed on any such work shall perform the work in any other or different manner than that provided by the drawings, plans and specifications, nor to require that any person, firm or corporation obtain any other or additional authority, approval, permit or certificate from the municipality in relation to the work being done, and the doing of the work by any person, firm or corporation in accordance with the terms of the drawings, plans, specifications or contracts shall not subject the person, firm or corporation to any liability or penalty, civil or criminal, other than as may be stated in the contracts or incidental to the proper enforcement thereof; nor shall any municipality require the development authority or any person, firm, partnership or corporation which leases or purchases the school facilities project for lease or purchase to a State agency, to obtain any other or additional authority, approval, permit, certificate or certificate of occupancy from the municipality as a condition of owning, using, maintaining, operating or occupying any school facilities project acquired, constructed, reconstructed, rehabilitated, altered or improved by the development authority or by any subsidiary thereof. The foregoing provisions shall not preclude any municipality from exercising the right of inspection for the purpose of requiring compliance by any school facilities project with local requirements for operation and maintenance affecting the health, safety and welfare of the occupants thereof, provided that the compliance does not require changes, modifications or additions to the original construction of the school facilities project.

b. Each municipality in which any school facilities project of the development authority is located shall provide for the school facilities project, whether then owned by the development authority, any subsidiary, any State agency, or any person, firm, partnership or corporation, police, fire, sanitation, health protection and other municipal services of the same character and to the same extent as those provided for other residents of the municipality.

c. Notwithstanding the provisions of any law, rule or regulation to the contrary and except as otherwise provided by any federal law, the development authority shall be exempt from all connection, tapping, maintenance or capital improvement fees or charges in respect to each connection of any school facility project with a water or sewerage system operated by a political subdivision or agency of the State.

d. In carrying out any school facilities project, the development authority may enter into contractual agreements with local government agencies with respect to the furnishing of any community, municipal, or public facilities or services necessary or desirable for the school facilities project, and any local government agency may enter into these contractual agreements with the authority and do all things necessary to carry out its obligations.

C.52:18A-243 Preparation of separate plans and specifications, conditions; bids; awarding of contracts.

9. a. In undertaking any school facilities projects where the cost of construction, reconstruction, rehabilitation or improvement will exceed \$25,000, the development authority may prepare, or cause to be prepared, separate plans and specifications for: (1) the plumbing and gas fitting and all work and materials kindred thereto, (2) the steam and hot water heating and ventilating apparatus, steam power plants and all work and materials kindred thereto, (3) the electrical work, (4) structural steel and miscellaneous iron work and materials, and (5) all general construction, which shall include all other work and materials required to complete the building.

Commencing in the fifth year after the year in which P.L.2007, c.137 (C.52:18A-235 et al.) takes effect, and every five years thereafter, the Governor, in consultation with the Department of the Treasury, shall adjust the amount set forth in this subsection or the amount resulting from any adjustment under this subsection in direct proportion to the rise or fall of the index rate as defined in this subsection, and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify the development authority of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

For the purposes of this subsection, "index rate" means the rate of annual percentage increase, rounded to the nearest half-percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services, computed and published quarterly by the United States Department of Commerce, Bureau of Economic Analysis.

b. The development authority shall advertise and receive (1) separate bids for each of the branches of work specified in subsection a. of this section; or (2) bids for all the work and materials required to complete the school facilities project to be included in a single overall contract, in which case there shall be set forth in the bid the name or names of all subcontractors to whom the bidder will subcontract for the furnishing of any of the work and materials specified in branches (1) through (4) in subsection a. of this section; or (3) both.

c. Contracts shall be awarded as follows: (1) if bids are received in accordance with paragraph (1) of subsection b. of this section, the development authority shall determine the responsible bidder for each branch whose bid, conforming to the invitation for bids, will be most advantageous to the development authority, price and other factors considered; (2) if bids are received in accordance with paragraph (2) of subsection b. of this section, the development authority shall determine the responsible bidder for the single overall contract whose bid, conforming to the invitation for bids, will be the most advantageous to the development authority, price and other factors considered; or (3) if bids are received in accordance with paragraph (3) of subsection b. of this section, the development authority shall award separate contracts for each branch of work specified in subsection a. of this section if the sum total of the amounts bid by the responsible bidders for each branch, as determined pursuant to paragraph (1) of this subsection, is less than the amount bid by the responsible bidder for all of the work and materials, as determined pursuant to paragraph (2) of this subsection; but if the sum total of the amounts bid by the responsible bidder for each branch, as determined pursuant to paragraph (1) of this subsection is not less than the amount bid by the responsible bidder for all of the work and materials, as determined pursuant to paragraph (2) of this subsection, the development authority shall award a single over-all contract to the responsible bidder for all of the work and materials as determined pursuant to paragraph (2) of this subsection.

d. For the purposes of this section, "other factors" means the evaluation by the development authority of the ability of the single contractor or the abilities of the multiple contractors to complete the contract in accordance with its requirements and includes requirements relating to the experience and qualifications of the contractor or contractors and their key personnel in projects of similar type and complexity; the performance of the contractor or contractors on prior contracts with the development authority, the State, or districts; the experience and capability of the contractor or contractors and their key personnel in respect to any special technologies, techniques or expertise that the project may require; the contractor's understanding of the means and methods needed to complete the project on time and within budget; the timetable to complete the project; the contractor's plan for quality assurance and control; the contractor's demonstrated experience in regard to affirmative action; and other similar types of factors. The "other factors" to be considered in evaluating bids and the weights assigned to price and these "other factors" shall be determined by the development authority prior to the advertisement for bids for school

facilities projects. In its evaluation of bids, the consideration given to price by the development authority shall be at least equal to the consideration given to the combination of all "other factors."

e. The development authority shall require from all contractors to which it awards contracts pursuant to P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.), the delivery of a payment and performance bond issued in accordance with N.J.S.2A:44-143 et seq.

f. The development authority shall adopt regulations to implement this section which shall include, but not be limited to, the procedural requirements for: (1) the evaluation and weighting of price and "other factors" in the awarding of contracts; and (2) the appealing of a prequalification classification and rating, a bid rejection, and a contract award recommendation.

The rules and regulations promulgated by the New Jersey Schools Construction Corporation pursuant to the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.) shall remain in full force and effect unless subsequently revised by the development authority following the enactment of P.L.2007, c.137 (C.52:18A-235 et al.).

g. Each evaluation committee selected by the development authority to review and evaluate bids shall, at a minimum, contain a representative from the district in which the school facilities project is located if the district elects to participate.

h. All advertisements for bids shall be published in a legal newspaper and be posted on the development authority's website sufficiently in advance of the date fixed for receiving the bids to promote competitive bidding but in no event less than 10 days prior to such date. Notice of revisions or addenda to advertisements or bid documents relating to bids shall be advertised on the development authority's website to best give notice to bidders no later than seven days, Saturdays, Sundays and holidays excepted, prior to the bid due date. The notice shall be provided to any person who has submitted a bid, in one of the following ways: (a) in writing by certified mail or (b) by certified facsimile transmission, meaning that the sender's facsimile machine produces a receipt showing date and time of transmission and that the transmission was successful or (c) by a delivery service that provides certification of delivery to the sender. Failure to advertise or provide proper notification of revisions or addenda to advertisements or bid documents related to bids as prescribed by this section shall prevent the acceptance of bids and require the readvertisement for bids. Failure to obtain a receipt when good faith notice is sent or delivered to the address or telephone facsimile number on file with the development authority shall not be considered failure by the development authority to provide notice.

i. Any purchase, contract, or agreement may be made, negotiated, or awarded by the development authority without public bid or advertising when the public exigency so requires.

j. Any purchase, contract, or agreement may be made, negotiated, or awarded by the development authority without public bid or advertising when the authority has advertised for bids on two occasions and has received no bids on both occasions in response to its advertisements. Any purchase, contract, or agreement may be negotiated by the development authority after public bid or advertising when the authority receives only a single responsive bid, provided however that negotiation with that single responsive bidder shall be limited to price.

C.52:18A-244 Powers of development authority relative to undertaking school facilities project.

10. a. If the development authority shall find it necessary in connection with the undertaking of any school facilities project to change the location of any portion of any public highway or road, it may contract with any government agency, or public or private corporation which may have jurisdiction over the public highway or road to cause the public highway or road to be constructed at such locations as the authority shall deem most favorable. The cost of the reconstruction and any damage incurred in changing the location of the highway shall be ascertained and paid by the development authority as part of the cost of the school facilities project. Any public highway affected by the construction of any school facilities project may be vacated or relocated by the development authority in the manner now provided by law for the vacation or relocation of public roads, and any damages awarded on account thereof shall be paid by the development authority as a part of the cost of the school facilities project. In all undertakings authorized by this subsection, the development authority shall consult and obtain the approval of the Commissioner of the Department of Transportation.

b. The development authority and its authorized agents and employees may enter upon any lands, waters, and premises for the purpose of making surveys, soundings, drillings, and examinations as it may deem necessary or convenient for the purposes of this act, all in accordance with due process of law, and this entry shall not be deemed a trespass nor shall an entry for this purpose be deemed an entry under any condemnation proceedings which may be then pending. The development authority shall make reimbursement for any actual damages resulting to the lands, waters and premises as a result of these activities.

c. The development authority shall have the power to make reasonable regulations for the installation, construction, maintenance, repair, renewal, relocation, and removal of tracks, pipes, mains, conduits, cables, wires, towers, poles, and other equipment and appliances, herein called "public utility facilities," or any public utility as defined in R.S.48:2-13, in, on, along, over or under any school facilities project. Whenever the development authority shall determine that it is necessary that any public utility facilities which now are, or hereafter may be, located in, on, along, over, or under any school facilities project shall be relocated in the school facilities project, or should be removed from the school facilities project, the public utility owning or operating the facilities shall relocate or remove them in accordance with the order of the development authority. The cost and expenses of the relocation or removal, including the cost of installing the facilities in a new location or new locations, and the cost of any lands, or any rights or interests in lands, and any other rights, acquired to accomplish the relocation or removal, shall be ascertained and paid by the development authority as a part of the cost of the school facilities project. In case of any relocation or removal of facilities, the public utility owning or operating them, its successors or assigns, may maintain and operate the facilities, with the necessary appurtenances, in the new location or new locations, for as long a period, and upon the same terms and conditions, as it had the right to maintain and operate the facilities in their former location or locations. In all undertakings authorized by this subsection the development authority shall consult and obtain the approval of the Board of Public Utilities.

C.52:18A-245 Exercise of powers constitute performance of essential governmental function.

11. The exercise of the powers granted by P.L.2007, c.137 (C.52:18A-235 et al.) and P.L.2000, c.72 (C.18A:7G-1 et al.) shall constitute the performance of an essential governmental function and the development authority shall not be required to pay any taxes or assessments upon or in respect of a school facilities project, or any property or moneys of the development authority, and the development authority, its school facilities projects, property, and moneys and any bonds and notes issued under the provisions of P.L.2007, c.137 (C.52:18A-235 et al.) and P.L.2000, c.72 (C.18A:7G-1 et al.), their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation of every kind by the State except for transfer, inheritance and estate taxes and by any political subdivision of the State.

C.52:18A-246 Property exempt from levy, sale.

12. All property of the development authority shall be exempt from levy and sale by virtue of an execution and no execution or other judicial process shall issue against the same nor shall any judgment against the development authority be a charge or lien upon its property.

C.52:18A-247 New Jersey Schools Construction Corporation abolished, transfer to New Jersey Schools Development Authority, references in law.

13. a. The New Jersey Schools Construction Corporation established pursuant to section 16 of P.L.1997, c.150 (C.34:1B-159) and Executive Order No. 24 of 2002 is abolished and all its functions, powers, duties, and employees are transferred to the New Jersey Schools Development Authority in, but not of, the Department of the Treasury.

b. Whenever, in any law, rule, regulation, order, contract, document, judicial or administrative proceeding or otherwise, reference is made to the New Jersey Schools Construction Corporation, the same shall mean and refer to the New Jersey Schools Development Authority in, but not of, the Department of the Treasury.

c. This transfer shall be subject to the provisions of the "State Agency Transfer Act," P.L.1971, c.375 (C.52:14D-1 et seq.).

C.18A:7G-45 Conveyance of certain school buildings and land to New Jersey Schools Development Authority; conditions.

14. a. In the event that the development authority funds 100% of the cost of the acquisition of land for the construction of a school facilities project and as a result of the construction of that project a school building located in the district and the land upon which the school building is situated are no longer necessary for educational purposes, title to the land together with the school building on the land shall be conveyed to and shall vest in the New Jersey Schools Development Authority established pursuant to section 3 of P.L.2007, c.137 (C.52:18A-237) when it is determined by the development authority that such conveyance is in the best interest of the development authority. The district shall execute any documents including, but not limited to, a deed of conveyance necessary to accomplish the transfer of title.

b. The development authority may retain or sell the land and buildings on that land acquired pursuant to subsection a. of this section. In the event the development authority elects to sell, it shall use a competitive process. The proceeds of that sale shall be applied to the costs of school facilities projects of the district.

c. The transfer of title pursuant to subsection a. of this section shall occur in accordance with a schedule determined by the development authority. The schedule may provide that the transfer occur prior to the completion of the construction of the new school facilities project if the development authority deems it necessary in order to complete additional school facilities projects within the district.

C.18A:7G-46 Acquisition of land in Abbott district; submission of land inventory.

15. If land is necessary to be acquired in connection with a school facilities project in an Abbott district, the board of education of the district and the governing body of the municipality in which the district is situated shall jointly submit to the commissioner and to the development authority a complete inventory of all district- and municipal-owned land located in the municipality. The inventory shall include a map of the district showing the location of each of the identified parcels of land. The board of education and the governing body of the municipality shall provide an analysis of why any district- or municipal-owned land is not suitable as a site for a school facilities project identified in the district's long-range facilities plan. The inventory shall be updated as needed in connection with any subsequent school facilities projects for which it is necessary to acquire land.

C.18A:7G-47 Approval of site plan in Abbott district; procedure.

16. a. Whenever the board of education of an Abbott district submits to the New Jersey Schools Development Authority established pursuant to P.L.2007, c.137 (C.52:18A-235 et al.) information on a proposed preferred site for the construction of a school facilities project, the development authority shall file a copy of a map, plan or report indicating the proposed preferred site with the county clerk of the county within which the site is located and with the municipal clerk, planning board, and building inspector of the municipality within which the site is located.

b. Whenever a map, plan, or report indicating a proposed preferred site for the construction of an Abbott district school facilities project is filed by the development authority pursuant to subsection a. of this section, any municipal approving authority before granting any site plan approval, building permit, or approval of a subdivision plat, or exercising any other approval power with respect to the development or improvement of any lot, tract, or parcel of land which is located wholly or partially within the proposed preferred site shall refer the site plan, application for a building permit or subdivision plat or any other application for proposed development or improvement to the development authority for review and recommenda-

tion as to the effect of the proposed development or improvement upon the construction of the school facilities project.

c. A municipal approving authority shall not issue any site plan approval or building permit or approve a subdivision plat or exercise any other approval power with respect to the development or improvement of the lot, tract, or parcel of land without the recommendation of the development authority until 45 days following referral to the development authority pursuant to subsection b. of this section. Within that 45-day period, the development authority may:

(1) give notice to the municipal approving authority and to the owner of the lot, tract, or parcel of land of probable intention to acquire the whole or any part thereof, and no further action shall be taken by the approving authority for a further period of 180 days following receipt of notice from the development authority. If within the 180-day period the development authority has not acquired, agreed to acquire, or commenced an action to condemn the property, the municipal approving authority shall be free to act upon the pending application in such manner as may be provided by law; or

(2) give notice to the municipal approving authority and to the owner of the lot, tract, or parcel of land that the development authority has no objection to the granting of the permit or approval for which application has been made. Upon receipt of the notice the municipal approving authority shall be free to act upon the pending application in such manner as may be provided by law.

C.18A:7G-48 Projects in certain districts with prior approval; construction, financing under prior law.

17. Notwithstanding any provision of P.L.2007, c.137 (C.52:18A-235 et al.) to the contrary, a school facilities project of a district, other than an Abbott district, with a district aid percentage equal to or greater than 55% or of a district, other than an Abbott district, with a district aid percentage of less than 55% that had been approved by the Commissioner of Education and the New Jersey Schools Construction Corporation prior to the effective date of P.L.2007, c.137 (C.52:18A-235 et al.) to be constructed by the corporation, shall be constructed and financed in accordance with the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.) as the same read before the effective date of P.L.2007, c.137 (C.52:18A-235 et al.).

18. Section 3 of P.L.2000, c.72 (C.18A:7G-3) is amended to read as follows:

C.18A:7G-3 Definitions relative to construction, financing of public school facilities.

3. As used in sections 1 through 30 and 57 through 71 of P.L.2000, c.72 (C.18A:7G-1 et al.) and sections 14 through 17 of P.L.2007, c.137 (C.18A:7G-45 through C.18A:7G-48), unless the context clearly requires a different meaning:

"Abbott district" means an Abbott district as defined in section 3 of P.L.1996, c.138 (C.18A:7F-3);

"Area cost allowance" means \$138 per square foot for the school year 2000-2001 and shall be inflated by an appropriate cost index for the 2001-2002 school year. For the 2002-2003 school year and subsequent school years, the area cost allowance shall be as established in the biennial Report on the Cost of Providing a Thorough and Efficient Education and inflated by an appropriate cost index for the second year to which the report applies. The area cost allowance used in determining preliminary eligible costs of school facilities projects shall be that of the year of application for approval of the project;

"Capital maintenance project" means a school facilities project intended to extend the useful life of a school facility, including up-grades and replacements of building systems, such as structure, enclosure, mechanical, plumbing and electrical systems;

"Commissioner" means the Commissioner of Education;

"Core curriculum content standards" means the standards established pursuant to the provisions of subsection a. of section 4 of P.L.1996, c.138 (C.18A:7F-4);

"Cost index" means the average annual increase, expressed as a decimal, in actual construction cost factors for the New York City and Philadelphia areas during the second fiscal year preceding the budget year as determined pursuant to regulations promulgated by the development authority pursuant to section 26 of P.L.2000, c.72 (C.18A:7G-26);

"Debt service" means and includes payments of principal and interest upon school bonds issued to finance the acquisition of school sites and the purchase or construction of school facilities, additions to school facilities, or the reconstruction, remodeling, alteration, modernization, renovation or repair of school facilities, including furnishings, equipment, architect fees and the costs of issuance of such obligations and shall include payments of principal and interest upon school bonds heretofore issued to fund or refund such obligations, and upon municipal bonds and other obligations which the commissioner approves as having been issued for such purposes. Debt service pursuant to the provisions of P.L.1978, c.74 (C.18A:58-33.22 et

seq.), P.L.1971, c.10 (C.18A:58-33.6 et seq.) and P.L.1968, c.177 (C.18A:58-33.2 et seq.) is excluded;

"Demonstration project" means a school facilities project selected by the State Treasurer for construction by a redevelopment entity pursuant to section 6 of P.L.2000, c.72 (C.18A:7G-6);

"Development authority" means the New Jersey Schools Development Authority established pursuant to section 3 of P.L.2007, c.137 (C.52:18A-237);

"District" means a local or regional school district established pursuant to chapter 8 or chapter 13 of Title 18A of the New Jersey Statutes, a county special services school district established pursuant to article 8 of chapter 46 of Title 18A of the New Jersey Statutes, a county vocational school district established pursuant to article 3 of chapter 54 of Title 18A of the New Jersey Statutes, and a district under full State intervention pursuant to P.L.1987, c.399 (C.18A:7A-34 et al.);

"District aid percentage" means the number expressed as a percentage derived from dividing the district's core curriculum standards aid calculated pursuant to section 15 of P.L.1996, c.138 (C.18A:7F-15) as of the date of the commissioner's determination of preliminary eligible costs by the district's T & E budget calculated pursuant to subsection d. of section 13 of P.L.1996, c.138 (C.18A:7F-13) as of the date of the commissioner's determination of preliminary eligible costs;

"Excess costs" means the additional costs, if any, which shall be borne by the district, of a school facilities project which result from design factors that are not required to meet the facilities efficiency standards and not approved pursuant to paragraph (1) of subsection g. of section 5 of P.L.2000, c.72 (C.18A:7G-5) or are not authorized as community design features included in final eligible costs pursuant to subsection c. of section 6 of P.L.2000, c.72 (C.18A:7G-6);

"Facilities efficiency standards" means the standards developed by the commissioner pursuant to subsection h. of section 4 of P.L.2000, c.72 (C.18A:7G-4);

"Final eligible costs" means for school facilities projects to be constructed by the development authority, the final eligible costs of the school facilities project as determined by the commissioner, in consultation with the development authority, pursuant to section 5 of P.L.2000, c.72 (C.18A:7G-5); for demonstration projects, the final eligible costs of the project as determined by the commissioner and reviewed by the development authority which may include the cost of community design features determined by the commissioner to be an integral part of the school facility and which do not exceed the facilities efficiency standards, and which were

reviewed by the development authority and approved by the State Treasurer pursuant to section 6 of P.L.2000, c.72 (C.18A:7G-6); and for districts other than Abbott districts, final eligible costs as determined pursuant to paragraph (1) of subsection h. of section 5 of P.L.2000, c.72 (C.18A:7G-5);

"Financing authority" means the New Jersey Economic Development Authority established pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.);

"FTE" means a full-time equivalent student which shall be calculated as follows: in districts that qualify for early childhood program aid pursuant to section 16 of P.L.1996, c.138 (C.18A:7F-16), each student in grades kindergarten through 12 shall be counted at 100% of the actual count of students, and each preschool student approved by the commissioner to be served in the district shall be counted at 50% or 100% of the actual count of preschool students for an approved half-day or full-day program, respectively; in districts that do not qualify for early childhood program aid pursuant to section 16 of P.L.1996, c.138 (C.18A:7F-16), each student in grades 1 through 12 shall be counted at 100% of the actual count of students, in the case of districts which operate a half-day kindergarten program each kindergarten student shall be counted at 50% of the actual count of kindergarten students, in the case of districts which operate a full-day kindergarten program or which currently operate a half-day kindergarten program but propose to build facilities to house a full-day kindergarten program each kindergarten student shall be counted at 100% of the actual count of kindergarten students, and preschool students shall not be counted. In addition, each preschool handicapped child who is entitled to receive a full-time program pursuant to N.J.S.18A:46-6 shall be counted at 100% of the actual count of these students in the district;

"Functional capacity" means the number of students that can be housed in a building in order to have sufficient space for it to be educationally adequate for the delivery of programs and services necessary for student achievement of the core curriculum content standards. Functional capacity is determined by dividing the existing gross square footage of a school building by the minimum area allowance per FTE student pursuant to subsection b. of section 8 of P.L.2000, c.72 (C.18A:7G-8) for the grade level students contained therein. The difference between the projected enrollment determined pursuant to subsection a. of section 8 of P.L.2000, c.72 (C.18A:7G-8) and the functional capacity is the unhoused students that are the basis upon which the additional costs of space to provide educationally adequate facilities for the entire projected enrollment are determined. The existing gross square footage for the purposes of defining functional capacity is exclusive of existing spaces that are not contained in the facilities ef-

iciency standards but which are used to deliver programs and services aligned to the core curriculum content standards, used to provide support services directly to students, or other existing spaces that the district can demonstrate would be structurally or fiscally impractical to convert to other uses contained in the facilities efficiency standards;

"Lease purchase payment" means and includes payment of principal and interest for lease purchase agreements in excess of five years approved pursuant to subsection (f) of N.J.S.18A:20-4.2 prior to the effective date of P.L.2000, c.72 (C.18A:7G-1 et al.) to finance the purchase or construction of school facilities, additions to school facilities, or the reconstruction, remodeling, alteration, modernization, renovation or repair of school facilities, including furnishings, equipment, architect fees and issuance costs. Approved lease purchase agreements in excess of five years shall be accorded the same accounting treatment as school bonds;

"Local share" means, in the case of a school facilities project to be constructed by the development authority, the total costs less the State share as determined pursuant to section 5 of P.L.2000, c.72 (C.18A:7G-5); in the case of a demonstration project, the total costs less the State share as determined pursuant to sections 5 and 6 of P.L.2000, c.72 (C.18A:7G-5 and C.18A:7G-6); and in the case of a school facilities project which shall be financed pursuant to section 15 of P.L.2000, c.72 (C.18A:7G-15), the total costs less the State share as determined pursuant to that section;

"Local unit" means a county, municipality, board of education or any other political subdivision or instrumentality authorized to construct, operate and maintain a school facilities project and to borrow money for those purposes pursuant to law;

"Local unit obligations" means bonds, notes, refunding bonds, refunding notes, lease obligations and all other obligations of a local unit which are issued or entered into for the purpose of paying for all or a portion of the costs of a school facilities project, including moneys payable to the development authority;

"Long-range facilities plan" means the plan required to be submitted to the commissioner by a district pursuant to section 4 of P.L.2000, c.72 (C.18A:7G-4);

"Maintenance" means expenditures which are approved for repairs and replacements for the purpose of keeping a school facility open and safe for use or in its original condition, including repairs and replacements to a school facility's heating, lighting, ventilation, security and other fixtures to keep the facility or fixtures in effective working condition. Maintenance shall not include capital maintenance or contracted custodial or janitorial

services, expenditures for the cleaning of a school facility or its fixtures, the care and upkeep of grounds or parking lots, and the cleaning of, or repairs and replacements to, movable furnishings or equipment, or other expenditures which are not required to maintain the original condition over the school facility's useful life. Approved maintenance expenditures shall be as determined by the commissioner pursuant to regulations to be adopted by the commissioner pursuant to section 26 of P.L.2000, c.72 (C.18A:7G-26);

"Other allowable costs" means the costs of temporary facilities, site development, acquisition of land or other real property interests necessary to effectuate the school facilities project, fees for the services of design professionals, including architects, engineers, construction managers and other design professionals, legal fees, financing costs and the administrative costs of the development authority and the financing authority or the district incurred in connection with the school facilities project;

"Other facilities" means athletic stadiums, swimming pools, any associated structures or related equipment tied to such facilities including, but not limited to, grandstands and night field lights, greenhouses, facilities used for non-instructional or non-educational purposes, and any structure, building, or facility used solely for school administration;

"Preliminary eligible costs" means the initial eligible costs of a school facilities project as calculated pursuant to the formulas set forth in section 7 of P.L.2000, c.72 (C.18A:7G-7) or as otherwise provided pursuant to section 5 of P.L.2000, c.72 (C.18A:7G-5) and which shall be deemed to include the costs of construction and other allowable costs;

"Redevelopment entity" means a redevelopment entity authorized by a municipal governing body to implement plans and carry out redevelopment projects in the municipality pursuant to the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et al.);

"School bonds" means, in the case of a school facilities project which is to be constructed by the development authority, a redevelopment entity, or a district under section 15 of P.L.2000, c.72 (C.18A:7G-15), bonds, notes or other obligations issued by a district to finance the local share; and, in the case of a school facilities project which is not to be constructed by the development authority or a redevelopment entity, or financed under section 15 of P.L.2000, c.72 (C.18A:7G-15), bonds, notes or other obligations issued by a district to finance the total costs;

"School enrollment" means the number of FTE students other than evening school students, including post-graduate students and post-secondary vocational students, who, on the last school day prior to October 16 of the current school year, are recorded in the registers of the school;

"School facility" means and includes any structure, building or facility used wholly or in part for educational purposes by a district and facilities that physically support such structures, buildings and facilities, such as district wastewater treatment facilities, power generating facilities, and steam generating facilities, but shall exclude other facilities;

"School facilities project" means the planning, acquisition, demolition, construction, improvement, alteration, modernization, renovation, reconstruction or capital maintenance of all or any part of a school facility or of any other personal property necessary for, or ancillary to, any school facility, and shall include fixtures, furnishings and equipment, and shall also include, but is not limited to, site acquisition, site development, the services of design professionals, such as engineers and architects, construction management, legal services, financing costs and administrative costs and expenses incurred in connection with the project;

"Special education services pupil" means a pupil receiving specific services pursuant to chapter 46 of Title 18A of the New Jersey Statutes;

"State aid" means State municipal aid and State school aid;

"State debt service aid" means for school bonds issued for school facilities projects approved by the commissioner after the effective date of P.L.2000, c.72 (C.18A:7G-1 et al.) of districts which elect not to have a redevelopment entity construct the project or which elect not to finance the project under section 15 of P.L.2000, c.72 (C.18A:7G-15), the amount of State aid determined pursuant to section 9 of P.L.2000, c.72 (C.18A:7G-9); and for school bonds or certificates of participation issued for school facilities projects approved by the commissioner prior to the effective date of P.L.2000, c.72 (C.18A:7G-1 et al.) the amount of State aid determined pursuant to section 10 of P.L.2000, c.72 (C.18A:7G-10);

"State municipal aid" means business personal property tax replacement revenues, State urban aid and State revenue sharing, as these terms are defined in section 2 of P.L.1976, c.38 (C.40A:3-3), or other similar forms of State aid payable to the local unit and to the extent permitted by federal law, federal moneys appropriated or apportioned to the municipality or county by the State;

"State school aid" means the funds made available to school districts pursuant to sections 15 and 17 of P.L.1996, c.138 (C.18A:7F-15 and 17);

"State share" means the State's proportionate share of the final eligible costs of a school facilities project to be constructed by the development authority as determined pursuant to section 5 of P.L.2000, c.72 (C.18A:7G-5); in the case of a demonstration project, the State's proportionate share of the final eligible costs of the project as determined pursuant to sections 5

and 6 of P.L.2000, c.72 (C.18A:7G-5 and C.18A:7G-6); and in the case of a school facilities project to be financed pursuant to section 15 of P.L.2000, c.72 (C.18A:7G-15), the State share as determined pursuant to that section;

"Total costs" means, in the case of a school facilities project which is to be constructed by the development authority or a redevelopment entity or financed pursuant to section 15 of P.L.2000, c.72 (C.18A:7G-15), the final eligible costs plus excess costs if any; and in the case of a school facilities project which is not to be constructed by the development authority or a redevelopment entity or financed pursuant to section 15 of P.L.2000, c.72 (C.18A:7G-15), the total cost of the project as determined by the district.

19. Section 4 of P.L.2000, c.72 (C.18A:7G-4) is amended to read as follows:

C.18A:7G-4 Long-range facilities plan; facilities efficiency standards; time lines.

4. a. By December 15, 2000 and by October 1, 2005, each district shall prepare and submit to the commissioner a long-range facilities plan that details the district's school facilities needs and the district's plan to address those needs for the ensuing five years. Following the approval of the 2005 long-range facilities plan, each district shall amend its long-range facilities plan at least once every five years to update enrollment projections, building capacities, and health and safety conditions. The long-range facilities plan shall incorporate the facilities efficiency standards and shall be filed with the commissioner for approval in accordance with those standards. For those Abbott districts that have submitted long-range facilities plans to the commissioner prior to the effective date of P.L.2000, c.72 (C.18A:7G-1 et al.), this subsection shall not be read to require an additional filing by October 1, 2000.

b. Notwithstanding any other law or regulation to the contrary, an application for a school facilities project pursuant to section 5 of P.L.2000, c.72 (C.18A:7G-5) shall not be approved unless the district has filed a long-range facilities plan that is consistent with the application and the plan has been approved by the commissioner; except that prior to October 1, 2000, the commissioner may approve an application if the project is necessary to protect the health or safety of occupants of the school facility, or is related to required early childhood education programs, or is related to a school facility in which the functional capacity is less than 90% of the facilities efficiency standards based on current school enrollment, or the district received bids on the school facilities project prior to the effective date of P.L.2000, c.72 (C.18A:7G-1 et al.) and the district demonstrates that further delay will negatively affect the cost of the project.

c. An amendment to a long-range facilities plan may be submitted at any time to the commissioner for review and determination on the approval or disapproval of the amendment.

d. Each long-range facilities plan shall include a cohort survival methodology or other methodology approved by the commissioner, accompanied by a certification by a qualified demographer retained by the district that serves as the basis for identifying the capacity and program needs detailed in the long-range facilities plan.

e. The long-range facilities plan shall include an educational adequacy inventory of all existing school facilities in the district including the adequacy of school facilities to educate within the district the existing and projected number of pupils with disabilities, the identification of all deficiencies in the district's current inventory of school facilities, which includes the identification of those deficiencies that involve emergent health and safety concerns, and the district's proposed plan for future construction and renovation. The long-range facilities plan submissions shall conform to the guidelines, criteria and format prescribed by the commissioner.

f. Each district shall determine the number of "unhoused students" for the ensuing five-year period calculated pursuant to the provisions of section 8 of P.L.2000, c.72 (C.18A:7G-8).

g. Each district shall submit the long-range facilities plan to the planning board of the municipality or municipalities in which the district is situate for the planning board's review and findings and the incorporation of the plan's goals and objectives into the municipal master plan adopted by the municipality pursuant to section 19 of P.L.1975, c.291 (C.40:55D-28).

h. The commissioner shall develop, for the March 2002 Report on the Cost of Providing a Thorough and Efficient Education issued by the commissioner pursuant to section 4 of P.L.1996, c.138 (C.18A:7F-4), facilities efficiency standards for elementary, middle, and high schools consistent with the core curriculum school delivery assumptions in the report and sufficient for the achievement of the core curriculum content standards, including the provision of required programs in Abbott districts and early childhood education programs in the districts in which these programs are required by the State. The area allowances per FTE student in each class of the district shall be derived from these facilities efficiency standards. The commissioner shall revise the facilities efficiency standards in accordance with such schedule as the commissioner deems necessary. The commissioner shall publish the revised facilities efficiency standards in the New Jersey Register and, within a reasonable period of time after 30 days following publication, shall file the revised facilities efficiency standards with

the Office of Administrative Law for publication in the New Jersey Register and those standards shall become effective immediately upon filing. During the 30-day period the commissioner shall provide an opportunity for public comment on the proposed facilities efficiency standards.

The facilities efficiency standards developed by the commissioner shall not be construction design standards but rather shall represent the instructional spaces, specialized instructional areas, and administrative spaces that are determined by the commissioner to be educationally adequate to support the achievement of the core curriculum content standards including the provision of required programs in Abbott districts and early childhood education programs in the districts in which these programs are required by the State. A district may design, at its discretion, the educational and other spaces to be included within the school facilities project. The design of the project may eliminate spaces in the facilities efficiency standards, include spaces not in the facilities efficiency standards, or size spaces differently than in the facilities efficiency standards upon a demonstration of the adequacy of the school facilities project to deliver the core curriculum content standards pursuant to paragraph (2) of subsection g. of section 5 of P.L.2000, c.72 (C.18A:7G-5).

Within a reasonable period of time after the effective date of P.L.2000, c.72 (C.18A:7G-1 et al.), the commissioner shall publish the facilities efficiency standards developed for the 2000-2001, 2001-2002, and 2002-2003 school years in the New Jersey Register. Within a reasonable period of time after 30 days after publication in the New Jersey Register, the commissioner shall file the facilities efficiency standards with the Office of Administrative Law and those standards shall become effective immediately upon filing with the Office of Administrative Law. During the 30-day period the commissioner shall provide an opportunity for public comment on the proposed facilities efficiency standards.

i. Within 90 days of the commissioner's receipt of a long-range facilities plan for review, the commissioner shall determine whether the plan is fully and accurately completed and whether all information necessary for a decision on the plan has been filed by the district. If the commissioner determines that the plan is complete, the commissioner shall promptly notify the district in writing and shall have 60 days from the date of that notification to determine whether to approve the plan or not. If the commissioner determines that the plan is not complete, the commissioner shall notify the district in writing. The district shall provide to the commissioner whatever information the commissioner determines is necessary to make the plan accurate and complete. The district shall submit that information to the commissioner, and

the commissioner shall have 60 days from the date of receipt of accurate and complete information to determine whether to approve the plan or not.

j. Notwithstanding any provision in subsection i. of this section, if at any time the number of long-range facilities plans filed by school districts with the commissioner and pending review exceeds 20% of the number of school districts in New Jersey, the commissioner may extend by 60 days the deadline for reviewing each plan pending at that time.

k. By March 1, 2002 and every five years thereafter, the commissioner shall recommend to the Legislature criteria to be used in the designation of districts as Abbott districts. The criteria may include, but not be limited to: the number of residents per 1,000 within the municipality or municipalities in which the district is situate who receive TANF; the district's equalized valuation per resident pupil as equalized valuation is defined in section 3 of P.L.1996, c.138 (C.18A:7F-3); the district's income per resident pupil as district income is defined in section 3 of P.L.1996, c.138 (C.18A:7F-3); the population per square mile of the municipality or municipalities in which the district is situate; and the municipal overburden of the municipality or municipalities in which the district is situate as that term is defined by the New Jersey Supreme Court in *Abbott v. Burke*.

l. By July 1, 2001, the commissioner shall provide the Legislature with recommendations to address the circumstances of districts which are contiguous with two or more Abbott districts. The recommendations shall address the issues of the financing of school facilities projects and the funding of the educational and other programs required within these districts as a result of their unique demographic situation.

m. By July 1, 2001, the commissioner shall study the Safe Schools Design Guidelines, prepared by the Florida Center for Community Design and Research, which address the issues of school safety and security through the design of school facilities. Based upon the commissioner's study, the commissioner shall issue recommendations to districts on the appropriateness of including the Safe Schools Design Guidelines in the design and construction of school facilities projects.

20. Section 5 of P.L.2000, c.72 (C.18A:7G-5) is amended to read as follows:

C.18A:7G-5 Undertaking and financing of school facilities in certain districts.

5. a. The development authority shall undertake and the financing authority shall finance the school facilities projects of Abbott districts.

b. In the case of a district other than an Abbott district, State support for the project shall be determined pursuant to section 9 or section 15 of P.L.2000, c.72 (C.18A:7G-9 or C.18A:7G-15), as applicable.

c. Notwithstanding any provision of N.J.S.18A:18A-16 to the contrary, the procedures for obtaining approval of a school facilities project shall be as set forth in this act; provided that any district whose school facilities project is not constructed by the development authority shall also be required to comply with the provisions of N.J.S.18A:18A-16.

d. (1) Any district seeking to initiate a school facilities project shall apply to the commissioner for approval of the project. The application may include, but not be limited to: a description of the school facilities project; a schematic drawing of the project or, at the option of the district, preliminary plans and specifications; a delineation and description of each of the functional components of the project; educational specifications detailing the programmatic needs of each proposed space; the number of unhoused students to be housed in the project; the area allowances per FTE student as calculated pursuant to section 8 of P.L.2000, c.72 (C.18A:7G-8); and the estimated cost to complete the project as determined by the district.

(2) In the case of an Abbott district school facilities project, based upon its educational priority ranking and the Statewide strategic plan established pursuant to subsection m. of this section, the commissioner may authorize the development authority to undertake preconstruction activities which may include, but need not be limited to, site identification, investigation, and acquisition, feasibility studies, land-related design work, design work, site remediation, demolition, and acquisition of temporary facilities. Upon receipt of the authorization, the development authority may initiate the preconstruction activities required to prepare the application for commissioner approval of the school facilities project.

e. The commissioner shall review each proposed school facilities project to determine whether it is consistent with the district's long-range facilities plan and whether it complies with the facilities efficiency standards and the area allowances per FTE student derived from those standards; and in the case of an Abbott district the commissioner shall also review the project's educational priority ranking and the Statewide strategic plan developed pursuant to subsection m. of this section. The commissioner shall make a decision on a district's application within 90 days from the date he determines that the application is fully and accurately completed and that all information necessary for a decision has been filed by the district, or from the date of the last revision made by the district. If the commissioner is not able to make a decision within 90 days, he shall notify the district in writing explaining the

reason for the delay and indicating the date on which a decision on the project will be made, provided that the date shall not be later than 60 days from the expiration of the original 90 days set forth in this subsection. If the decision is not made by the subsequent date indicated by the commissioner, then the project shall be deemed approved and the preliminary eligible costs for new construction shall be calculated by using the proposed square footage of the building as the approved area for unhoused students.

f. If the commissioner determines that the school facilities project complies with the facilities efficiency standards and the district's long-range facilities plan and does not exceed the area allowance per FTE student derived from those standards, the commissioner shall calculate the preliminary eligible costs of the project pursuant to the formulas set forth in section 7 of P.L.2000, c.72 (C.18A:7G-7); except that (1) in the case of a county special services school district or a county vocational school district, the commissioner shall calculate the preliminary eligible costs to equal the amount determined by the board of school estimate and approved by the board of chosen freeholders pursuant to section 14 of P.L.1971, c.271 (C.18A:46-42) or N.J.S.18A:54-31 as appropriate, and (2) in the case of an Abbott district, the commissioner shall calculate the preliminary eligible costs to equal the estimated cost as determined by the development authority.

g. If the commissioner determines that the school facilities project is inconsistent with the facilities efficiency standards or exceeds the area allowances per FTE student derived from those standards, the commissioner shall notify the district.

(1) The commissioner shall approve area allowances in excess of the area allowances per FTE student derived from the facilities efficiency standards if the board of education or State district superintendent, as appropriate, demonstrates that school facilities needs related to required programs cannot be addressed within the facilities efficiency standards and that all other proposed spaces are consistent with those standards. The commissioner shall approve area allowances in excess of the area allowances per FTE student derived from the facilities efficiency standards if the additional area allowances are necessary to accommodate centralized facilities to be shared among two or more school buildings within the district and the centralized facilities represent a more cost effective alternative.

(2) The commissioner may waive a facilities efficiency standard if the board of education or State district superintendent, as appropriate, demonstrates to the commissioner's satisfaction that the waiver will not adversely affect the educational adequacy of the school facility, including the ability

to deliver the programs and services necessary to enable all students to achieve the core curriculum content standards.

(3) To house the district's central administration, a district may request an adjustment to the approved areas for unhoused students of 2.17 square feet for each FTE student in the projected total district school enrollment if the proposed administrative offices will be housed in a school facility and the district demonstrates either that the existing central administrative offices are obsolete or that it is more practical to convert those offices to instructional space. To the extent that existing administrative space will continue to be used for administrative purposes, the space shall be included in the formulas set forth in section 7 of P.L.2000, c.72 (C.18A:7G-7).

If the commissioner approves excess facilities efficiency standards or additional area allowances pursuant to paragraph (1), (2), or (3) of this subsection, the commissioner shall calculate the preliminary eligible costs based upon the additional area allowances or excess facilities efficiency standards pursuant to the formulas set forth in section 7 of P.L.2000, c.72 (C.18A:7G-7). In the event that the commissioner does not approve the excess facilities efficiency standards or additional area allowances, the district may either: modify its submission so that the school facilities project meets the facilities efficiency standards; or pay for the excess costs.

(4) The commissioner shall approve spaces in excess of, or inconsistent with, the facilities efficiency standards, hereinafter referred to as nonconforming spaces, upon a determination by the district that the spaces are necessary to comply with State or federal law concerning individuals with disabilities, including that the spaces are necessary to provide in-district programs and services for current disabled pupils who are being served in out-of-district placements or in-district programs and services for the projected disabled pupil population. A district may apply for additional State aid for nonconforming spaces that will permit pupils with disabilities to be educated to the greatest extent possible in the same buildings or classes with their nondisabled peers. The nonconforming spaces may: (a) allow for the return of pupils with disabilities from private facilities; (b) permit the retention of pupils with disabilities who would otherwise be placed in private facilities; (c) provide space for regional programs in a host school building that houses both disabled and nondisabled pupils; and (d) provide space for the coordination of regional programs by a county special services school district, educational services commission, jointure commission, or other agency authorized by law to provide regional educational services in a school building that houses both disabled and nondisabled pupils. A district's State support ratio shall be adjusted to equal the lesser of the

sum of its district aid percentage as defined in section 3 of P.L.2000, c.72 (C.18A:7G-3) plus 0.25, or 100% for any nonconforming spaces approved by the commissioner pursuant to this paragraph.

h. Upon approval of a school facilities project and determination of the preliminary eligible costs:

(1) In the case of a district other than an Abbott district, the commissioner shall notify the district whether the school facilities project is approved and, if so approved, the preliminary eligible costs and the excess costs, if any. Following the determination of preliminary eligible costs and the notification of project approval, the district may appeal to the commissioner for an increase in those costs if the detailed plans and specifications completed by a design professional for the school facilities project indicate that the cost of constructing that portion of the project which is consistent with the facilities efficiency standards and does not exceed the area allowances per FTE student exceeds the preliminary eligible costs as determined by the commissioner for the project by 10% or more. The district shall file its appeal within 30 days of the preparation of the plans and specifications. If the district chooses not to file an appeal, then the final eligible costs shall equal the preliminary eligible costs.

The appeal shall outline the reasons why the preliminary eligible costs calculated for the project are inadequate and estimate the amount of the adjustment which needs to be made to the preliminary eligible costs. The commissioner shall forward the appeal information to the development authority for its review and recommendation. If the additional costs are the result of factors that are within the control of the district or are the result of design factors that are not required to meet the facilities efficiency standards, the development authority shall recommend to the commissioner that the preliminary eligible costs be accepted as the final eligible costs. If the development authority determines the additional costs are not within the control of the district or are the result of design factors required to meet the facilities efficiency standards, the development authority shall recommend to the commissioner a final eligible cost based on its experience for districts with similar characteristics, provided that, notwithstanding anything to the contrary, the commissioner shall not approve an adjustment to the preliminary eligible costs which exceeds 10% of the preliminary eligible costs. The commissioner shall make a determination on the appeal within 30 days of its receipt. If the commissioner does not approve an adjustment to the school facilities project's preliminary eligible costs, the commissioner shall issue his findings in writing on the reasons for the denial and on why the preliminary eligible costs as originally calculated are sufficient.

(2) In the case of an Abbott district, the commissioner shall promptly prepare and submit to the development authority a preliminary project report which shall consist, at a minimum, of the following information: a complete description of the school facilities project; the actual location of the project; the total square footage of the project together with a breakdown of total square footage by functional component; the preliminary eligible costs of the project; the project's priority ranking determined pursuant to subsection m. of this section; any other factors to be considered by the development authority in undertaking the project; and the name and address of the person from the district to contact in regard to the project.

i. Upon receipt by the development authority of the preliminary project report, the development authority, upon consultation with the district, shall prepare detailed plans and specifications and schedules which contain the development authority's estimated cost and schedule to complete the school facilities project. The development authority shall transmit to the commissioner its recommendations in regard to the project which shall, at a minimum, contain the detailed plans and specifications; whether the school facilities project can be completed within the preliminary eligible costs; and any other factors which the development authority determines should be considered by the commissioner.

(1) In the event that the development authority determines that the school facilities project can be completed within the preliminary eligible costs: the final eligible costs shall be deemed to equal the preliminary eligible costs; the commissioner shall be deemed to have given final approval to the project; and the preliminary project report shall be deemed to be the final project report delivered to the development authority pursuant to subsection j. of this section.

(2) In the event that the development authority determines that the school facilities project cannot be completed within the preliminary eligible costs, prior to the submission of its recommendations to the commissioner, the development authority shall, in consultation with the district and the commissioner, determine whether changes can be made in the project which will result in a reduction in costs while at the same time meeting the facilities efficiency standards approved by the commissioner.

(a) If the development authority determines that changes in the school facilities project are possible so that the project can be accomplished within the scope of the preliminary eligible costs while still meeting the facilities efficiency standards, the development authority shall so advise the commissioner, whereupon the commissioner shall: calculate the final eligible costs to equal the preliminary eligible costs; give final approval to the project

with the changes noted; and issue a final project report to the development authority pursuant to subsection j. of this section.

(b) If the development authority determines that it is not possible to make changes in the school facilities project so that it can be completed within the preliminary eligible costs either because the additional costs are the result of factors outside the control of the district or the additional costs are required to meet the facilities efficiency standards, the development authority shall recommend to the commissioner that the preliminary eligible costs be increased accordingly, whereupon the commissioner shall: calculate the final eligible costs to equal the sum of the preliminary eligible costs plus the increase recommended by the development authority; give final approval to the project; and issue a final project report to the development authority pursuant to subsection j. of this section.

(c) If the additional costs are the result of factors that are within the control of the district or are the result of design factors that are not required to meet the facilities efficiency standards or approved pursuant to paragraph (1) of subsection g. of this section, the development authority shall recommend to the commissioner that the preliminary eligible costs be accepted, whereupon the commissioner shall: calculate the final eligible costs to equal the preliminary eligible costs and specify the excess costs which are to be borne by the district; give final approval to the school facilities project; and issue a final project report to the development authority pursuant to subsection j. of this section; provided that the commissioner may approve final eligible costs which are in excess of the preliminary eligible costs if, in his judgment, the action is necessary to meet the educational needs of the district.

(d) For a school facilities project undertaken by the development authority, the development authority shall be responsible for any costs of construction, but only from the proceeds of bonds issued by the financing authority pursuant to P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.), which exceed the amount originally projected by the development authority and approved for financing by the development authority, provided that the excess is the result of an underestimate of labor or materials costs by the development authority. After receipt by the development authority of the final project report, the district shall be responsible only for the costs associated with changes, if any, made at the request of the district to the scope of the school facilities project.

j. The development authority shall not commence the construction of a school facilities project unless the commissioner transmits to the development authority a final project report and the district complies with the

approval requirements for the local share, if any, pursuant to section 11 of P.L.2000, c.72 (C.18A:7G-11). The final project report shall contain all of the information contained in the preliminary project report and, in addition, shall contain: the final eligible costs; the excess costs, if any; the total costs which equals the final eligible costs plus excess costs, if any; the State share; and the local share.

k. For the Abbott districts, the State share shall be 100% of the final eligible costs. For all other districts, the State share shall be an amount equal to 115% of the district aid percentage; except that the State share shall not be less than 40% of the final eligible costs.

If any district which is included in district factor group A or B, other than an Abbott district, is having difficulty financing the local share of a school facilities project, the district may apply to the commissioner to receive 100% State support for the project and the commissioner may request the approval of the Legislature to increase the State share of the project to 100%.

l. The local share for school facilities projects constructed by the authority or a redevelopment entity shall equal the final eligible costs plus any excess costs less the State share.

m. (1) Within 90 days of the effective date of P.L.2007, c.137 (C.52:18A-235 et al.), the commissioner shall develop an educational facilities needs assessment for each Abbott district. The assessment shall be updated periodically by the commissioner in accordance with the schedule the commissioner deems appropriate for the district; except that each assessment shall at a minimum be updated within five years of the development of the district's most recent prior educational needs assessment. The assessment shall be transmitted to the development authority to be used to initiate the planning activities required prior to the establishment of the educational priority ranking of school facilities projects pursuant to paragraph (2) of this subsection.

(2) Following the approval of an Abbott district's long-range facilities plan or of an amendment to that plan, but prior to authorization of preconstruction activities for a school facilities project included in the plan or amendment, the commissioner shall establish, in consultation with the Abbott district, an educational priority ranking of all school facilities projects in the Abbott district based upon the commissioner's determination of critical need in accordance with priority project categories developed by the commissioner. The priority project categories shall include, but not be limited to, health and safety, overcrowding in the early childhood, elementary, middle, and high school grade levels, spaces necessary to provide in-district programs and services for current disabled students who are being served in

out-of-district placements or in-district programs and services for the projected disabled student population, rehabilitation, and educational adequacy.

(3) Upon the commissioner's determination of the educational priority ranking of school facilities projects in Abbott districts pursuant to paragraph (2) of this subsection, the development authority, in consultation with the commissioner, the Abbott districts, and the governing bodies of the municipalities in which the Abbott districts are situated, shall establish a Statewide strategic plan to be used in the sequencing of Abbott district school facilities projects based upon the projects' educational priority rankings and issues which impact the development authority's ability to complete the projects including, but not limited to, the construction schedule and other appropriate factors. The development authority shall revise the Statewide strategic plan and the sequencing of Abbott district school facilities projects in accordance with that plan no less than once every five years.

Any amendment to an Abbott district's long-range facilities plan that is submitted to the commissioner in the period between the five-year updates of the long-range facilities plan shall be considered by the development authority, in consultation with the commissioner, for incorporation into the Statewide strategic plan. In making a determination on whether or not to amend the Statewide strategic plan, the development authority shall consider the cost of the amendment, the impact of the amendment upon the school development plans for other districts, and other appropriate factors.

n. The provisions of the "Public School Contracts Law," N.J.S.18A:18A-1 et seq., shall be applicable to any school facilities project constructed by a district but shall not be applicable to projects constructed by the development authority or a redevelopment entity pursuant to the provisions of this act.

o. In the case of a school facilities project of a district other than an Abbott district, any proceeds of school bonds issued by the district for the purpose of funding the project which remain unspent upon completion of the project shall be used by the district to reduce the outstanding principal amount of the school bonds.

p. Upon completion by the development authority of a school facilities project, if the cost of construction and completion of the project is less than the total costs, the district shall be entitled to receive a portion of the local share based on a pro rata share of the difference based on the ratio of the State share to the local share.

q. The development authority shall determine the cause of any costs of construction which exceed the amount originally projected by the development authority and approved for financing by the financing authority.

- r. (Deleted by amendment, P.L.2007, c.137).
- s. (Deleted by amendment, P.L.2007, c.137).

21. Section 6 of P.L.2000, c.72 (C.18A:7G-6) is amended to read as follows:

C.18A:7G-6 Applicability of C.18A:7G-5 to demonstration projects; exceptions.

6. The provisions of section 5 of P.L.2000, c.72 (C.18A:7G-5) shall pertain to school facilities projects designated to be demonstration projects except as otherwise provided in this section.

a. For the initial three full fiscal years following the effective date of P.L.2000, c.72 (C.18A:7G-1 et al.), the State Treasurer may designate up to six school facilities projects which the State Treasurer determines to be in the best interests of the State and of the districts to be demonstration projects pursuant to the provisions of this section. As used in this section, "authority" means the New Jersey Economic Development Authority which was designated as both the financing and construction agency for school facilities projects prior to the enactment of P.L.2007, c.137 (C.52:18A-235 et al.); except that in the event that any actions required to be taken pursuant to this section by the New Jersey Economic Development Authority or its subsidiary, the New Jersey Schools Construction Corporation, have not been taken prior to the effective date of P.L.2007, c.137 (C.52:18A-235 et al.), authority shall mean the New Jersey Schools Development Authority.

b. A district and municipality may apply to the authority for the designation of a school facilities project contained in a long-range facilities plan submitted to the commissioner pursuant to section 4 of P.L.2000, c.72 (C.18A:7G-4) to be a demonstration project to provide for the coordination of local economic development, redevelopment or community development with a school facilities project. The application shall be accompanied by resolutions requesting the designation adopted by the board of education of the district and the governing body of the municipality. The application shall set forth:

(1) a plan for carrying out the redevelopment project as a whole, including the construction of the school facilities project;

(2) the name of the redevelopment entity to undertake the project under the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et al.);

(3) a description of how the project fits into a redevelopment plan adopted or to be adopted by the municipal governing body pursuant to section 7 of P.L.1992, c.79 (C.40A:12A-7); and

(4) a description of the community design features to be included in the school facilities project.

c. The authority shall evaluate the request to determine whether the school facilities project is suitable for designation as a demonstration project and whether the proposed redevelopment entity is suitable for designation as the entity to construct the demonstration project based upon consideration of the following factors:

(1) whether the demonstration project furthers definite local objectives as to appropriate land uses, density of population, and improved traffic and public transportation, public utilities, recreational and community facilities and other public improvements;

(2) whether the demonstration project provides significant social and economic benefits to the municipality, its neighborhoods and residents;

(3) whether the development of the school facilities project is consistent with the local development plan;

(4) the extent to which the school facilities project contains community design features which can be used by the community;

(5) whether the redevelopment entity has the current capacity to construct the demonstration project;

(6) whether the redevelopment entity has the appropriate prior experience in developing similar types of projects; and

(7) whether there exist donations from private entities for the purpose of the demonstration project.

d. The authority's review of the proposed school facilities project for designation as a demonstration project under this section shall commence upon approval by the commissioner of the school facilities project pursuant to section 5 of P.L.2000, c.72 (C.18A:7G-5). Upon approval by the commissioner of the school facilities project, and recommendation by the authority that the school facilities project be a demonstration project, the recommendation of the authority shall be forwarded to the State Treasurer who shall determine whether the school facilities project should be designated as a demonstration project. At the same time as the authority forwards its recommendation to the State Treasurer, the authority shall forward its recommendation to the Urban Coordinating Council for review pursuant to subsection i. of this section.

e. In addition to the requirements set forth in section 5 of P.L.2000, c.72 (C.18A:7G-5), a demonstration project may request inclusion in the final eligible costs of the school facilities project, of all or any portion of the cost of any community design features including any area, rooms, equipment, recreational area or playground included in the school facilities

project which are to be used in common by students of the district and by residents of the community, but there shall not be included in the final eligible costs any portion of the cost of any features which are not an integral part of the school building and grounds or exceed the facilities efficiency standards. The commissioner shall approve the inclusion of the community design features as part of the school facilities project if he finds that the inclusion of the community design features as part of the school facilities project would be conducive to the usefulness and success of the project for both the students of the district and the residents of the community. The commissioner may condition his approval upon the adoption by the district of policies suitable for assuring continuing community or educational access to the community design features.

f. The cost of the community design features approved by the commissioner shall be reviewed by the authority. The district shall submit the documentation required by the authority for the authority to make its determination. The authority shall, in its recommendation to the commissioner pursuant to section 5 of P.L.2000, c.72 (C.18A:7G-5), include its recommendation with respect to the cost of the community design features. The commissioner shall make the final determination with respect to the inclusion of the cost of community design features in the final eligible costs.

g. The authority shall provide funding for the State's share of the final eligible costs of a school facilities project to be constructed as part of a demonstration project pursuant to an agreement among the authority, the redevelopment entity and the district which shall, in addition to any other terms and conditions, set forth the terms for disbursement of the State share and provide for the monitoring of construction by the authority.

h. Upon completion of a demonstration project by a redevelopment entity, the district shall submit to the commissioner a plan to provide for the maintenance of the project and shall enter into a contract which provides for that maintenance.

i. The Urban Coordinating Council shall review the recommendations of the authority with respect to the demonstration projects and shall advise the authority, redevelopment entity and the district regarding the potential availability of funding for the demonstration project, including, but not limited to, sources of funds for acquisition, clearance, site remediation, and assemblage of land and the development, redevelopment, construction or rehabilitation of any structure or improvement included in the project.

j. Any district may consult with the Urban Coordinating Council with respect to the potential availability of funding for aspects of the school facilities project, including, but not limited to, sources of funds for acquisi-

tion, clearance, site remediation, and assemblage of land and the development, redevelopment, construction or rehabilitation of any structure or improvement included in the project.

22. Section 9 of P.L.2000, c.72 (C.18A:7G-9) is amended to read as follows:

C.18A:7G-9 Distribution of State debt service aid.

9. a. State debt service aid for capital investment in school facilities for a district other than an Abbott district which elects not to finance the project under section 15 of P.L.2000, c.72 (C.18A:7G-15), shall be distributed upon a determination of preliminary eligible costs by the commissioner, according to the following formula:

Aid is the sum of A for each issuance of school bonds issued for a school facilities project approved by the commissioner after the effective date of P.L.2000, c.72 (C.18A:7G-1 et al.)

where

$$A = B \times AC/P \times (DAP \times 1.15) \times M, \text{ with } AC/P = 1$$

whenever AC/P would otherwise yield a number greater than one, and where:

B is the district's debt service for the individual issuance for the fiscal year;

AC is the preliminary eligible costs determined pursuant to section 7 of P.L.2000, c.72 (C.18A:7G-7);

P is the principal of the individual issuance plus any other funding sources approved for the school facilities project;

DAP is the district's district aid percentage as defined pursuant to section 3 of P.L.2000, c.72 (C.18A:7G-3) and where (DAP x 1.15) shall not be less than 40%; and

M is a factor representing the degree to which a district has fulfilled maintenance requirements for a school facilities project determined pursuant to subsection b. of this section.

For county special services school districts, DAP shall be that of the county vocational school district in the same county.

b. The maintenance factor (M) shall be 1.0 except when one of the following conditions applies, in which case the maintenance factor shall be as specified:

(1) Effective ten years from the date of the enactment of P.L.2000, c.72 (C.18A:7G-1 et al.), the maintenance factor for aid for reconstruction, remodeling, alteration, modernization, renovation or repair, or for an addition to a school facility, shall be zero for all school facilities projects for which

the district fails to demonstrate over the ten years preceding issuance a net investment in maintenance of the related school facility of at least 2% of the replacement cost of the school facility, determined pursuant to subsection b. of section 7 of P.L.2000, c.72 (C.18A:7G-7) using the area cost allowance of the year ten years preceding the year in which the school bonds are issued.

(2) For new construction, additions, and school facilities aided under subsection b. of section 7 of P.L.2000, c.72 (C.18A:7G-7) supported by financing issued for projects approved by the commissioner after the effective date of P.L.2000, c.72 (C.18A:7G-1 et al.), beginning in the fourth year after occupancy of the school facility, the maintenance factor shall be reduced according to the following schedule for all school facilities projects for which the district fails to demonstrate in the prior fiscal year an investment in maintenance of the related school facility of at least two-tenths of 1% of the replacement cost of the school facility, determined pursuant to subsection b. of section 7 of P.L.2000, c.72 (C.18A:7G-7).

Maintenance Percentage	Maintenance Factor (M)
.199% - .151%	75%
.150% - .100%	50%
Less than .100%	Zero

(3) Within one year of the enactment of P.L.2000, c.72 (C.18A:7G-1 et al.), the commissioner shall promulgate rules requiring districts to develop a long-range maintenance plan and specifying the expenditures that qualify as an appropriate investment in maintenance for the purposes of this subsection.

c. Any district which obtained approval from the commissioner since September 1, 1998 and prior to the effective date of P.L.2000, c.72 (C.18A:7G-1 et al.) of the educational specifications for a school facilities project or obtained approval from the Department of Community Affairs or the appropriately licensed municipal code official since September 1, 1998 of the final construction plans and specifications, and the district has issued debt, may elect to have the final eligible costs of the project determined pursuant to section 5 of P.L.2000, c.72 (C.18A:7G-5) and to receive debt service aid under this section or under section 10 of P.L.2000, c.72 (C.18A:7G-10).

Any district which received approval from the commissioner for a school facilities project at any time prior to the effective date of P.L.2000, c.72 (C.18A:7G-1 et al.), and has not issued debt, other than short term notes, may submit an application pursuant to section 5 of P.L.2000, c.72 (C.18A:7G-5) to have the final eligible costs of the project determined pursuant to that section and to have the New Jersey Economic Development Authority construct the project; or, at its discretion, the district may choose

to receive debt service aid under this section or under section 10 of P.L.2000, c.72 (C.18A:7G-10) or to receive a grant under section 15 of P.L.2000, c.72 (C.18A:7G-15).

For the purposes of this subsection, the "issuance of debt" shall include lease purchase agreements in excess of five years.

23. Section 12 of P.L.2000, c.72 (C.18A:7G-12) is amended to read as follows:

C.18A:7G-12 Submission of project to commissioner for approval of local share.

12. A district, other than a district under full State intervention, that sought approval pursuant to section 11 of P.L.2000, c.72 (C.18A:7G-11) of a school facilities project without excess costs but failed to receive that approval, and within the three years prior to that, sought and failed to receive approval of that school facilities project with or without excess costs, may submit the project to the commissioner and request that the commissioner approve the project and authorize the issuance of school bonds for the local share of the project. Upon receipt of the request, the commissioner shall review the school facilities project and determine whether the project is necessary for the provision of a thorough and efficient system of education in the district. If the commissioner concludes that the project is necessary, the commissioner may approve the project without excess costs and authorize the issuance of school bonds to fund the local share. In addition to the amount of taxes determined by the legal voters of the district at the annual school election, the secretary of the board of education shall certify the amount required for the repayment of the interest and principal of the bonds required to fund the local share amount approved by the commissioner in the same manner required for interest and debt redemption charges pursuant to N.J.S.18A:22-33, and the amount so certified shall be included in the taxes assessed, levied and collected in the municipality or municipalities comprising the school district for those purposes.

Any school facilities project authorized pursuant to this section shall be undertaken by the development authority in accordance with an agreement between the development authority and the district. Nothing in this section shall preclude a school district under full State intervention from using the process established pursuant to section 2 of P.L.1991, c.139 (C.18A:7A-46.2) to obtain the approval of the commissioner to undertake a school facilities project.

24. Section 13 of P.L.2000, c.72 (C.18A:7G-13) is amended to read as follows:

C.18A:7G-13 Responsibilities of financing authority, development authority.

13. a. The financing authority shall be responsible for the issuance of bonds pursuant to section 14 of P.L.2000, c.72 (C.18A:7G-14) and the development authority shall be responsible for the planning, design, construction management, acquisition, construction, and completion of school facilities projects. In the case of a capital maintenance project, the development authority may, in its discretion, authorize an Abbott district to undertake the design, acquisition, construction and all other appropriate actions necessary to complete the capital maintenance project and shall enter into a grant agreement with the district for the payment of the State share. The development authority may also authorize an Abbott district to undertake the design, acquisition, construction and all other appropriate actions necessary to complete any other school facilities project in accordance with the procedures established pursuant to subsection e. of this section.

b. The financing authority shall undertake the financing of school facilities projects pursuant to the provisions of this act. The financing authority shall finance the State share of a school facilities project and may, in its discretion and upon consultation with the district, finance the local share of the project. In the event that the financing authority finances only the State share of a project, the development authority shall not commence acquisition or construction of the project until the development authority receives the local share from the district.

c. In order to implement the arrangements established for school facilities projects which are to be constructed by the development authority and financed pursuant to this section, a district shall enter into an agreement with the development authority and the commissioner containing the terms and conditions determined by the parties to be necessary to effectuate the project.

d. Upon completion by the development authority of a school facilities project, the district shall enter into an agreement with the development authority to provide for the maintenance of the project by the district. In the event that the school facilities project is constructed by a district, upon the completion of the project, the district shall submit to the commissioner a plan to provide for the maintenance of the project by the district. Any agreement or plan shall contain, in addition to any other terms and provisions, a requirement for the establishment of a maintenance reserve fund consistent with the appropriation and withdrawal requirements for capital reserve accounts established pursuant to section 57 of P.L.2000, c.72 (C.18A:7G-31), the funding levels of which shall be as set forth in regulations adopted by the commissioner pursuant to section 26 of P.L.2000, c.72 (C.18A:7G-26).

e. (1) Within one year of the effective date of P.L.2007, c.137 (C.52:18A-235 et al.), the commissioner, in consultation with the development authority, shall adopt pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations by which the commissioner shall determine whether an Abbott district is eligible to be considered by the development authority to manage a school facilities project or projects. In making the determination, the commissioner shall consider the district's fiscal integrity and operations, the district's performance in each of the five key components of school district effectiveness under the New Jersey Quality Single Accountability Continuum (NJQSAC) in accordance with section 10 of P.L.1975, c.212 (C.18A:7A-10), and other relevant factors.

(2) Within one year of the effective date of P.L.2007, c.137 (C.52:18A-235 et al.), the development authority, in consultation with the commissioner, shall adopt pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations by which the development authority shall determine the capacity of an Abbott district, deemed eligible by the commissioner pursuant to paragraph (1) of this subsection, to manage a school facilities project or projects identified by the development authority. In making the determination, the development authority shall consider the experience of the Abbott district, the size, complexity, and cost of the project, time constraints, and other relevant factors.

(3) The development authority, in consultation with the commissioner, shall develop and implement training programs, seminars, or symposia to provide technical assistance to Abbott districts deemed to lack the capacity to manage a school facility project or projects; except that nothing herein shall be construed to require the development authority or the commissioner to authorize an Abbott district to hire additional staff in order to achieve capacity.

(4) If the development authority determines to delegate a school facilities project to an Abbott district in accordance with paragraph (2) of this subsection, the development authority, the commissioner, and the district shall enter into a grant agreement.

25. Section 14 of P.L.2000, c.72 (C.18A:7G-14) is amended to read as follows:

C.18A:7G-14 Powers of financing authority; powers of development authority.

14. Notwithstanding any other provisions of law to the contrary:

a. The financing authority shall have the power, pursuant to the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), P.L.1974, c.80 (C.34:1B-1 et seq.) and P.L.2007, c.137 (C.52:18A-235 et al.), to issue bonds and refund-

ing bonds, incur indebtedness and borrow money secured, in whole or in part, by moneys received pursuant to sections 17, 18 and 19 of P.L.2000, c.72 (C.18A:7G-17, C.18A:7G-18 and C.18A:7G-19) for the purposes of: financing all or a portion of the costs of school facilities projects and any costs related to the issuance thereof, including, but not limited to, the administrative, insurance, operating and other expenses of the financing authority to undertake the financing, and the development authority to undertake the planning, design, and construction of school facilities projects; lending moneys to local units to pay the costs of all or a portion of school facilities projects and any costs related to the issuance thereof; funding the grants to be made pursuant to section 15 of P.L.2000, c.72 (C.18A:7G-15); and financing the acquisition of school facilities projects to permit the refinancing of debt by the district pursuant to section 16 of P.L.2000, c.72 (C.18A:7G-16). The aggregate principal amount of the bonds, notes or other obligations issued by the financing authority shall not exceed: \$100,000,000 for the State share of costs for county vocational school district school facilities projects; \$6,000,000,000 for the State share of costs for Abbott district school facilities projects; and \$2,500,000,000 for the State share of costs for school facilities projects in all other districts. This limitation shall not include any bonds, notes or other obligations issued for refunding purposes.

The financing authority may establish reserve funds to further secure bonds and refunding bonds issued pursuant to this section and may issue bonds to pay for the administrative, insurance and operating costs of the financing authority and the development authority in carrying out the provisions of this act. In addition to its bonds and refunding bonds, the financing authority shall have the power to issue subordinated indebtedness, which shall be subordinate in lien to the lien of any or all of its bonds or refunding bonds as the financing authority may determine.

b. The financing authority shall issue the bonds or refunding bonds in such manner as it shall determine in accordance with the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), P.L.1974, c.80 (C.34:1B-1 et seq.), and P.L.2007, c.137 (C.52:18A-235 et al.); provided that notwithstanding any other law to the contrary, no resolution adopted by the financing authority authorizing the issuance of bonds or refunding bonds pursuant to this section shall be adopted or otherwise made effective without the approval in writing of the State Treasurer; and refunding bonds issued to refund bonds issued pursuant to this section shall be issued on such terms and conditions as may be determined by the financing authority and the State Treasurer. The financing authority may, in any resolution authorizing the issuance of bonds or refunding bonds issued pursuant to this section, pledge the contract with

the State Treasurer provided for pursuant to section 18 of P.L.2000, c.72 (C.18A:7G-18), or any part thereof, or may pledge all or any part of the repayments of loans made to local units pursuant to section 19 of P.L.2000, c.72 (C.18A:7G-19) for the payment or redemption of the bonds or refunding bonds, and covenant as to the use and disposition of money available to the financing authority for payment of the bonds and refunding bonds. All costs associated with the issuance of bonds and refunding bonds by the financing authority for the purposes set forth in this act may be paid by the financing authority from amounts it receives from the proceeds of the bonds or refunding bonds, and from amounts it receives pursuant to sections 17, 18, and 19 of P.L.2000, c.72 (C.18A:7G-17, C.18A:7G-18 and C.18A:7G-19). The costs may include, but shall not be limited to, any costs relating to the issuance of the bonds or refunding bonds, administrative costs of the financing authority attributable to the making and administering of loans and grants to fund school facilities projects, and costs attributable to the agreements entered into pursuant to subsection d. of this section.

c. Each issue of bonds or refunding bonds of the financing authority shall be special obligations of the financing authority payable out of particular revenues, receipts or funds, subject only to any agreements with the holders of bonds or refunding bonds, and may be secured by other sources of revenue, including, but not limited to, one or more of the following:

(1) Pledge of the revenues and other receipts to be derived from the payment of local unit obligations and any other payment made to the financing authority pursuant to agreements with any local unit, or a pledge or assignment of any local unit obligations, and the rights and interest of the financing authority therein;

(2) Pledge of rentals, receipts and other revenues to be derived from leases or other contractual arrangements with any person or entity, public or private, including one or more local units, or a pledge or assignment of those leases or other contractual arrangements and the rights and interests of the financing authority therein;

(3) Pledge of all moneys, funds, accounts, securities and other funds, including the proceeds of the bonds;

(4) Pledge of the receipts to be derived from payments of State aid to the financing authority pursuant to section 21 of P.L.2000, c.72 (C.18A:7G-21);

(5) Pledge of the contract or contracts with the State Treasurer pursuant to section 18 of P.L.2000, c.72 (C.18A:7G-18);

(6) Pledge of any sums remitted to the local unit by donation from any person or entity, public or private, subject to the approval of the State Treasurer;

(7) A mortgage on all or any part of the property, real or personal, comprising a school facilities project then owned or thereafter to be acquired, or a pledge or assignment of mortgages made to the financing authority by any person or entity, public or private, including one or more local units and rights and interests of the financing authority therein; and

(8) The receipt of any grants, reimbursements or other payments from the federal government.

d. The resolution authorizing the issuance of bonds or refunding bonds pursuant to this section may also provide for the financing authority to enter into any revolving credit agreement, agreement establishing a line of credit or letter of credit, reimbursement agreement, interest rate exchange agreement, currency exchange agreement, interest rate floor or cap, options, puts or calls to hedge payment, currency, rate, spread or similar exposure or similar agreements, float agreements, forward agreements, insurance contracts, surety bonds, commitments to purchase or sell bonds, purchase or sale agreements, or commitments or other contracts or agreements and other security agreements approved by the financing authority in connection with the issuance of the bonds or refunding bonds pursuant to this section. In addition, the financing authority may, in anticipation of the issuance of the bonds or the receipt of appropriations, grants, reimbursements or other funds, including, without limitation, grants from the federal government for school facilities projects, issue notes, the principal of or interest on which, or both, shall be payable out of the proceeds of notes, bonds or other obligations of the financing authority or appropriations, grants, reimbursements or other funds or revenues of the financing authority.

e. The financing authority is authorized to engage, subject to the approval of the State Treasurer and in such manner as the State Treasurer shall determine, the services of financial advisors and experts, placement agents, underwriters, appraisers, and other advisors, consultants and agents as may be necessary to effectuate the financing of school facilities projects.

f. Bonds and refunding bonds issued by the financing authority pursuant to this section shall be special and limited obligations of the financing authority payable from, and secured by, funds and moneys determined by the financing authority in accordance with this section. Notwithstanding any other provision of law or agreement to the contrary, any bonds and refunding bonds issued by the financing authority pursuant to this section shall not be secured by the same property as bonds and refunding bonds issued by the financing authority to finance projects other than school facilities projects. Neither the members of the financing authority nor any other person executing the bonds or refunding bonds shall be personally

liable with respect to payment of interest and principal on these bonds or refunding bonds. Bonds or refunding bonds issued pursuant to this section shall not be a debt or liability of the State or any agency or instrumentality thereof, except as otherwise provided by this subsection, either legal, moral or otherwise, and nothing contained in this act shall be construed to authorize the financing authority to incur any indebtedness on behalf of or in any way to obligate the State or any political subdivision thereof, and all bonds and refunding bonds issued by the financing authority shall contain a statement to that effect on their face.

g. The State hereby pledges and covenants with the holders of any bonds or refunding bonds issued pursuant to this act that it will not limit or alter the rights or powers vested in the financing authority by this act, nor limit or alter the rights or powers of the State Treasurer in any manner which would jeopardize the interest of the holders or any trustee of the holders, or inhibit or prevent performance or fulfillment by the financing authority or the State Treasurer with respect to the terms of any agreement made with the holders of the bonds or refunding bonds or agreements made pursuant to subsection d. of this section; except that the failure of the Legislature to appropriate moneys for any purpose of this act shall not be deemed a violation of this section.

h. The financing authority and the development authority may charge to and collect from local units, districts, the State and any other person, any fees and charges in connection with the financing authority's or development authority's actions undertaken with respect to school facilities projects, including, but not limited to, fees and charges for the financing authority's administrative, organization, insurance, operating and other expenses incident to the financing of school facilities projects, and the development authority's administrative, organization, insurance, operating, planning, design, construction management, acquisition, construction, completion and placing into service and maintenance of school facilities projects. Notwithstanding any provision of this act to the contrary, no Abbott district shall be responsible for the payment of any fees and charges related to the development authority's operating expenses.

i. Upon the issuance by the financing authority of bonds pursuant to this section, other than refunding bonds, the net proceeds of the bonds shall be transferred to the development authority.

26. Section 15 of P.L.2000, c.72 (C.18A:7G-15) is amended to read as follows:

C.18A:7G-15 Election by district to receive one-time grant for State share.

15. In the case of a district other than an Abbott district, for any project approved by the commissioner after the effective date of this act, the district may elect to receive a one-time grant for the State share of the project rather than annual debt service aid under section 9 of P.L.2000, c.72 (C.18A:7G-9). The State share payable to the district shall equal the product of the project's final eligible costs and 115% of the district aid percentage or 40%, whichever is greater. The development authority shall provide grant funding for the State's share of the final eligible costs of a school facilities project pursuant to an agreement between the district and the development authority which shall, in addition to other terms and conditions, set forth the terms of disbursement of the State share. The funding of the State share shall not commence until the district secures financing for the local share.

27. Section 16 of P.L.2000, c.72 (C.18A:7G-16) is amended to read as follows:

C.18A:7G-16 Additional powers, duties of financing authority.

16. In addition to the other powers and duties which have been granted to the financing authority, whenever any local unit finances the construction or acquisition of a school facilities project which would otherwise qualify under this act except that the debt was issued prior to the effective date of this act, the financing authority may refinance the debt issued by the local unit through the issuance of bonds secured by repayments of loans made to the local units and may purchase the work or improvement and lease the same to the district, subject to the approval of the State Treasurer; except that the amount of the purchase price for a school facilities project shall not exceed the original cost. Each loan to a local unit pursuant to this section shall be evidenced by local unit obligations and shall be authorized and issued as provided by law. Notwithstanding the provisions of any law to the contrary, the local unit obligations may be sold at private sale to the financing authority at any price, whether or not less than par value, and shall be subject to redemption prior to maturity at any times and at any prices as the financing authority and the local unit may agree. All powers, rights, obligations and duties granted to or imposed upon the financing authority, districts, State departments and agencies or others by this act in respect to school facilities projects shall apply to the same extent with respect to any refinance of debt pursuant to this section; except that any action otherwise required to be taken at a particular time in the implementation of a school facilities pro-

ject may, when the circumstances require in connection with a refinance of debt pursuant to this section, be taken with the same effect as if taken at that particular time. Upon repayment of the bonds or provision for repayment of bonds issued by the financing authority to refinance the debt of the local unit, the school facilities project shall be transferred to the district.

28. Section 17 of P.L.2000, c.72 (C.18A:7G-17) is amended to read as follows:

C.18A:7G-17 Annual payment to financing authority by State.

17. In each fiscal year the State Treasurer shall pay from the General Fund to the financing authority, in accordance with a contract between the State Treasurer and the financing authority as authorized pursuant to section 18 of P.L.2000, c.72 (C.18A:7G-18), an amount equal to the debt service amount due to be paid in the State fiscal year on the bonds or refunding bonds of the financing authority issued or incurred pursuant to section 14 of P.L.2000, c.72 (C.18A:7G-14) and any additional costs authorized pursuant to that section; provided that all such payments from the General Fund shall be subject to and dependent upon appropriations being made from time to time by the Legislature for those purposes, and provided further that all payments shall be used only to pay for the costs of school facilities projects and the costs of financing those projects.

29. Section 18 of P.L.2000, c.72 (C.18A:7G-18) is amended to read as follows:

C.18A:7G-18 Financing authority to enter into contracts for State payments.

18. The State Treasurer and the financing authority are authorized to enter into one or more contracts to implement the payment arrangement provided for in section 17 of P.L.2000, c.72 (C.18A:7G-17). The contract shall provide for payment by the State Treasurer of the amounts required pursuant to section 17 of P.L.2000, c.72 (C.18A:7G-17) and shall set forth the procedure for the transfer of moneys for the purpose of that payment. The contract shall contain terms and conditions as determined by the parties and shall, where appropriate, contain terms and conditions necessary and desirable to secure any bonds or refunding bonds of the financing authority issued or incurred pursuant to this act; provided that notwithstanding any other provision of law or regulation of the financing authority to the contrary, the financing authority shall be paid only such funds as shall be determined by the contract, and the incurrence of any obligation of the State

under the contract, including any payments to be made thereunder from the General Fund, shall be subject to and dependent upon appropriations being made from time to time by the Legislature for the purposes of this act.

30. Section 19 of P.L.2000, c.72 (C.18A:7G-19) is amended to read as follows:

C.18A:7G-19 Loans to local units.

19. a. The financing authority may make and contract to make loans to local units in accordance with and subject to the provisions of this act to finance all or any portion of the cost of a school facilities project which the local unit may lawfully undertake or acquire and for which the local unit is authorized by law to borrow money; or to refund obligations of the local unit which were issued to provide funds to pay for the cost of a school facilities project. The loans may be made subject to the terms and conditions the financing authority determines to be consistent with the purposes of this act. Each loan by the financing authority and the terms and conditions thereof shall be subject to approval by the State Treasurer.

b. Each loan to a local unit shall be evidenced by local unit obligations and shall be authorized and issued as provided by law. Notwithstanding the provisions of any other law to the contrary, the local unit obligations may be sold at private sale to the financing authority at any price, whether or not less than par value, and shall be subject to redemption prior to maturity at any times and at any prices as the financing authority and the local unit may agree. Each loan to a local unit and the local unit obligations issued to evidence the loan shall bear interest at a rate or rates per annum, including zero interest, and shall be repaid in whole or in part, as the financing authority and the local unit may agree, with the approval of the State Treasurer.

31. Section 20 of P.L.2000, c.72 (C.18A:7G-20) is amended to read as follows:

C.18A:7G-20 Acquisition of school facilities by local unit.

20. A local unit may purchase, lease, rent, sublease or otherwise acquire any school facilities project or any space within a project and pay the amounts as may be agreed upon between the local unit and the development authority as the purchase price, rent or other charge therefor; provided that the terms and conditions of the agreement between the development authority and the local unit relating to the purchase, lease, rental or sublease shall be subject to the approval of the State Treasurer.

32. Section 21 of P.L.2000, c.72 (C.18A:7G-21) is amended to read as follows:

C.18A:7G-21 Payment to financing, development authority to cover deficiency.

21. a. In the event that a local unit has failed or is unable to pay to the financing authority or the development authority in full when due any local unit obligations issued by the local unit to the financing authority, including, but not limited to, any lease or sublease obligations, or any other moneys owed by the district to the financing authority, to assure the continued operation and solvency of the authority, the State Treasurer shall pay directly to the financing authority an amount sufficient to satisfy the deficiency from State aid payable to the local unit; provided that if the local unit is a school district, the State aid shall not include any State aid which may otherwise be restricted pursuant to the provisions of P.L.1996, c.138 (C.18A:7F-1 et al.). As used in this section, local unit obligations include the principal or interest on local unit obligations or payment pursuant to a lease or sublease of a school facilities project to a local unit, including the subrogation of the financing authority to the right of the holders of those obligations, any fees or charges payable to the financing authority, and any amounts payable by a local unit under a service contract or other contractual arrangement the payments under which are pledged to secure any local unit obligations issued to the financing authority by another local unit.

b. If the financing authority requires, and if there has been a failure or inability of a local unit to pay its local unit obligations to the financing authority for a period of 30 days, the chairman or the executive director of the financing authority shall certify to the State Treasurer, with written notice to the fiscal officer of the local unit, the amount remaining unpaid, and the State Treasurer shall pay that amount to the financing authority; or if the right to receive those payments has been pledged or assigned to a trustee for the benefit of the holders of bonds or refunding bonds of the financing authority, to that trustee, out of the State aid payable to the local unit, until the amount so certified has been paid. Notwithstanding any provision of this act to the contrary, the State Treasurer's obligation to pay the financing authority pursuant to this section shall not extend beyond the amount of State aid payable to the local unit.

c. The amount paid to the financing authority pursuant to this section shall be deducted from the appropriation or apportionment of State aid payable to the local unit and shall not obligate the State to make, nor entitle the local unit to receive, any additional appropriation or apportionment. The obligation of the State Treasurer to make payments to the financing authority

or trustee and the right of the financing authority or trustee to receive those payments shall be subject and subordinate to the rights of holders of qualified bonds issued prior to the effective date of this act pursuant to P.L.1976, c.38 (C.40A:3-1 et seq.) and P.L.1976, c.39 (C.18A:24-85 et seq.).

33. Section 22 of P.L.2000, c.72 (C.18A:7G-22) is amended to read as follows:

C.18A:7G-22 Powers of financing and development authorities relative to acceptance and use of funds.

22. a. The financing authority and the development authority shall have the power to accept and use any funds appropriated and paid by the State to the financing authority and the development authority for the purposes for which the appropriations are made. The financing authority and the development authority shall have the power to apply for and receive and accept appropriations or grants of property, money, services or reimbursements for money previously spent and other assistance offered or made available to it by or from any person, government agency, public authority or any public or private entity whatever for any lawful corporate purpose of the financing authority or the development authority, including, without limitation, grants, appropriations or reimbursements from the federal government, and to apply and negotiate for the same upon such terms and conditions as may be required by any person, government agency, authority or entity as the financing authority or the development authority may determine to be necessary, convenient or desirable.

b. The development authority and the State Treasurer may establish a financial incentive program for the purpose of promoting donations to school facilities projects. Any entity which makes a donation approved by the State Treasurer to the preliminary eligible costs of a school facilities project shall receive an incentive payment pursuant to the provisions of this subsection. The amount of the incentive payment shall equal 50% of the fair market value of the donation but shall not in any one year exceed one-half of the amount of taxes paid or otherwise due from the donor pursuant to the provisions of the "New Jersey Gross Income Tax Act," P.L.1976, c.47 (C.54A:1-1 et seq.), or the "Corporation Business Tax Act," P.L.1945, c.162 (C.54:10A-1 et seq.), as applicable, for the tax year in which the donation is made. The fair market value of a non-cash donation shall be determined by the State Treasurer. The carry-forward for incentive payments shall not be inconsistent with that allowed by P.L.1976, c.47 (C.54A:1-1 et seq.) in the

case of a donation by an individual, or P.L.1945, c.162 (C.54:10A-1 et seq.) in the case of a donation by a corporation.

All incentive payments made pursuant to this section shall be funded by and shall be subject to annual appropriations for this purpose, and shall in no way rely upon funds raised by the issuance of bonds for school facilities projects.

34. Section 23 of P.L.2000, c.72 (C.18A:7G-23) is amended to read as follows:

C.18A:7G-23 Prevailing wage rates on construction contracts.

23. a. Not less than the prevailing wage rate determined by the Commissioner of Labor and Workforce Development pursuant to the provisions of P.L.1963, c.150 (C.34:11-56.25 et seq.) shall be paid to workers employed in the performance of construction contracts in connection with any school facilities project that is undertaken by the development authority, a redevelopment entity, or a district and any contractor who violates the provisions of this subsection shall be prohibited from subsequently bidding on any State or district contract.

b. Registration fees collected pursuant to P.L.1999, c.238 (C.34:11-56.48 et seq.) shall be applied toward the enforcement and administrative costs of the Division of Workplace Standards, Office of Wage and Hour Compliance, Public Contracts section and Registration section within the Department of Labor and Workforce Development.

35. Section 24 of P.L.2000, c.72 (C.18A:7G-24) is amended to read as follows:

C.18A:7G-24 Biannual report on school facilities construction program.

24. The development authority, in consultation with the State Treasurer, the financing authority, and the commissioner, shall biannually submit to the Governor, the Joint Budget Oversight Committee, the President of the Senate and the Speaker of the General Assembly a report on the school facilities construction program established pursuant to the provisions of this act. The report shall be submitted no later than June 1 and December 1 of each year and shall include, but not be limited to, the following information for the prior six-month period: the number of school facilities projects approved by the commissioner pursuant to section 5 of P.L.2000, c.72 (C.18A:7G-5); the number of projects undertaken and funded by the development authority; the aggregate principal amount of bonds, notes or other

obligations issued by the financing authority for the State share of construction and renovation of school facilities and whether there is a need to adjust the aggregate principal amount of bonds, notes or other obligations authorized for issuance pursuant to subsection a. of section 14 of P.L.2000, c.72 (C.18A:7G-14); the number of approved projects which exceeded the facilities efficiency standards, the components of those projects which exceeded the standards, and the amount of construction by individual districts and Statewide estimated to have exceeded the standards; and recommendations for changes in the school facilities construction program established pursuant to this act which have been formulated as a result of its experience with the program or through collaboration with program stakeholders.

In addition, the biannual report shall include a comparison of the costs of school facilities projects undertaken and funded by the development authority to similar school facilities projects constructed in the New York City Metropolitan Statistical Area and the Philadelphia Metropolitan Statistical Area as defined by the United States Department of Labor. The development authority shall include in the report an explanation of the methodology used in making the comparison.

36. Section 26 of P.L.2000, c.72 (C.18A:7G-26) is amended to read as follows:

C.18A:7G-26 Rules, regulations.

26. a. The commissioner 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 sections 1 through 12 and 57 and 58 and 64 of P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.); except that notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the commissioner may adopt, immediately upon filing with the Office of Administrative Law, such rules and regulations as the commissioner deems necessary to implement the provisions of sections 1 through 12 and 57 and 58 and 64 of P.L.2000, c.72 (C.18A:7G-1 et al.) which shall be effective for a period not to exceed 12 months. Determinations made by the commissioner pursuant to this act and the rules and regulations adopted by the commissioner to implement this act shall be considered to be final agency action and appeal of that action shall be directly to the Appellate Division of the Superior Court. The regulations shall thereafter be amended, adopted or re-adopted by the State Board of Education in accordance with the provisions of P.L.1968, c.410 (C.52:14B-1 et seq.).

b. The development authority 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 P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.) that apply to the development authority; except that notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the development authority may adopt immediately upon filing with the Office of Administrative Law, such rules and regulations as the development authority deems necessary which shall be effective for a period not to exceed 12 months and shall thereafter be amended, adopted or re-adopted by the authority, in accordance with the provisions of P.L.1968, c.410 (C.52:14B-1 et seq.).

The rules and regulations promulgated by the New Jersey Schools Construction Corporation pursuant to the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.) shall remain in full force and effect unless subsequently revised by the development authority following the enactment of P.L.2007, c.137 (C.52:18A-235 et al.).

c. Any regulations adopted to implement this act shall include provisions to ensure that all programs necessary to comply with *Abbott v. Burke*, 153 N.J. 480 (1998) (*Abbott V*), are approved.

37. Section 27 of P.L.2000, c.72 (C.18A:7G-27) is amended to read as follows:

C.18A:7G-27 Development or financing authority property exempt from levy, sale.

27. All property of the development authority and the financing authority shall be exempt from levy and sale by virtue of an execution and no execution or other judicial process shall issue against the same nor shall any judgment against the development authority or the financing authority be a charge or lien upon its property; provided that nothing herein contained shall apply to or limit the rights of the holder of any bonds, notes or other obligations to pursue any remedy for the enforcement of any pledge or lien given by the development authority or the financing authority on or with respect to any project, school facilities project, or any revenues or other moneys.

38. Section 59 of P.L.2000, c.72 (C.18A:7G-33) is amended to read as follows:

C.18A:7G-33 Process for prequalification of contractors.

59. The development authority shall establish a process for the prequalification of contractors that desire to bid on school facilities projects. A

contractor shall not be permitted to bid on such a school facilities project unless the contractor has been prequalified pursuant to P.L.2000, c.72 (C.18A:7G-1 et al.).

The prequalification process shall apply to general contractors, construction managers, and contractors including those in the following areas:

(1) plumbing and gas fitting and all work and materials kindred thereto;

(2) steam and hot water heating and ventilating apparatus, steam power plants and all work and materials kindred thereto;

(3) electrical work; and

(4) structural steel and miscellaneous iron work and materials.

The prequalification process established by the New Jersey Schools Construction Corporation pursuant to the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.) shall remain in full force and effect unless subsequently revised by the development authority following the enactment of P.L.2007, c.137 (C.52:18A-235 et al.).

39. Section 60 of P.L.2000, c.72 (C.18A:7G-34) is amended to read as follows:

C.18A:7G-34 Prequalification process, submission requirements.

60. a. The prequalification process shall include a requirement that the contractor proposing to submit bids on a school facilities project submit a statement under oath on a form designated by the development authority. The form shall fully describe and establish the financial ability, responsibility, plant and equipment, organization, ownership, relationships and prior experience of the prospective bidder and any other pertinent and material facts as may be deemed necessary by the development authority. The submission shall include:

(1) A certified, audited financial statement or compilation of financial statements or other documentation of financial status acceptable to the development authority;

(2) Proof of any contractor or trade license required by law for any trade or specialty area in which the contractor is seeking prequalification and a statement as to whether any contractor or trade license has been revoked;

(3) A statement as to bonding capacity, which shall be from a surety authorized to issue bid, performance and payment bonds in the State of New Jersey in accordance with N.J.S.2A:44-143 through N.J.S.2A:44-147 to the contractor, and shall indicate aggregate bonding limits;

(4) A list of the names and titles of all individuals who own 10% or more of any class of stock in the corporation or are a 10% or more partner in the firm. If any of the aforementioned stockholders or partners is itself a corporation, or a partnership, that entity shall also provide the information specified herein;

(5) Disclosure of any judgments, convictions or criminal indictments for any conduct constituting a crime under local, State or federal law;

(6) Disclosure of any unsatisfied judgments, injunctions or liens obtained by a governmental agency including, but not limited to, judgments based on taxes owed and fines and penalties assessed by any government agency;

(7) Disclosure of any determination for violations of federal, State or local laws, rules or regulations, including health laws, unemployment insurance or workers' compensation coverage or claim requirements, the "Employee Retirement Income Security Act of 1974" (Pub.L.93-406, 29 U.S.C. s. 1001 et seq.), security laws, environmental laws, safety laws, licensing laws, tax laws and antitrust laws;

(8) Disclosure of any federal, State or local debarments, non-responsibility findings or denials of prequalification;

(9) Disclosure of any bankruptcy filings or proceedings;

(10) A statement as to past performance, which shall give an accurate and complete record of work completed in the past five years by the contractor giving the names of the projects, type of work, location, contract price, bid and final contract amount paid and the names of the owner and of the architect or engineer in charge for the owner. This statement shall also disclose any labor problems experienced, any failure to complete a contract on schedule, any penalties, judgments, orders or liens imposed by reason of any contract undertaken within the five-year period and whether the contractor has been defaulted for cause on any project as determined by an unappealed or nonappealable decision. This statement shall also indicate the status of any litigation pending against the potential bidder. The contractor shall be required to attach to this statement all performance evaluations in his possession for any work performed by the contractor on any public or private projects;

(11) A statement as to organization, which shall demonstrate the adequacy of such organization to undertake a school facilities project. This statement shall include the resumes of the management and professional staff;

(12) A statement setting forth the contractor's equipment inventory and technical resources; and

(13) A statement on staffing capabilities, including labor sources, staffing plans, turnover rates, and any use of registered apprenticeship programs and journeyman training programs.

b. After the receipt of the submission provided for in subsection a. of this section, the development authority may verify information provided in the contractor's submission, including applicable license and certificate requirements, federal or State debarments and violations of law. The development authority may also conduct random inquiries or surveys of the contractor's prior customers.

c. Based upon the submission provided for in subsection a. of this section the development authority shall assign a contractor the following classification and limits for the purpose of determining the types of projects for which a contractor is entitled to bid:

- (1) a trade or work classification; and
- (2) an aggregate rating limit.

To effectuate these requirements of the prequalification process, the development authority shall develop rules and regulations for assigning classifications and aggregate limits.

d. The classification shall be made and an immediate notice thereof shall be sent to the contractor by registered or certified mail or other legally valid methods.

e. The development authority shall establish procedures to permit contractors to challenge a classification made pursuant to this section.

f. The prequalification submission shall include an affidavit which acknowledges receipt of information regarding the appropriate federal Bureau of Apprenticeship and Training apprenticeship laws and regulations as adopted by the State and information regarding the county apprenticeship coordinators and the federal Bureau of Apprenticeship and Training.

g. The development authority shall maintain a registry of all contractors prequalified to bid on school facilities projects. The registry shall include the classification of the bidder and aggregate building limit.

40. Section 61 of P.L.2000, c.72 (C.18A:7G-35) is amended to read as follows:

C.18A:7G-35 Validity of contractor's prequalification classification.

61. a. A contractor's prequalification classification shall be valid for 24 months. A contractor shall be reclassified after the 24-month period in order to remain eligible to bid on school facilities projects.

b. Any material changes relevant to the prequalification process shall be reported by the contractor to the development authority in writing within 10 days. Based on the information provided, the development authority may change the classification or revoke prequalification for cause.

41. Section 62 of P.L.2000, c.72 (C.18A:7G-36) is amended to read as follows:

C.18A:7G-36 Mandatory uniform performance evaluation of contractors.

62. a. A mandatory uniform performance evaluation shall be conducted on all school facilities projects undertaken by the development authority. The evaluation shall, at a minimum, include cost, schedule adherence and quality.

b. A contractor shall be notified of a performance evaluation. The contractor shall be afforded an opportunity to respond to an adverse evaluation.

c. The contractor performance evaluations shall be utilized in reviewing bid submissions.

42. Section 66 of P.L.2000, c.72 (C.18A:7G-40) is amended to read as follows:

C.18A:7G-40 Prequalified contractors exempt from other prequalifying process.

66. A contractor who has been prequalified as a bidder on school facilities projects in accordance with the process established by the development authority pursuant to section 59 of P.L.2000, c.72 (C.18A:7G-33) shall not be required to undergo any other prequalification process to bid on a school facilities project.

43. Section 71 of P.L.2000, c.72 (C.18A:7G-44) is amended to read as follows:

C.18A:7G-44 Requirement for “wrap-up insurance coverage.”

71. a. In the case of any school facilities project which has a State share of 100%, the development authority may require the use of wrap-up insurance coverage for the project and shall establish the terms and requirements for any such coverage.

b. For any school facilities project which has a State share of less than 100%, the district may elect to purchase wrap-up insurance coverage for the school facilities project. A district may purchase the coverage on its own or may enter into a joint purchasing agreement with one or more other districts to purchase coverage.

c. As used in this section, "wrap-up insurance coverage" means a single insurance and loss control program for all parties involved in the school facilities project, including the owners, administrators, contractors and all tiers of subcontractors, which is controlled and authorized by the owner or financing administrator and applicable to defined construction work sites. Wrap-up insurance coverage may include, but not be limited to, workers' compensation and employers' liability, commercial general liability, umbrella/excess liability, builder's risk, architects' and engineers' errors and omissions, liability, environmental liability, and force majeure.

44. N.J.S.18A:20-5 is amended to read as follows:

Disposition of property and title of purchaser.

18A:20-5. Except as otherwise provided pursuant to section 14 of P.L.2007, c.137 (C.18A:7G-45), the board of education of any district by a recorded roll call majority vote of its full membership may dispose, by sale or otherwise, in the manner prescribed in this chapter, of any lands or any rights or interest therein, owned by it, which cease to be suitable or convenient for the use for which they were acquired or which are no longer needed for school purposes, whether acquired by purchase or through condemnation proceedings and the purchaser thereof shall acquire title thereto free from any use or purpose for which it may have been acquired by the board.

45. N.J.S.18A:20-8 is amended to read as follows:

Exchange of lands.

18A:20-8. Except as otherwise provided pursuant to section 14 of P.L.2007, c.137 (C.18A:7G-45), the board of education of any school district, by a recorded roll call majority vote of its full membership, may exchange any lands owned by it and not needed for school purposes for lands located in the school district and at least equal in value to the lands conveyed by the board in such exchange.

46. Section 1 of P.L.1970, c.106 (C.18A:20-8.1) is amended to read as follows:

C.18A:20-8.1 Transfer of land for vocational school purposes.

1. Except as otherwise provided pursuant to section 14 of P.L.2007, c.137 (C.18A:7G-45), the board of education of any school district or regional school district may, by resolution, transfer land to the board of education of a county vocational school district for the purpose of constructing

a vocational school on such land.

47. Section 1 of P.L.1978, c.91 (C.18A:20-8.2) is amended to read as follows:

C.18A:20-8.2 Lease of school lands.

1. a. Except as otherwise provided pursuant to section 14 of P.L.2007, c.137 (C.18A:7G-45), whenever any board of education shall by resolution determine that any tract of land, whether there is a building thereon or not, or part or all of a school building, is not necessary for school purposes, but which it does not desire to dispose of for reason that the property may, at some future time, again be required for school purposes, it may authorize the lease thereof for a term extending beyond the official life of the board; provided that the noneducational uses of such building or tract of land are compatible with the establishment and operation of a school, as determined by the Commissioner of Education, if joint occupancy of such site is considered. The lease shall be binding upon the successor board as follows:

(1) After advertisement of the request for bids to lease to the highest bidder in a newspaper published in the school district, or, if none is published therein, then in a newspaper circulating in the district in which the same is situate, at least once a week for two weeks prior to the date fixed for the receipt and opening of bids, unless:

(2) The same is leased to the federal government, State, a political subdivision thereof, another school district, any board, body or commission of a municipality within the school district, any volunteer fire company or rescue squad actively engaged in the protection of life and property and duly incorporated under the laws of the State of New Jersey, or to any American Legion post, Veterans of Foreign Wars, or other recognized veterans' organization of the United States of America, located in the municipality or the county, as a meeting place for such organization, or to a nonprofit child care service organization duly incorporated under the laws of the State of New Jersey, or to a nonprofit hospital duly licensed under the laws of the State of New Jersey, or to a nonprofit organization duly licensed under the laws of the State of New Jersey to provide emergency shelter for the homeless, or to a nonprofit senior citizen organization, or to a nonprofit historic preservation organization duly incorporated under the laws of the State of New Jersey, in which case the same may be leased by private agreement for a nominal fee without advertisement for bids.

b. Any lease in excess of five years shall be approved by the Commissioner of Education.

48. N.J.S.18A:20-9 is amended to read as follows:

Conveyance of certain school property for public, civic purposes for nominal consideration.

18A:20-9. Except as otherwise provided pursuant to section 14 of P.L.2007, c.137 (C.18A:7G-45), whenever any board of education shall by resolution determine that any tract of land is no longer desirable or necessary for school purposes it may authorize the conveyance thereof, whether there is a building thereon or not, for a nominal consideration, to the municipality or any board, body or commission thereof, or to any volunteer fire company or rescue squad actively engaged in the protection of life and property and duly incorporated under the laws of the State of New Jersey, or to any American Legion post, Veterans of Foreign Wars, or other recognized veterans' organization of the United States of America, located in the municipality or the county, as a meeting place for such organization, or to a nonprofit child care service organization duly incorporated under the laws of the State of New Jersey, to a nonprofit hospital duly licensed under the laws of the State, or to a nonprofit organization duly licensed under the laws of the State of New Jersey to provide emergency shelter for the homeless, or to a nonprofit historic preservation organization duly incorporated under the laws of the State of New Jersey to provide a place for educational, cultural and musical functions. The president and secretary of the board shall be authorized to execute and deliver a conveyance for the same in the name and under the seal of the board, which conveyance may, in the discretion of the board, be made subject to a condition or limitation that said land shall be used by such municipality, board, body or commission thereof for public purposes and by any such fire company for fire company purposes or by such rescue squad for rescue squad purposes or to any veterans' organization, or to any child care service organization, or to any nonprofit hospital, or to any provider of emergency shelter for the homeless, or to any nonprofit historic preservation organization, and in the event that the property shall cease to be used for any of the purposes contemplated by this section, such property shall thereupon revert to and the title thereof shall vest in the board of education making the conveyance thereof hereunder.

49. Section 1 of P.L.1990, c.35 (C.18A:20-9.2) is amended to read as follows:

C.18A:20-9.2 Sale of school property to nonprofit private school for the handicapped.

1. Except as otherwise provided pursuant to section 14 of P.L.2007, c.137 (C.18A:7G-45), whenever any board of education shall by resolution

determine that any tract of land is no longer desirable or necessary for public school purposes it may authorize the conveyance thereof, at no less than the fair market price, whether there is a building thereon or not, to a non-profit private school for the handicapped duly incorporated under the laws of the State of New Jersey. As used in this section, market price shall equal the median of two or more appraisals conducted by qualified real estate appraisers. The president and secretary of the board shall be authorized to execute and deliver a conveyance for the same in the name and under the seal of the board, which conveyance may, in the discretion of the board, be made subject to a condition or limitation that said land shall be used by such nonprofit private school for the handicapped and in the event that the property shall cease to be used for the purposes contemplated by this section, such property shall first be offered for resale to the board of education making the conveyance thereof hereunder at the market price current at the time of resale.

50. N.J.S.18A:22-39 is amended to read as follows:

Type II districts without board of school estimate; submission of capital projects.

18A:22-39. Whenever the undertaking of any capital project or projects to be paid for from the proceeds of an issue or issue of bonds is submitted to the voters of a type II district at an annual or special school election for their approval or disapproval, the board shall frame and adopt by a recorded roll call majority vote of its full membership the question or questions to be submitted so that each project is submitted in a separate question, or all or any number of them are submitted in one question, which shall state the project or projects so submitted and the amounts to be raised for each of the projects so separately submitted or for each or for all of the projects so jointly submitted, as the case may be, but any proposal for the purchase of land shall be sufficient to authorize the taking and condemning of such land. If the project is to be constructed by the New Jersey Schools Development Authority or a redevelopment entity or by the district with a grant pursuant to section 15 of P.L.2000, c.72 (C.18A:7G-15), the referendum shall, when framed as a single question, request approval for the local share and shall disclose the final eligible costs of the project as approved by the commissioner pursuant to section 5 of P.L.2000, c.72 (C.18A:7G-5) and in the case of a demonstration project pursuant to sections 5 and 6 of P.L.2000, c.72 (C.18A:7G-5 and C.18A:7G-6), and, if applicable, the amount of any costs of the project which are in addition to the final eligible costs. If the school facilities project is not to be constructed by the New Jersey Schools Devel-

opment Authority or a redevelopment entity or by the district with a grant pursuant to section 15 of P.L.2000, c.72 (C.18A:7G-15), the referendum shall, when framed as a single question, request approval for the total costs of the project, shall disclose State debt service aid for the project and, if applicable, the amount of any costs of the project which are in addition to the final eligible costs of the project. When a project is framed in more than one question, a summary shall be included in the explanatory statement which accompanies the questions that includes the total costs of the project, total State debt service aid, and, if applicable, the amount of the costs of the project which are in addition to the final eligible costs of the project, and any individual question containing costs in addition to the final eligible costs shall include the amount of those additional costs.

The statement of additional costs in any ballot question and in any explanatory statement that accompanies a ballot question shall describe the additional costs as follows: "This project includes \$(insert amount) for school facility construction elements in addition to the facilities efficiency standards developed by the Commissioner of Education."

51. Section 2 of P.L.1974, c.80 (C.34:1B-2) is amended to read as follows:

C.34:1B-2 Legislative findings, determinations.

2. The Legislature hereby finds and determines that:

a. Department of Labor and Workforce Development statistics of recent years indicate a continuing decline in manufacturing employment within the State, which is a contributing factor to the drastic unemployment existing within the State, which far exceeds the national average, thus adversely affecting the economy of the State and the prosperity, safety, health and general welfare of its inhabitants and their standard of living; that there is an urgent need to protect and enhance the quality of the natural environment and to reduce, abate and prevent environmental pollution derived from the operation of industry, utilities and commerce within the State; and that the availability of financial assistance and suitable facilities are important inducements to new and varied employment promoting enterprises to locate in the State, to existing enterprises to remain and expand in the State, and to industry, utilities and commerce to reduce, abate and prevent environmental pollution.

b. The provision of buildings, structures and other facilities to increase opportunity for employment in manufacturing, industrial, commercial, recreational, retail and service enterprises in the State is in the public

interest and it is a public purpose for the State to induce and to accelerate opportunity for employment in such enterprises.

c. In order to aid in supplying these needs and to assist in the immediate reduction of unemployment and to provide sufficient employment for the citizens of the State in the future, it is necessary and in the public interest to aid and encourage the immediate commencement of new construction projects of all types, to induce and facilitate the acquisition and installation at an accelerated rate of such devices, equipment and facilities as may be required to reduce, abate and prevent environmental pollution by industry, utilities and commerce.

d. The availability of financial assistance by the State will reduce present unemployment and improve future employment opportunities by encouraging and inducing the undertaking of such construction projects, the location, retaining or expanding of employment promoting enterprises within the State, and the accelerated acquisition and installation of energy saving improvements and pollution control devices, equipment and facilities.

e. In many municipalities in our State substantial and persistent unemployment exists; and many existing residential, industrial, commercial and manufacturing facilities within such municipalities are either obsolete, inefficient, dilapidated or are located without regard to the master plans of such municipalities; and the obsolescence and abandonment of existing facilities will increase with further technological advances, the provision of modern, efficient facilities in other states and the difficulty which many municipalities have in attracting new facilities; and that many existing and planned employment promoting facilities are far from or not easily accessible to the places of residence of substantial numbers of unemployed and underemployed persons.

f. By virtue of their architectural and cultural heritage, their positions as principal centers of communication and transportation and their concentration of productive and energy efficient facilities, many municipalities are capable of ameliorating the conditions of deterioration which impede sound community growth and development; and that building a proper balance of housing, industrial and commercial facilities and increasing the attractiveness of such municipalities to persons of all income levels is essential to restoring such municipalities as desirable places to live, work, shop and enjoy life's amenities; that the accomplishment of these objectives is beyond remedy solely by the regulatory process in the exercise of the police power and cannot be dealt with effectively by the ordinary operations of private enterprise without the powers provided herein, and that the exercise

of the powers herein provided is critical to continuing the process of revitalizing such municipalities and will serve an urgent public use and purpose.

The Legislature further determines that in order to aid in remedying the aforesaid conditions and to further and implement the purposes of this act, that there shall be created a body politic and corporate having the powers, duties and functions provided in this act; and that the authority and powers conferred under this act, and the expenditure of moneys pursuant thereto constitute a serving of a valid public purpose; and that the enactment of the provisions hereinafter set forth is in the public interest and for the public benefit and good, and is hereby so declared to be as a matter of express legislative determination.

The Legislature further finds and determines that:

g. It is essential that this and future generations of young people be given the fullest opportunity to learn and develop their intellectual capacities; that institutions of public elementary and secondary education within the State be provided with the appropriate additional means required to assist these young citizens in achieving the required levels of learning and the complete development of their intellectual abilities; and that the resources of the State be employed to meet the tremendous demand for public elementary and secondary educational opportunities.

h. Public elementary and secondary educational facilities are an integral part of the effort in this State to provide educational opportunities; it is the purpose of P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.) to provide a measure of assistance and an alternative method of financing to enable school districts to provide the facilities which are so critically needed; the inventory of public elementary and secondary school buildings and the equipment and capital resources currently available are aging, both chronologically and technologically; and the current funding at the federal, State, and local levels and the current mechanisms for construction of these capital projects are inadequate to meet the demonstrated need for school facilities, and these inadequacies necessitate additional sources of funding and the coordination of construction activities at the State level to meet those needs.

i. While the credit status of New Jersey's school districts is sound, it can be economically more reasonable to finance the costs of developing the educational infrastructure of the State's public elementary and secondary schools by providing for the funding of capital projects through the issuance of bonds, notes or other obligations by the New Jersey Economic Development Authority, to be retired through annual payments made by the State subject to appropriation by the State Legislature, and to provide for

the use of the proceeds of those bonds, notes or other obligations to pay for educational infrastructure projects; and such a structure would substantially reduce the costs of financing and provide for a more efficient use of the funds available for the development of the educational infrastructure.

j. (Deleted by amendment, P.L.2007, c.137).

52. Section 3 of P.L.1974, c.80 (C.34:1B-3) is amended to read as follows:

C.34:1B-3 Definitions.

3. As used in the provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), P.L.1979, c.303 (C.34:1B-5.1 et seq.), sections 50 through 54 of P.L.2000, c.72 (C.34:1B-5.5 through 34:1B-5.9), P.L.1981, c.505 (C.34:1B-7.1 et seq.), P.L.1986, c.127 (C.34:1B-7.7 et seq.), P.L.1992, c.16 (C.34:1B-7.10 et al.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), and P.L.2007, c.137 (C.52:18A-235 et al.), unless a different meaning clearly appears from the context:

"Authority" means the New Jersey Economic Development Authority, created by section 4 of P.L.1974, c.80 (C.34:1B-4).

"Bonds" means bonds or other obligations issued by the authority pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.), "Economic Recovery Bonds or Notes" issued pursuant to P.L.1992, c.16 (C.34:1B-7.10 et al.), or bonds, notes, other obligations and refunding bonds issued by the authority pursuant to P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.).

"Cost" means the cost of the acquisition, construction, reconstruction, repair, alteration, improvement and extension of any building, structure, facility including water transmission facilities, or other improvement; the cost of machinery and equipment; the cost of acquisition, construction, reconstruction, repair, alteration, improvement and extension of energy saving improvements or pollution control devices, equipment or facilities; the cost of lands, rights-in-lands, easements, privileges, agreements, franchises, utility extensions, disposal facilities, access roads and site development deemed by the authority to be necessary or useful and convenient for any project or school facilities project or in connection therewith; discount on bonds; cost of issuance of bonds; engineering and inspection costs; costs of financial, legal, professional and other estimates and advice; organization, administrative, insurance, operating and other expenses of the authority or any person prior to and during any acquisition or construction, and all such expenses as may be necessary or incident to the financing, acquisition, construction or completion of any project or school facilities project or part thereof, and also such provision for reserves for payment or security of

principal of or interest on bonds during or after such acquisition or construction as the authority may determine.

"County" means any county of any class.

"County solid waste facility" means a solid waste facility that is designated by a public authority or county in its adopted district solid waste management plan as approved by the department prior to November 10, 1997 as the in-county facility to which solid waste generated within the boundaries of the county is transported for final disposal, or transfer for transportation to an offsite solid waste facility or designated out-of-district disposal site for disposal, as appropriate, pursuant to interdistrict or intra-district waste flow orders issued by the department, regardless of whether the county solid waste facility was acquired, constructed, operated, abandoned or canceled.

"Department" means the Department of Environmental Protection.

"Development property" means any real or personal property, interest therein, improvements thereon, appurtenances thereto and air or other rights in connection therewith, including land, buildings, plants, structures, systems, works, machinery and equipment acquired or to be acquired by purchase, gift or otherwise by the authority within an urban growth zone.

"Person" means any person, including individuals, firms, partnerships, associations, societies, trusts, public or private corporations, or other legal entities, including public or governmental bodies, as well as natural persons. "Person" shall include the plural as well as the singular.

"Pollution control project" means any device, equipment, improvement, structure or facility, or any land and any building, structure, facility or other improvement thereon, or any combination thereof, whether or not in existence or under construction, or the refinancing thereof in order to facilitate improvements or additions thereto or upgrading thereof, and all real and personal property deemed necessary thereto, having to do with or the end purpose of which is the control, abatement or prevention of land, sewer, water, air, noise or general environmental pollution, including, but not limited to, any air pollution control facility, noise abatement facility, water management facility, thermal pollution control facility, radiation contamination control facility, wastewater collection system, wastewater treatment works, sewage treatment works system, sewage treatment system or solid waste facility or site; provided that the authority shall have received from the Commissioner of the State Department of Environmental Protection or the commissioner's duly authorized representative a certificate stating the opinion that, based upon information, facts and circumstances available to the State Department of Environmental Protection and any other pertinent data, (1) the pollution

control facilities do not conflict with, overlap or duplicate any other planned or existing pollution control facilities undertaken or planned by another public agency or authority within any political subdivision, and (2) the facilities, as designed, will be a pollution control project as defined in the provisions of P.L.1974, c.80 (C.34:1B-1 et seq.) and are in furtherance of the purpose of abating or controlling pollution.

"Project" means: (1) (a) acquisition, construction, reconstruction, repair, alteration, improvement and extension of any building, structure, facility, including water transmission facilities or other improvement, whether or not in existence or under construction, (b) purchase and installation of equipment and machinery, (c) acquisition and improvement of real estate and the extension or provision of utilities, access roads and other appurtenant facilities; and (2) (a) the acquisition, financing, or refinancing of inventory, raw materials, supplies, work in process, or stock in trade, or (b) the financing, refinancing or consolidation of secured or unsecured debt, borrowings, or obligations, or (c) the provision of financing for any other expense incurred in the ordinary course of business; all of which are to be used or occupied by any person in any enterprise promoting employment, either for the manufacturing, processing or assembly of materials or products, or for research or office purposes, including, but not limited to, medical and other professional facilities, or for industrial, recreational, hotel or motel facilities, public utility and warehousing, or for commercial and service purposes, including, but not limited to, retail outlets, retail shopping centers, restaurant and retail food outlets, and any and all other employment promoting enterprises, including, but not limited to, motion picture and television studios and facilities and commercial fishing facilities, commercial facilities for recreational fishermen, fishing vessels, aquaculture facilities and marketing facilities for fish and fish products and (d) acquisition of an equity interest in, including capital stock of, any corporation; or any combination of the above, which the authority determines will: (i) tend to maintain or provide gainful employment opportunities within and for the people of the State, or (ii) aid, assist and encourage the economic development or redevelopment of any political subdivision of the State, or (iii) maintain or increase the tax base of the State or of any political subdivision of the State, or (iv) maintain or diversify and expand employment promoting enterprises within the State; and (3) the cost of acquisition, construction, reconstruction, repair, alteration, improvement and extension of an energy saving improvement or pollution control project which the authority determines will tend to reduce the consumption in a building devoted to industrial or commercial purposes, or in an office building, of nonrenew-

able sources of energy or to reduce, abate or prevent environmental pollution within the State; and (4) the acquisition, construction, reconstruction, repair, alteration, improvement, extension, development, financing or refinancing of infrastructure and transportation facilities or improvements related to economic development and of cultural, recreational and tourism facilities or improvements related to economic development and of capital facilities for primary and secondary schools and of mixed use projects consisting of housing and commercial development; and (5) the establishment, acquisition, construction, rehabilitation, improvement, and ownership of port facilities as defined in section 3 of P.L.1997, c.150 (C.34:1B-146). Project may also include: (i) reimbursement to any person for costs in connection with any project, or the refinancing of any project or portion thereof, if determined by the authority as necessary and in the public interest to maintain employment and the tax base of any political subdivision and will facilitate improvements thereto or the completion thereof, and (ii) development property and any construction, reconstruction, improvement, alteration, equipment or maintenance or repair, or planning and designing in connection therewith. For the purpose of carrying out mixed use projects consisting of both housing and commercial development, the authority may enter into agreements with the New Jersey Housing and Mortgage Finance Agency for loan guarantees for any such project in accordance with the provisions of P.L.1995, c.359 (C.55:14K-64 et al.), and for that purpose shall allocate to the New Jersey Housing and Mortgage Finance Agency, under such agreements, funding available pursuant to subsection a. of section 4 of P.L.1992, c.16 (C.34:1B-7.13). Project shall not include a school facilities project.

"Public authority" means a municipal or county utilities authority created pursuant to the "municipal and county utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.); a county improvement authority created pursuant to the "county improvement authorities law," P.L.1960, c.183 (C.40:37A-44 et seq.); or a pollution control financing authority created pursuant to the "New Jersey Pollution Control Financing Law," P.L.1973, c.376 (C.40:37C-1 et seq.) that has issued solid waste facility bonds or that has been designated by the county pursuant to section 12 of P.L.1975, c.326 (C.13:1E-21) to supervise the implementation of the district solid waste management plan.

"Revenues" means receipts, fees, rentals or other payments to be received on account of lease, mortgage, conditional sale, or sale, and payments and any other income derived from the lease, sale or other disposition of a project, moneys in such reserve and insurance funds or accounts or

other funds and accounts, and income from the investment thereof, established in connection with the issuance of bonds or notes for a project or projects, and fees, charges or other moneys to be received by the authority in respect of projects or school facilities projects and contracts with persons.

"Resolution" means any resolution adopted or trust agreement executed by the authority, pursuant to which bonds of the authority are authorized to be issued.

"Solid waste" means 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 liquids, except for source separated recyclable materials or source separated food waste collected by livestock producers approved by the State Department of Agriculture to collect, prepare and feed such wastes to livestock on their own farms.

"Solid waste disposal" means the storage, treatment, utilization, processing, or final disposal of solid waste.

"Solid waste facility bonds" means the bonds, notes or other evidences of financial indebtedness issued by, or on behalf of, any public authority or county related to the planning, design, acquisition, construction, renovation, installation, operation or management of a county solid waste facility.

"Solid waste facilities" means, and includes, the plants, structures and other real and personal property acquired, constructed or operated by, or on behalf of, any county or public authority pursuant to the provisions of the "Solid Waste Management Act," P.L.1970, c.39 (C.13:1E-1 et seq.) or any other act, including transfer stations, incinerators, resource recovery facilities, including co-composting facilities, sanitary landfill facilities or other plants for the disposal of solid waste, and all vehicles, equipment and other real and personal property and rights therein and appurtenances necessary or useful and convenient for the collection or disposal of solid waste in a sanitary manner.

"Energy saving improvement" means the construction, purchase and installation in a building devoted to industrial or commercial purposes of any of the following, designed to reduce the amount of energy from nonrenewable sources needed for heating and cooling that building: insulation, replacement burners, replacement high efficiency heating and air conditioning units, including modular boilers and furnaces, water heaters, central air conditioners with or without heat recovery to make hot water for industrial or commercial purposes or in office buildings, and any solar heating or cooling system improvement, including any system which captures solar radiation to heat a fluid which passes over or through the collector element of that system and then transfers that fluid to a point within the system

where the heat is withdrawn from the fluid for direct usage or storage. These systems shall include, but not necessarily be limited to, systems incorporating flat plate, evacuated tube or focusing solar collectors.

The foregoing list shall not be construed to be exhaustive, and shall not serve to exclude other improvements consistent with the legislative intent of the provisions of P.L.1983, c.282.

"Urban growth zone" means any area within a municipality receiving State aid pursuant to the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.) or a municipality certified by the Commissioner of Community Affairs to qualify under such law in every respect except population, which area has been so designated pursuant to an ordinance of the governing body of such municipality.

"District" means a local or regional school district established pursuant to chapter 8 or chapter 13 of Title 18A of the New Jersey Statutes, a county special services school district established pursuant to article 8 of chapter 46 of Title 18A of the New Jersey Statutes, a county vocational school district established pursuant to article 3 of chapter 54 of Title 18A of the New Jersey Statutes, and a school district under full State intervention pursuant to P.L.1987, c.399 (C.18A:7A-34 et al.).

"Local unit" means a county, municipality, board of education or any other political entity authorized to construct, operate and maintain a school facilities project and to borrow money for those purposes pursuant to law.

"Other facilities" means athletic stadiums, swimming pools, any associated structures or related equipment tied to such facilities including, but not limited to, grandstands and night field lights, greenhouses, facilities used for non-instructional or non-educational purposes, and any structure, building, or facility used solely for school administration.

"Refunding bonds" means bonds, notes or other obligations issued to refinance bonds previously issued by the authority pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.).

"School facilities project" means the planning, acquisition, demolition, construction, improvement, alteration, modernization, renovation, reconstruction or capital maintenance of all or any part of a school facility or of any other personal property necessary for, or ancillary to, any school facility, and shall include fixtures, furnishings and equipment, and shall also include, but is not limited to, site acquisition, site development, the services of design professionals, such as engineers and architects, construction management, legal services, financing costs and administrative costs and expenses incurred in connection with the project.

"School facility" means and includes any structure, building or facility used wholly or in part for educational purposes by a district and facilities that physically support such structures, buildings, and facilities such as district wastewater treatment facilities, power generating facilities, and steam generating facilities, but shall exclude other facilities.

53. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read as follows:

C.34:1B-5 Powers.

5. The authority shall have the following powers:

- a. To adopt bylaws for the regulation of its affairs and the conduct of its business;
- b. To adopt and have a seal and to alter the same at pleasure;
- c. To sue and be sued;
- d. To acquire in the name of the authority by purchase or otherwise, on such terms and conditions and such manner as it may deem proper, or by the exercise of the power of eminent domain in the manner provided by the "Eminent Domain Act of 1971," P.L.1971, c.361 (C.20:3-1 et seq.), any lands or interests therein or other property which it may determine is reasonably necessary for any project; provided, however, that the authority in connection with any project shall not take by exercise of the power of eminent domain any real property except upon consent thereto given by resolution of the governing body of the municipality in which such real property is located; and provided further that the authority shall be limited in its exercise of the power of eminent domain in connection with any project to municipalities receiving State aid under the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.), or to municipalities which had a population, according to the latest federal decennial census, in excess of 10,000;
- e. To enter into contracts with a person upon such terms and conditions as the authority shall determine to be reasonable, including, but not limited to, reimbursement for the planning, designing, financing, construction, reconstruction, improvement, equipping, furnishing, operation and maintenance of the project and to pay or compromise any claims arising therefrom;
- f. To establish and maintain reserve and insurance funds with respect to the financing of the project or the school facilities project and any project financed pursuant to the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.);

g. To sell, convey or lease to any person all or any portion of a project for such consideration and upon such terms as the authority may determine to be reasonable;

h. To mortgage, pledge or assign or otherwise encumber all or any portion of a project, or revenues, whenever it shall find such action to be in furtherance of the purposes of this act, P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.);

i. To grant options to purchase or renew a lease for any of its projects on such terms as the authority may determine to be reasonable;

j. To contract for and to accept any gifts or grants or loans of funds or property or financial or other aid in any form from the United States of America or any agency or instrumentality thereof, or from the State or any agency, instrumentality or political subdivision thereof, or from any other source and to comply, subject to the provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.), with the terms and conditions thereof;

k. In connection with any application for assistance under P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or P.L.2007, c.137 (C.52:18A-235 et al.) or commitments therefor, to require and collect such fees and charges as the authority shall determine to be reasonable;

l. To adopt, amend and repeal regulations to carry out the provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.);

m. To acquire, purchase, manage and operate, hold and dispose of real and personal property or interests therein, take assignments of rentals and leases and make and enter into all contracts, leases, agreements and arrangements necessary or incidental to the performance of its duties;

n. To purchase, acquire and take assignments of notes, mortgages and other forms of security and evidences of indebtedness;

o. To purchase, acquire, attach, seize, accept or take title to any project or school facilities project by conveyance or by foreclosure, and sell, lease, manage or operate any project or school facilities project for a use specified in this act, P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal

Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.);

p. To borrow money and to issue bonds of the authority and to provide for the rights of the holders thereof, as provided in P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.);

q. To extend credit or make loans to any person for the planning, designing, acquiring, constructing, reconstructing, improving, equipping and furnishing of a project or school facilities project, which credits or loans may be secured by loan and security agreements, mortgages, leases and any other instruments, upon such terms and conditions as the authority shall deem reasonable, including provision for the establishment and maintenance of reserve and insurance funds, and to require the inclusion in any mortgage, lease, contract, loan and security agreement or other instrument, such provisions for the construction, use, operation and maintenance and financing of a project or school facilities project as the authority may deem necessary or desirable;

r. To guarantee up to 90% of the amount of a loan to a person, if the proceeds of the loan are to be applied to the purchase and installation, in a building devoted to industrial or commercial purposes, or in an office building, of an energy improvement system;

s. To employ consulting engineers, architects, attorneys, real estate counselors, appraisers, and such other consultants and employees as may be required in the judgment of the authority to carry out the purposes of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.), and to fix and pay their compensation from funds available to the authority therefor, all without regard to the provisions of Title 11A of the New Jersey Statutes;

t. To do and perform any acts and things authorized by P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.), under, through or by means of its own officers, agents and employees, or by contract with any person;

u. To procure insurance against any losses in connection with its property, operations or assets in such amounts and from such insurers as it deems desirable;

v. To do any and all things necessary or convenient to carry out its purposes and exercise the powers given and granted in P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.);

w. To construct, reconstruct, rehabilitate, improve, alter, equip, maintain or repair or provide for the construction, reconstruction, improvement, alteration, equipping or maintenance or repair of any development property and lot, award and enter into construction contracts, purchase orders and other contracts with respect thereto, upon such terms and conditions as the authority shall determine to be reasonable, including, but not limited to, reimbursement for the planning, designing, financing, construction, reconstruction, improvement, equipping, furnishing, operation and maintenance of any such development property and the settlement of any claims arising therefrom and the establishment and maintenance of reserve funds with respect to the financing of such development property;

x. When authorized by the governing body of a municipality exercising jurisdiction over an urban growth zone, to construct, cause to be constructed or to provide financial assistance to projects in an urban growth zone which shall be exempt from the terms and requirements of the land use ordinances and regulations, including, but not limited to, the master plan and zoning ordinances, of such municipality;

y. To enter into business employment incentive agreements as provided in the "Business Employment Incentive Program Act," P.L.1996, c.26 (C.34:1B-124 et al.);

z. To enter into agreements or contracts, execute instruments, and do and perform all acts or things necessary, convenient or desirable for the purposes of the authority to carry out any power expressly provided pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.), including, but not limited to, entering into contracts with the State Treasurer, the Commissioner of Education, districts, the New Jersey Schools Development Authority, and any other entity which may be required in order to carry out the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.);

aa. (Deleted by amendment, P.L.2007, c.137);

bb. To make and contract to make loans to local units to finance the cost of school facilities projects and to acquire and contract to acquire bonds, notes or other obligations issued or to be issued by local units to evidence the loans, all in accordance with the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.);

cc. Subject to any agreement with holders of its bonds issued to finance a project or school facilities project, obtain as security or to provide liquidity for payment of all or any part of the principal of and interest and premium on the bonds of the authority or for the purchase upon tender or otherwise of the bonds, lines of credit, letters of credit, reimbursement agreements, interest rate exchange agreements, currency exchange agreements, interest rate floors or caps, options, puts or calls to hedge payment, currency, rate, spread or similar exposure or similar agreements, float agreements, forward agreements, insurance contract, surety bond, commitment to purchase or sell bonds, purchase or sale agreement, or commitments or other contracts or agreements, and other security agreements or instruments in any amounts and upon any terms as the authority may determine and pay any fees and expenses required in connection therewith;

dd. To charge to and collect from local units, the State and any other person, any fees and charges in connection with the authority's actions undertaken with respect to school facilities projects, including, but not limited to, fees and charges for the authority's administrative, organization, insurance, operating and other expenses incident to the financing of school facilities projects;

ee. To make loans to refinance solid waste facility bonds through the issuance of bonds or other obligations and the execution of any agreements with counties or public authorities to effect the refunding or rescheduling of solid waste facility bonds, or otherwise provide for the payment of all or a portion of any series of solid waste facility bonds. Any county or public authority refunding or rescheduling its solid waste facility bonds pursuant to this subsection shall provide for the payment of not less than fifty percent of the aggregate debt service for the refunded or rescheduled debt of the particular county or public authority for the duration of the loan; except that, whenever the solid waste facility bonds to be refinanced were issued by a public authority and the county solid waste facility was utilized as a regional county solid waste facility, as designated in the respective adopted district solid waste management plans of the participating counties as approved by the department prior to November 10, 1997, and the utilization of the facility was established pursuant to tonnage obligations set forth in their respective interdistrict agreements, the public authority refunding or

rescheduling its solid waste facility bonds pursuant to this subsection shall provide for the payment of a percentage of the aggregate debt service for the refunded or rescheduled debt of the public authority not to exceed the percentage of the specified tonnage obligation of the host county for the duration of the loan. Whenever the solid waste facility bonds are the obligation of a public authority, the relevant county shall execute a deficiency agreement with the authority, which shall provide that the county pledges to cover any shortfall and to pay deficiencies in scheduled repayment obligations of the public authority. All costs associated with the issuance of bonds pursuant to this subsection may be paid by the authority from the proceeds of these bonds. Any county or public authority is hereby authorized to enter into any agreement with the authority necessary, desirable or convenient to effectuate the provisions of this subsection.

The authority shall not issue bonds or other obligations to effect the refunding or rescheduling of solid waste facility bonds after December 31, 2002. The authority may refund its own bonds issued for the purposes herein at any time;

ff. To pool loans for any local government units that are refunding bonds and do and perform any and all acts or things necessary, convenient or desirable for the purpose of the authority to achieve more favorable interest rates and terms for those local governmental units;

gg. To finance projects approved by the board, provide staff support to the board, oversee and monitor progress on the part of the board in carrying out the revitalization, economic development and restoration projects authorized pursuant to the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.) and otherwise fulfilling its responsibilities pursuant thereto; and

hh. To offer financial assistance to qualified film production companies as provided in the "New Jersey Film Production Assistance Act," P.L.2003, c.182 (C.34:1B-178 et al.).

54. Section 1 of P.L.1979, c.303 (C.34:1B-5.1) is amended to read as follows:

C.34:1B-5.1 Rules, regulations relative to payment of prevailing wage rate; "authority financial assistance" defined.

1. The New Jersey Economic Development Authority shall adopt rules and regulations requiring that not less than the prevailing wage rate be paid to workers employed in the performance of any construction contract undertaken in connection with any of its projects, those projects which it

undertakes pursuant to P.L.2002, c.43 (C.52:27BBB-1 et al.), or undertaken to fulfill any condition of receiving authority financial assistance. The prevailing wage rate shall be the rate determined by the Commissioner of Labor and Workforce Development pursuant to the provisions of P.L.1963, c.150 (C.34:11-56.25 et seq.). For the purposes of this section, "authority financial assistance" means any loan, loan guarantee, grant, incentive, tax exemption or other financial assistance approved, funded, authorized, administered or provided by the authority to any entity, including but not limited to, all authority financial assistance received by the entity pursuant to P.L.1996, c.26 (C.34:1B-124 et al.) that enables the entity to engage in a construction contract, but this shall not be construed as requiring the payment of the prevailing wage for construction commencing more than two years after the assistance is received.

55. Section 4 of P.L.1979, c.303 (C.34:1B-5.4) is amended to read as follows:

C.34:1B-5.4 Rules, regulations relative to establishment of affirmative action program.

4. a. The New Jersey Economic Development Authority shall adopt rules and regulations to establish an affirmative action program for the hiring of minority workers employed in the performance of construction contracts undertaken in connection with any of its projects, and to expand the business opportunities of socially and economically disadvantaged contractors and vendors seeking to provide materials and services for those contracts, consistent with the provisions of the "Law Against Discrimination," P.L.1945, c.169 (C.10:5-1 et seq.) and the authority shall provide for the proper enforcement and administration of such rules and regulations.

b. (Deleted by amendment, P.L.2007, c.137).

56. Section 50 of P.L.2000, c.72 (C.34:1B-5.5) is amended to read as follows:

C.34:1B-5.5 Limitation of claims, damages, losses, liabilities, costs for school facilities projects.

50. In the exercise of powers granted by P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.) in connection with any school facilities project, any and all claims, damages, losses, liabilities or costs that the authority may incur shall be payable only from the amounts made available to the authority pursuant to P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-235 et al.). In connection with any

agreement or contract entered into by the authority relating to any school facilities project, there shall be no recovery against the authority for punitive or consequential damages arising out of contract nor shall there be any recovery against the authority for claims based upon implied warranties or upon contracts implied in law.

57. Section 54 of P.L.2000, c.72 (C.34:1B-5.9) is amended to read as follows:

C.34:1B-5.9 Bonds deemed fully negotiable.

54. Notwithstanding the provisions of any law to the contrary, any bonds issued pursuant to P.L.2000, c.72 (C.18A:7G-1 et al.) or P.L.2007, c.137 (C.52:18A-235 et al.) shall be fully negotiable within the meaning and for all purposes of Title 12A of the New Jersey Statutes, and each holder or owner of such a bond or other obligation, or of any coupon appurtenant thereto, by accepting the bond or coupon shall be conclusively deemed to have agreed that the bond or coupon is and shall be fully negotiable within the meaning and for all purposes of Title 12A.

58. Section 15 of P.L.1974, c.80 (C.34:1B-15) is amended to read as follows:

C.34:1B-15 Powers constitute essential governmental function; tax exempt status.

15. The exercise of the powers granted by this act, P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.) shall constitute the performance of an essential governmental function and the authority shall not be required to pay any taxes or assessments upon or in respect of a project or school facilities project, or any property or moneys of the authority, and the authority, its projects and school facilities projects, property and moneys and any bonds and notes issued under the provisions of this act, P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.), their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation of every kind by the State except for transfer, inheritance and estate taxes and by any political subdivision of the State; provided, that any person occupying a project whether as lessee, vendee or otherwise shall, as long as title thereto shall remain in the authority, pay to the political subdivision in which such project is located a payment in lieu of taxes which shall equal the taxes on real and personal property, including water and sewer service charges or assessments, which such person would have been required to

pay had it been the owner of such property during the period for which such payment is made and neither the authority nor its projects, properties, money or bonds and notes shall be obligated, liable or subject to lien of any kind for the enforcement, collection or payment thereof. If and to the extent the proceedings under which the bonds authorized to be issued under the provisions of this act so provide, the authority may agree to cooperate with such person occupying a project, in connection with any administrative or judicial proceedings for determining the validity or amount of such payments and may agree to appoint or designate and reserve the right in and for such person to take all action which the authority may lawfully take in respect of such payments and all matters relating thereto, provided such person shall bear and pay all costs and expenses of the authority thereby incurred at the request of such person or by reason of any such action taken by such person in behalf of the authority. If such person occupying a project has paid the amounts in lieu of taxes required by this section to be paid such person shall not be required to pay any such taxes as to which a payment in lieu thereof has been made to the State or to any political subdivision, any other statute to the contrary notwithstanding.

59. Section 19 of P.L.1975, c.291 (C.40:55D-28) is amended to read as follows:

C.40:55D-28 Preparation; contents; modification.

19. Preparation; contents; modification.

a. The planning board may prepare and, after public hearing, adopt or amend a master plan or component parts thereof, to guide the use of lands within the municipality in a manner which protects public health and safety and promotes the general welfare.

b. The master plan shall generally comprise a report or statement and land use and development proposals, with maps, diagrams and text, presenting, at least the following elements (1) and (2) and, where appropriate, the following elements (3) through (15):

(1) A statement of objectives, principles, assumptions, policies and standards upon which the constituent proposals for the physical, economic and social development of the municipality are based;

(2) A land use plan element (a) taking into account and stating its relationship to the statement provided for in paragraph (1) hereof, and other master plan elements provided for in paragraphs (3) through (14) hereof and natural conditions, including, but not necessarily limited to, topography, soil conditions, water supply, drainage, flood plain areas, marshes, and

woodlands; (b) showing the existing and proposed location, extent and intensity of development of land to be used in the future for varying types of residential, commercial, industrial, agricultural, recreational, educational and other public and private purposes or combination of purposes; and stating the relationship thereof to the existing and any proposed zone plan and zoning ordinance; and (c) showing the existing and proposed location of any airports and the boundaries of any airport safety zones delineated pursuant to the "Air Safety and Zoning Act of 1983," P.L.1983, c.260 (C.6:1-80 et seq.); and (d) including a statement of the standards of population density and development intensity recommended for the municipality;

(3) A housing plan element pursuant to section 10 of P.L.1985, c.222 (C.52:27D-310), including, but not limited to, residential standards and proposals for the construction and improvement of housing;

(4) A circulation plan element showing the location and types of facilities for all modes of transportation required for the efficient movement of people and goods into, about, and through the municipality, taking into account the functional highway classification system of the Federal Highway Administration and the types, locations, conditions and availability of existing and proposed transportation facilities, including air, water, road and rail;

(5) A utility service plan element analyzing the need for and showing the future general location of water supply and distribution facilities, drainage and flood control facilities, sewerage and waste treatment, solid waste disposal and provision for other related utilities, and including any storm water management plan required pursuant to the provisions of P.L.1981, c.32 (C.40:55D-93 et al.). If a municipality prepares a utility service plan element as a condition for adopting a development transfer ordinance pursuant to subsection c. of section 4 of P.L.2004, c.2 (C.40:55D-140), the plan element shall address the provision of utilities in the receiving zone as provided thereunder;

(6) A community facilities plan element showing the existing and proposed location and type of educational or cultural facilities, historic sites, libraries, hospitals, firehouses, police stations and other related facilities, including their relation to the surrounding areas;

(7) A recreation plan element showing a comprehensive system of areas and public sites for recreation;

(8) A conservation plan element providing for the preservation, conservation, and utilization of natural resources, including, to the extent appropriate, energy, open space, water supply, forests, soil, marshes, wetlands, harbors, rivers and other waters, fisheries, endangered or threatened species wildlife and other resources, and which systemically analyzes the impact of

each other component and element of the master plan on the present and future preservation, conservation and utilization of those resources;

(9) An economic plan element considering all aspects of economic development and sustained economic vitality, including (a) a comparison of the types of employment expected to be provided by the economic development to be promoted with the characteristics of the labor pool resident in the municipality and nearby areas and (b) an analysis of the stability and diversity of the economic development to be promoted;

(10) An historic preservation plan element: (a) indicating the location and significance of historic sites and historic districts; (b) identifying the standards used to assess worthiness for historic site or district identification; and (c) analyzing the impact of each component and element of the master plan on the preservation of historic sites and districts;

(11) Appendices or separate reports containing the technical foundation for the master plan and its constituent elements;

(12) A recycling plan element which incorporates the State Recycling Plan goals, including provisions for the collection, disposition and recycling of recyclable materials designated in the municipal recycling ordinance, and for the collection, disposition and recycling of 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;

(13) A farmland preservation plan element, which shall include: an inventory of farm properties and a map illustrating significant areas of agricultural land; a statement showing that municipal ordinances support and promote agriculture as a business; and a plan for preserving as much farmland as possible in the short term by leveraging moneys made available by P.L.1999, c.152 (C.13:8C-1 et al.) through a variety of mechanisms including, but not limited to, utilizing option agreements, installment purchases, and encouraging donations of permanent development easements;

(14) A development transfer plan element which sets forth the public purposes, the locations of sending and receiving zones and the technical details of a development transfer program based on the provisions of section 5 of P.L.2004, c.2 (C.40:55D-141); and

(15) An educational facilities plan element which incorporates the purposes and goals of the "long-range facilities plan" required to be submitted to the Commissioner of Education by a school district pursuant to section 4 of P.L.2000, c.72 (C.18A:7G-4).

c. The master plan and its plan elements may be divided into subplans and subplan elements projected according to periods of time or staging sequences.

d. The master plan shall include a specific policy statement indicating the relationship of the proposed development of the municipality, as developed in the master plan to (1) the master plans of contiguous municipalities, (2) the master plan of the county in which the municipality is located, (3) the State Development and Redevelopment Plan adopted pursuant to the "State Planning Act," sections 1 through 12 of P.L.1985, c.398 (C.52:18A-196 et seq.) and (4) 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.) of the county in which the municipality is located.

In the case of a municipality situated within the Highlands Region, as defined in section 3 of P.L.2004, c.120 (C.13:20-3), the master plan shall include a specific policy statement indicating the relationship of the proposed development of the municipality, as developed in the master plan, to the Highlands regional master plan adopted pursuant to section 8 of P.L.2004, c.120 (C.13:20-8).

60. Section 57 of P.L.1975, c.291 (C.40:55D-70) is amended to read as follows:

C.40:55D-70 Powers.

57. Powers. The board of adjustment shall have the power to:

a. Hear and decide appeals where it is alleged by the appellant that there is error in any order, requirement, decision or refusal made by an administrative officer based on or made in the enforcement of the zoning ordinance;

b. Hear and decide requests for interpretation of the zoning map or ordinance or for decisions upon other special questions upon which such board is authorized to pass by any zoning or official map ordinance, in accordance with this act;

c. (1) Where: (a) by reason of exceptional narrowness, shallowness or shape of a specific piece of property, or (b) by reason of exceptional topographic conditions or physical features uniquely affecting a specific piece of property, or (c) by reason of an extraordinary and exceptional situation uniquely affecting a specific piece of property or the structures lawfully existing thereon, the strict application of any regulation pursuant to article 8 of this act would result in peculiar and exceptional practical difficulties to, or exceptional and undue hardship upon, the developer of such property,

grant, upon an application or an appeal relating to such property, a variance from such strict application of such regulation so as to relieve such difficulties or hardship; (2) where in an application or appeal relating to a specific piece of property the purposes of this act or the purposes of the "Educational Facilities Construction and Financing Act," P.L.2000, c.72 (C.18A:7G-1 et al.), would be advanced by a deviation from the zoning ordinance requirements and the benefits of the deviation would substantially outweigh any detriment, grant a variance to allow departure from regulations pursuant to article 8 of this act; provided, however, that the fact that a proposed use is an inherently beneficial use shall not be dispositive of a decision on a variance under this subsection and provided that no variance from those departures enumerated in subsection d. of this section shall be granted under this subsection; and provided further that the proposed development does not require approval by the planning board of a subdivision, site plan or conditional use, in conjunction with which the planning board has power to review a request for a variance pursuant to subsection a. of section 47 of this act; and

d. In particular cases for special reasons, grant a variance to allow departure from regulations pursuant to article 8 of this act to permit: (1) a use or principal structure in a district restricted against such use or principal structure, (2) an expansion of a nonconforming use, (3) deviation from a specification or standard pursuant to section 54 of P.L.1975, c.291 (C.40:55D-67) pertaining solely to a conditional use, (4) an increase in the permitted floor area ratio as defined in section 3.1 of P.L.1975, c.291 (C.40:55D-4), (5) an increase in the permitted density as defined in section 3.1 of P.L.1975, c.291 (C.40:55D-4), except as applied to the required lot area for a lot or lots for detached one or two dwelling unit buildings, which lot or lots are either an isolated undersized lot or lots resulting from a minor subdivision or (6) a height of a principal structure which exceeds by 10 feet or 10% the maximum height permitted in the district for a principal structure. A variance under this subsection shall be granted only by affirmative vote of at least five members, in the case of a municipal board, or two-thirds of the full authorized membership, in the case of a regional board, pursuant to article 10 of this act.

If an application development requests one or more variances but not a variance for a purpose enumerated in subsection d. of this section, the decision on the requested variance or variances shall be rendered under subsection c. of this section.

No variance or other relief may be granted under the terms of this section, including a variance or other relief involving an inherently beneficial

use, without a showing that such variance or other relief can be granted without substantial detriment to the public good and will not substantially impair the intent and the purpose of the zone plan and zoning ordinance. In respect to any airport safety zones delineated under the "Air Safety and Zoning Act of 1983," P.L.1983, c.260 (C.6:1-80 et seq.), no variance or other relief may be granted under the terms of this section, permitting the creation or establishment of a nonconforming use which would be prohibited under standards promulgated pursuant to that act, except upon issuance of a permit by the Commissioner of Transportation. An application under this section may be referred to any appropriate person or agency for its report; provided that such reference shall not extend the period of time within which the zoning board of adjustment shall act.

Repealer.

61. The following sections are repealed:

Sections 51, 52, and 53 of P.L.2000, c.72 (C.34:1B-5.6, 34:1B-5.7, and 34:1B-5.8).

62. This act shall take effect immediately.

Approved August 6, 2007.

CHAPTER 138

AN ACT concerning environmental infrastructure projects, and amending and supplementing P.L.1985, c.334.

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

1. Section 5 of P.L.1985, c.334 (C.58:11B-5) is amended to read as follows:

C.58:11B-5 Powers of trust.

5. Except as otherwise limited by the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), the trust may:

a. Make and alter bylaws for its organization and internal management and, subject to agreements with holders of its bonds, notes or other

obligations, make rules and regulations with respect to its operations, properties and facilities;

b. Adopt an official seal and alter it;

c. Sue and be sued;

d. Make and enter into all contracts, leases and agreements necessary or incidental to the performance of its duties and the exercise of its powers under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and subject to any agreement with the holders of the trust's bonds, notes or other obligations, consent to any modification, amendment or revision of any contract, lease or agreement to which the trust is a party;

e. Enter into agreements or other transactions with and accept, subject to the provisions of section 23 of P.L.1985, c.334 (C.58:11B-23), grants, appropriations and the cooperation of the State, or any State agency, in furtherance of the purposes of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and do anything necessary in order to avail itself of that aid and cooperation;

f. Receive and accept aid or contributions from any source of money, property, labor or other things of value, to be held, used and applied to carry out the purposes of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), subject to the conditions upon which that aid and those contributions may be made, including, but not limited to, gifts or grants from any department or agency of the State, or any State agency, for any purpose consistent with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), subject to the provisions of section 23 of P.L.1985, c.334 (C.58:11B-23);

g. Acquire, own, hold, construct, improve, rehabilitate, renovate, operate, maintain, sell, assign, exchange, lease, mortgage or otherwise dispose of real and personal property, or any interest therein, in the exercise of its powers and the performance of its duties under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

h. Appoint and employ an executive director and any other officers or employees as it may require for the performance of its duties, without regard to the provisions of Title 11A of the New Jersey Statutes;

i. Borrow money and issue bonds, notes and other obligations, and secure the same, and provide for the rights of the holders thereof as provided in the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

j. Subject to any agreement with holders of its bonds, notes or other obligations, invest moneys of the trust not required for immediate use, in-

cluding proceeds from the sale of any bonds, notes or other obligations, in any obligations, securities and other investments in accordance with the rules and regulations of the State Investment Council or as may otherwise be approved by the Director of the Division of Investment in the Department of the Treasury upon a finding that such investments are consistent with the corporate purposes of the trust;

k. Procure insurance to secure the payment of its bonds, notes or other obligations or the payment of any guarantees or loans made by it in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), or against any loss in connection with its property and other assets and operations, in any amounts and from any insurers as it deems desirable;

l. Engage the services of attorneys, accountants, engineers, and financial experts and any other advisors, consultants, experts and agents as may be necessary in its judgment and fix their compensation;

m. (1) Make and contract to make loans to local government units, or to a local government unit on behalf of another local government unit, to finance the cost of wastewater treatment system projects or water supply projects and acquire and contract to acquire notes, bonds or other obligations issued or to be issued by any local government units to evidence the loans, all in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

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

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

n. Subject to any agreement with holders of its bonds, notes or other obligations, purchase bonds, notes and other obligations of the trust and hold the same for resale or provide for the cancellation thereof, all in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

o. (1) Charge to and collect from local government units, private persons or public water utilities any fees and charges in connection with the trust's loans, guarantees or other services, including, but not limited to, fees

and charges sufficient to reimburse the trust for all reasonable costs necessarily incurred by it in connection with its financings and the establishment and maintenance of reserve or other funds, as the trust may determine to be reasonable. The fees and charges shall be in accordance with a uniform schedule published by the trust for the purpose of providing actual cost reimbursement for the services rendered;

(2) Any fees and charges collected by the trust pursuant to this subsection may be deposited and maintained in a special fund separate from any other funds held by the trust pursuant to section 10 of P.L.1985, c.334 (C.58:11B-10) or section 23 of P.L.1997, c.224 (C.58:11B-10.1), including the Emergency Loan Fund established pursuant to section 4 of P.L.2007, c.138 (C.58:11B-9.1), and shall be available for any corporate purposes of the trust, including the Emergency Financing Program pursuant to section 4 of P.L.2007, c.138 (C.58:11B-9.1);

p. Subject to any agreement with holders of its bonds, notes or other obligations, obtain as security or to provide liquidity for payment of all or any part of the principal of and interest and premium on the bonds, notes and other obligations of the trust or for the purchase upon tender or otherwise of the bonds, notes or other obligations, lines of credit, letters of credit and other security agreements or instruments in any amounts and upon any terms as the trust may determine, and pay any fees and expenses required in connection therewith;

q. Provide to local government units any financial and credit advice as these local government units may request;

r. Make payments to the State from any moneys of the trust available therefor as may be required pursuant to any agreement with the State or act appropriating moneys to the trust; and

s. Take any action necessary or convenient to the exercise of the foregoing powers or reasonably implied therefrom.

2. Section 6 of P.L.1985, c.334 (C.58:11B-6) is amended to read as follows:

C.58:11B-6 Issuance of bonds, notes, other obligations.

6. a. Except as may be otherwise expressly provided in the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), the trust may from time to time issue its bonds, notes or other obligations in any principal amounts as in the judgment of the trust shall be necessary to provide sufficient funds for any of its corporate purposes, including the payment, funding or refunding of the principal of, or interest or

redemption premiums on, any bonds, notes or other obligations issued by it, whether the bonds, notes or other obligations or the interest or redemption premiums thereon to be funded or refunded have or have not become due, the establishment or increase of reserves or other funds to secure or to pay the bonds, notes or other obligations or interest thereon and all other costs or expenses of the trust incident to and necessary to carry out its corporate purposes and powers.

b. Whether or not the bonds, notes or other obligations of the trust are of a form and character as to be negotiable instruments under the terms of Title 12A of the New Jersey Statutes, the bonds, notes and other obligations are made negotiable instruments within the meaning of and for the purposes of Title 12A of the New Jersey Statutes, subject only to the provisions of the bonds, notes and other obligations for registration.

c. Bonds, notes or other obligations of the trust shall be authorized by a resolution or resolutions of the trust and may be issued in one or more series and shall bear any date or dates, mature at any time or times, bear interest at any rate or rates of interest per annum, be in any denomination or denominations, be in any form, either coupon, registered or book entry, carry any conversion or registration privileges, have any rank or priority, be executed in any manner, be payable in any coin or currency of the United States which at the time of payment is legal tender for the payment of public and private debts, at any place or places within or without the State, and be subject to any terms of redemption by the trust or the holders thereof, with or without premium, as the resolution or resolutions may provide. A resolution of the trust authorizing the issuance of bonds, notes or other obligations may provide that the bonds, notes or other obligations be secured by a trust indenture between the trust and a trustee, vesting in the trustee any property, rights, powers and duties in trust consistent with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) as the trust may determine.

d. Bonds, notes or other obligations of the trust may be sold at any price or prices and in any manner as the trust may determine. Each bond, note or other obligation shall mature and be paid not later than 20 years from the effective date thereof, or the certified useful life of the project or projects to be financed by the bonds, whichever is less.

All bonds of the trust shall be sold at such price or prices and in such manner as the trust shall determine, after notice of sale, a summary of which shall be published at least once in at least three newspapers published in the State of New Jersey and at least once in a publication carrying municipal bond notices and devoted primarily to financial news published

in New Jersey or the city of New York, the first summary notice to be at least five days prior to the day of bidding. The notice of sale may contain a provision to the effect that any or all bids made in pursuance thereof may be rejected. In the event of such rejection or of failure to receive any acceptable bid, the trust, at any time within 60 days from the date of such advertised sale, may sell such bonds at private sale upon terms not less favorable to the State than the terms offered by any rejected bid. The trust may sell all or part of the bonds of any series as issued to any State fund or to the federal government or any agency thereof, at private sale, without advertisement.

e. Bonds, notes or other obligations of the trust may be issued under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) without obtaining the consent of any department, division, board, bureau or agency of the State, and without any other proceedings or the happening of any other conditions or things, other than those consents, proceedings, conditions or things which are specifically required by P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.).

f. Bonds, notes or other obligations of the trust issued under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) shall not be a debt or liability of the State or of any political subdivision thereof other than the trust and shall not create or constitute any indebtedness, liability or obligation of the State or any political subdivision, but all these bonds, notes and other obligations, unless funded or refunded by bonds, notes or other obligations, shall be payable solely from revenues or funds pledged or available for their payment as authorized in P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.). Each bond, note and obligation shall contain on its face a statement to the effect that the trust is obligated to pay the principal thereof or the interest thereon only from its revenues, receipts or funds pledged or available for their payment as authorized in P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), 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, notes or other obligations.

g. The aggregate principal amount of bonds, notes or other obligations, including subordinated indebtedness of the trust, shall not exceed \$2,600,000,000. In computing the foregoing limitations there shall be excluded all the bonds, notes or other obligations, including subordinated in-

debtedness of the trust, which shall be issued for refunding purposes, whenever the refunding shall be determined to result in a savings.

(1) Upon the decision by the trust to issue refunding bonds, except for current refunding, and prior to the sale of those bonds, the trust shall transmit to the Joint Budget Oversight Committee, or its successor, a report that a decision has been made, reciting the basis on which the decision was made, including an estimate of the debt service savings to be achieved and the calculations upon which the trust relied when making the decision to issue refunding bonds. The report shall also disclose the intent of the trust to issue and sell the refunding bonds at public or private sale and the reasons therefor.

(2) The Joint Budget Oversight Committee or its successor shall have the authority to approve or disapprove the sales of refunding bonds as included in each report submitted in accordance with paragraph (1) of this subsection. The committee shall notify the trust in writing of the approval or disapproval within 30 days of receipt of the report. Should the committee not act within 30 days of receipt of the report, the trust may proceed with the sale of the refunding bonds, provided that the sale of refunding bonds shall realize not less than 3.00% net present value debt service savings.

(3) No refunding bonds shall be issued unless the report has been submitted to and approved by the Joint Budget Oversight Committee or its successor as set forth in paragraphs (1) and (2) of this subsection.

(4) Within 30 days after the sale of the refunding bonds, the trust shall notify the committee of the result of that sale, including the prices and terms, conditions and regulations concerning the refunding bonds, the actual amount of debt service savings to be realized as a result of the sale of refunding bonds, and the intended use of the proceeds from the sale of those bonds.

(5) The committee shall review all information and reports submitted in accordance with this subsection and may, on its own initiative, make observations to the trust, or to the Legislature, or both, as it deems appropriate.

h. Each issue of bonds, notes or other obligations of the trust may, if it is determined by the trust, be general obligations thereof payable out of any revenues, receipts or funds of the trust, or special obligations thereof payable out of particular revenues, receipts or funds, subject only to any agreements with the holders of bonds, notes or other obligations, and may be secured by one or more of the following:

(1) Pledge of revenues and other receipts to be derived from the payment of the interest on and principal of notes, bonds or other obligations issued to the trust by one or more local government units, and any other pay-

ment made to the trust pursuant to agreements with any local government units, or a pledge or assignment of any notes, bonds or other obligations of any local government unit and the rights and interest of the trust therein;

(2) Pledge of rentals, receipts and other revenues to be derived from leases or other contractual arrangements with any person or entity, public or private, including one or more local government units, or a pledge or assignment of those leases or other contractual arrangements and the rights and interest of the trust therein;

(3) Pledge of all moneys, funds, accounts, securities and other funds, including the proceeds of the bonds, notes or other obligations;

(4) Pledge of the receipts to be derived from the payments of State aid, payable to the trust pursuant to section 12 of P.L.1985, c.334 (C.58:11B-12);

(5) A mortgage on all or any part of the property, real or personal, of the trust then owned or thereafter to be acquired, or a pledge or assignment of mortgages made to the trust by any person or entity, public or private, including one or more local government units and the rights and interest of the trust therein.

i. The trust shall not issue any bonds, notes or other obligations, or otherwise incur any additional indebtedness, on or after November 5, 2027.

j. (Deleted by amendment, P.L.1996, c.88).

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

C.58:11B-9 Loans to local government units.

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

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

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

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

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

consultants or experts as the State Treasurer shall deem necessary in order to evaluate the guarantee.

c. The trust shall not make or contract to make any loans or guarantees to local government units, public water utilities or any other person, or otherwise incur any additional indebtedness, on or after November 5, 2027.

d. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary, the trust may receive funds from any source or issue its bonds, notes or other obligations in any principal amounts as in the judgment of the trust shall be necessary to provide sufficient funds to finance or refinance short-term or temporary loans to local government units, public water utilities or private persons for any wastewater treatment system projects included on the project priority list for the ensuing fiscal year and eligible for approval pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or water supply projects included on the project priority list for the ensuing fiscal year and eligible for approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable, without regard to any other provisions of P.L.1985, c.334 or P.L.1997, c.224, including, without limitation, any administrative or legislative approvals.

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

Any short-term or temporary loans made by the trust pursuant to this subsection may only be made in advance of the anticipated loans the trust may make and contract to make under the provisions of subsection a. of this section to be financed or refinanced through the issuance of bonds, notes or other obligations of the trust authorized under section 6 of P.L.1985, c.334 (C.58:11B-6). The trust may make short-term or temporary loans pursuant to the Interim Financing Program to any one or more of the project sponsors, for the respective projects thereof, identified in the interim financing project priority list (hereinafter referred to as the "Interim Financing Program Eligibility List") in the form provided to the Legislature by the Commissioner of Environmental Protection.

The Interim Financing Program Eligibility List shall be submitted to the Legislature on or before June 30 of each year on a day when both Houses are meeting. The President of the Senate and the Speaker of the General Assembly shall cause the date of submission to be entered upon the Senate Journal and the Minutes of the General Assembly, respectively. Any environmental infrastructure project or the project sponsor thereof not identified

in the Interim Financing Program Eligibility List shall not be eligible for a short-term or temporary loan from the Interim Financing Program Fund.

C.58:11B-9.1 "Emergency Loan Fund."

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

The Emergency Loan Fund shall be credited with:

- (1) moneys deposited in the fund as administrative fees received by the trust pursuant to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5);
- (2) moneys received by the trust as repayment of the principal of and the interest or premium on loans made from the fund;
- (3) any interest earnings received on the moneys in the fund; and
- (4) such other moneys as the Legislature may appropriate to the trust for deposit into the fund at any time to finance or refinance emergency short-term or temporary loans pursuant to the Emergency Financing Program.

b. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary, the trust may make emergency short-term or temporary loans to (1) local government units to finance or refinance wastewater treatment system projects not included on the project priority list for the ensuing fiscal year or eligible for approval pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20); or (2) public water utilities or private persons to finance or refinance water supply projects not included on the project priority list for the ensuing fiscal year or eligible for approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable, whenever the Commissioner of Environmental Protection has determined and certified, in writing, that any such project constitutes an emergency project because of an imminent threat to the environment or the public health, safety or welfare caused by structural or mechanical failure, sabotage or act of God, without regard to any other provisions of P.L.1985, c.334 or P.L.1997, c.224, including, without limitation, the provisions of section 20 of P.L.1985, c.334 (C.58:11B-20), section 24 of P.L.1997, c.224 (C.58:11B-20.1), the Interim Financing Program Eligibility List pursuant to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9), or any administrative or legislative approvals.

5. This act shall take effect immediately.

Approved August 9, 2007.