SENATE, No. 3713

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED OCTOBER 7, 2024

Sponsored by:
Senator VINCENT J. POLISTINA
District 2 (Atlantic)
Senator SHIRLEY K. TURNER
District 15 (Hunterdon and Mercer)

Co-Sponsored by:
Senators Diegnan, Gopal, Wimberly, Johnson and McKnight

SYNOPSIS

Requires pay for extracurricular activities to be included in compensation for TPAF purposes.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 6/30/2025)

AN ACT concerning compensation for purposes of the Teachers' Pension and Annuity Fund and amending N.J.S.18A:66-2.

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

1. N.J.S.18A:66-2 is amended to read as follows:

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, <u>and, commencing on the effective date of P.L. , c. (pending before the Legislature as this bill), shall include additional remuneration for performing extracurricular duties beyond the regular school day or the regular school year,</u> 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. <u>Extracurricular duties shall include, but are not limited to, preparation for and involvement in public performances, contests, athletic competitions, demonstrations, displays, and club activities.</u>

(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 accordance with established salary policies of the member's employer for all employees in the same position<u>, and, commencing on the effective date of P.L. , c. (pending before the Legislature as this bill), shall include additional remuneration for performing extracurricular duties beyond the regular school day or the regular school year,</u> 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

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Matter underlined <u>thus</u> is new matter.

regular school day or the regular school year. Extracurricular duties shall include, but are not limited to, preparation for and involvement in public performances, contests, athletic competitions, demonstrations, displays, and club activities.

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.

For the period of July 1, 2009 through June 30, 2011, "contractual salary" for State employees shall include wage increases under a collective negotiations agreement notwithstanding that, by amendment to that collective negotiations agreement, the effective date of the contractual increase has been deferred. For the purpose of this paragraph, "State employee" means an employee in the Executive Branch of State government of New Jersey.

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. (1) "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.

(2) In the case of a person who becomes a member of the retirement system on or after the effective date of P.L.2010, c.1, "final compensation" means the average annual compensation for which contributions are made for the five 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 five 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, renaissance school project established pursuant to P.L.2011, c.176 (C.18A:36C-1 et seq.) upon commencement of employment, high school, normal school, model school, training school, vocational school, truant reformatory school, or parental school, and of any and all classes or schools within the State conducted under the order and superintendence, and wholly or partly at the expense of the State Board of Education, of a duly elected or appointed board of education, board of school directors, or board of trustees of the State or of any school district or normal school district thereof, and any persons under contract or engagement to perform one or more of these functions. It shall also mean any person who serves, while on an approved leave of absence from regular duties as a teacher, as an officer of a local, county or State labor organization which represents, or is affiliated with an organization which represents, teachers as defined in this subsection. No person shall be deemed a teacher within the meaning of this article who is a substitute teacher. In all cases of doubt the board of trustees shall determine whether any person is a teacher as defined in this article.

q. "Teachers' Pension and Annuity Fund," hereinafter referred to as the "retirement system" or "system," is the corporate name of the arrangement for the payment of retirement allowances and other benefits under the provisions of this article, including the several funds placed under said system. By that name all its business shall be transacted, its funds invested, warrants for money drawn, and payments made and all of its cash and securities and other property held.

r. "Veteran" means any honorably discharged officer, soldier, sailor, airman, marine or nurse who served in any Army, Air Force or Navy of the Allies of the United States in World War I between July 14, 1914, and November 11, 1918, or who served in any Army, Air Force or Navy of the Allies of the United States in World War II, between September 1, 1939, and September 2, 1945, and who was inducted into such service through voluntary enlistment, and was a citizen of the United States at the time of such enlistment, and who did not, during or by reason of such service, renounce or lose United States citizenship, and any officer, soldier, sailor, marine, airman, nurse or army field clerk who has served in the active military or naval service of the United States and has or shall be discharged or released therefrom under conditions other than dishonorable, in any of the following wars, uprisings, insurrections, expeditions or emergencies, and who has presented to the retirement system evidence of such record of service in form and content satisfactory to said retirement system:

(1) The Indian wars and uprisings during any of the periods recognized by the War Department of the United States as periods of active hostility;

(2) The Spanish-American War between April 20, 1898, and April 11, 1899;

(3) The Philippine insurrections and expeditions during the periods recognized by the War Department of the United States as of active hostility from February 4, 1899, to the end of 1913;

(4) The Peking relief expedition between June 20, 1900, and May 27, 1902;

(5) The army of Cuban occupation between July 18, 1898, and May 20, 1902;

(6) The army of Cuban pacification between October 6, 1906, and April 1, 1909;

(7) The Mexican punitive expedition between March 14, 1916, and February 7, 1917;

(8) The Mexican border patrol, having actually participated in engagements against Mexicans between April 12, 1911, and June 16, 1919;

(9) World War I, between April 6, 1917, and November 11, 1918;

(10) World War II, between September 16, 1940, and December 31, 1946, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program, which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran, whether or not that person has completed the 90-day service as herein provided;

(11) Korean conflict on or after June 23, 1950, and on or prior to January 31, 1955, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program, which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran, whether or not that person has completed the 90-day service as herein provided; and provided further that any member classed as a veteran pursuant to this subsection prior to August 1, 1966, shall continue to be classed as a veteran, whether or not that person completed the 90-day service between said dates as herein provided;

(12) Lebanon crisis, on or after July 1, 1958, who has served in Lebanon or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 1, 1958 or the date of termination of that conflict, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(13) Vietnam conflict, on or after December 31, 1960, and on or prior to May 7, 1975, who shall have served at least 90 days in such active service, exclusive of any period of assignment (1) for a course of education or training under the Army Specialized Training Program or the Navy College Training Program, which course was a continuation of a civilian course and was pursued to completion, or (2) as a cadet or midshipman at one of the service academies, any part of which 90 days was served between said dates; and exclusive of any service performed pursuant to the provisions of section 511(d) of Title 10, United States Code,

pursuant to an enlistment in the Army National Guard or as a reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve; provided that any person receiving an actual service-incurred injury or disability shall be classed as a veteran, whether or not that person has completed the 90-day service as herein provided;

(14) Lebanon peacekeeping mission, on or after September 26, 1982, who has served in Lebanon or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before December 1, 1987 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(15) Grenada peacekeeping mission, on or after October 23, 1983, who has served in Grenada or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before November 21, 1983 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(16) Panama peacekeeping mission, on or after December 20, 1989 or the date of inception of that mission, as proclaimed by the President of the United States or Congress, whichever date of inception is earliest, who has served in Panama or on board any ship actively engaged in patrolling the territorial waters of that nation for a period, continuous or in the aggregate, of at least 14 days commencing on or before January 31, 1990 or the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(17) Operation "Desert Shield/Desert Storm" mission in the Arabian peninsula and the Persian Gulf, on or after August 2, 1990 or the date of inception of that operation, as proclaimed by the President of the United States or Congress, whichever date of inception is earliest, who has served in the Arabian peninsula or on board any ship actively engaged in patrolling the Persian Gulf for a period, continuous or in the aggregate, of at least 14 days

commencing on or before the date of termination of that mission, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest, in such active service; provided, that any person receiving an actual service-incurred injury or disability shall be classed as a veteran whether or not that person has completed the 14 days' service as herein provided;

(18) Operation 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 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.

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 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.

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.

(cf: P.L.2018, c.129, s.1)

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

STATEMENT

This bill amends the definition of compensation for purposes of the Teachers' Pension and Annuity Fund (TPAF) to include additional pay for performing extracurricular duties beyond the regular school day or the regular school year. This additional pay is currently not included in the definition of compensation for pension purposes. Extracurricular duties include, but are not limited to, preparation for and involvement in public performances, contests, athletic competitions, demonstrations, displays, and club activities.

SENATE, No. 2292

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:
Senator NICHOLAS P. SCUTARI
District 22 (Somerset and Union)
Senator VIN GOPAL
District 11 (Monmouth)

SYNOPSIS

Requires low-speed electric bicycles and low-speed electric scooters to be registered with MVC and to be insured.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT concerning low-speed electric bicycles and low-speed electric scooters, 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 19 of P.L.1983, c.362 (C.17:28-1.3) is amended to read as follows:

19. a. Every liability insurance policy issued in this State on a motor vehicle, exclusive of an automobile as defined in section 2 of P.L.1972, c.70 (C.39:6A-2), but including a motorcycle and an autocycle, or on a motorized bicycle<u>, low-speed electric bicycle, or low-speed electric scooter</u>, insuring against loss resulting from liability imposed by law for bodily injury, death, and property damage sustained by any person arising out of the ownership, operation, maintenance, or use of a motor vehicle<u>, low-speed electric bicycle, low-speed electric scooter,</u> or motorized bicycle shall provide personal injury protection coverage benefits, in accordance with section 4 of P.L. 1972, c. 70 (C.39:6A-4), to pedestrians who sustain bodily injury in the State caused by the named insured's motor vehicle<u>, low-speed electric bicycle, low-speed electric scooter,</u> or motorized bicycle or by being struck by an object propelled by or from the motor vehicle<u>, low-speed electric bicycle, low-speed electric scooter,</u> or motorized bicycle.

b. For purposes of this section:

"Autocycle" means a three-wheeled motorcycle designed to be controlled with a steering wheel and pedals in which the operator and passenger may ride in a completely or partially enclosed seating area that is equipped with a roll cage or roll hoops, safety seat belts for each occupant, and anti-lock brakes.

<u>"Low-speed electric bicycle" means a two or three-wheeled vehicle with fully operable pedals and an electric motor of less than 750 watts, that meets the requirements of one of the following classifications: "class 1 low-speed electric bicycle" which means a low-speed electric bicycle equipped with a motor that provides assistance only when the rider is pedaling, and that ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour; or "class 2 low-speed electric bicycle" which means a low-speed electric bicycle equipped with a motor that may be used exclusively to propel the bicycle, and that is not capable of providing assistance when the bicycle reaches the speed of 20 miles per hour.</u>

<u>"Low-speed electric scooter" means a scooter with a floorboard that can be stood upon by the operator, with handlebars, and an</u>

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Matter underlined <u>thus</u> is new matter.

electric motor that is capable of propelling the device with or without human propulsion at a maximum speed of less than 19 miles per hour.

"Motorcycle" includes motorcycles, autocycles, motor bikes, bicycles with motor attached and all motor-operated vehicles of the bicycle or tricycle type, except motorized bicycles as defined in this section, whether the motive power be a part thereof or attached thereto and having a saddle or seat with the driver sitting astride or upon it or a platform on which the driver stands.

"Motorized bicycle" means a pedal bicycle having a helper motor characterized in that either the maximum piston displacement is less than 50 cc. or said motor is rated at no more than 1.5 brake horsepower or is powered by an electric drive motor and said bicycle is capable of a maximum speed of no more than 25 miles per hour on a flat surface.

(cf: P.L.2019, c.110, s.2.)

2. Section 14 of P.L.1972, c.70 (C.39:6A-14) is amended to read as follows:

14. Every owner or registrant of an automobile, low-speed electric bicycle, low-speed electric scooter, or autocycle registered or principally garaged in this State shall maintain uninsured motorist coverage as provided in P.L.1968, c.385 (C.17:28-1.1).

(cf: P.L.2016, c.35, s.6.)

3. Section 2 of P.L.2019, c.121 (C.39:4-14.16) is amended to read as follows:

2. a. A low-speed electric bicycle or low-speed electric scooter, as defined in R.S.39:1-1, may be operated on the streets, highways, roadways, and bicycle paths of this State, except as otherwise provided in this section, and may be parked on a sidewalk provided that the low-speed electric bicycle or low-speed electric scooter does not impede the normal movement of pedestrian or other traffic upon the sidewalk.

b. On and after January 1, 2019, manufacturers and distributors of low-speed electric bicycles shall apply a label that is permanently affixed, in a prominent location, to each low-speed electric bicycle. The label shall contain the classification number, top assisted speed, and motor wattage of the low-speed electric bicycle, and shall be printed in Arial font in at least 9-point type.

c. A person shall not tamper with or modify a low-speed electric bicycle so as to change the motor-powered speed capability or engagement of a low-speed electric bicycle, unless that person appropriately replaces the label indicating the classification required in subsection b. of this section.

d. A low-speed electric bicycle or low-speed electric scooter may be operated on bicycle paths, except that a local government entity or State agency may prohibit the operation of low-speed electric bicycles or low-speed electric scooters on bicycle paths under its jurisdiction.

e. Unless permitted by a local government entity or State agency with jurisdiction, a low-speed electric bicycle or low-speed electric scooter shall not be operated on a trail designated for non-motorized traffic if such trail has a natural surface tread made by clearing and grading the soil and no surfacing materials have been added.

f. The operator of a low-speed electric bicycle or low-speed electric scooter shall not be required to [register the low-speed electric bicycle or low-speed electric scooter, and furnish proof of insurance, or] have a driver's license.

g. Except as otherwise provided by this section, all statutes, including the provisions of chapter 4 of Title 39 of the Revised Statutes, rules, and regulations applicable to bicycles, as defined in section 1 of P.L.1991, c.465 (C.39:4-10.1), shall apply to low-speed electric bicycles and low-speed electric scooters, except those provisions which by their very nature may have no application to low-speed electric bicycles or low-speed electric scooters.

h. A low-speed electric bicycle or low-speed electric scooter shall be considered a motor vehicle to the extent required by 23 U.S.C. s.154.

i. (1) No person shall operate a low-speed electric bicycle or low-speed electric scooter unless the low-speed electric bicycle or low-speed electric scooter is registered by the owner thereof, as provided in this subsection.

(2) The New Jersey Motor Vehicle Commission is authorized to grant a registration certificate to the owner of a low-speed electric bicycle or low-speed electric scooter, provided that the application for registration has been properly submitted, the registration fee has been paid, and the low-speed electric bicycle or low-speed electric scooter is of a type approved by the Chief Administrator of the New Jersey Motor Vehicle Commission.

(3) The form and contents of the registration certificate shall be prescribed by the chief administrator. The chief administrator shall maintain a record of all registration certificates issued and their contents.

(4) The registration shall expire and the registration certificate shall become void on the last day of the 11th calendar month following the calendar month in which the certificate was issued, except that the chief administrator may suspend or revoke a registration for any violation of this section or any rules promulgated thereunder.

(5) Application forms for all renewals of registrations for low-speed electric bicycles and low-speed electric scooters shall be mailed by the commission to the last known address of the owner of the low-speed electric bicycle or low-speed electric scooter, as such address appears on the records of the commission.

(6) The fee for the initial registration of a low-speed electric bicycle or low-speed electric scooter, and each renewal of registration, shall be $8.

j. An owner or registered owner of a low-speed electric bicycle or low-speed electric scooter registered or principally garaged in this State shall maintain liability insurance coverage pursuant to section 1 of P.L.1972, c.197 (C.39:6B-1), personal injury protection coverage for pedestrians pursuant to section 19 of P.L. 1983, c.362 (C.17:28-1.3), and uninsured motorist coverage pursuant to section 14 of P.L.1972, c.70 (C.39:6A-14).

(cf: P.L.2019, c.121, s.2)

4. Section 1 of P.L.1972, c.197 (C.39:6B-1) is amended to read as follows:

1. a. Every owner or registered owner of a motor vehicle, low-speed electric bicycle, or low-speed electric scooter registered or principally garaged in this State shall maintain motor vehicle, low-speed electric bicycle, or low-speed electric scooter liability insurance coverage, under provisions approved by the Commissioner of Banking and Insurance, insuring against loss resulting from liability imposed by law for bodily injury, death and property damage sustained by any person arising out of the ownership, maintenance, operation or use of a motor vehicle, low-speed electric bicycle, or low-speed electric scooter wherein such coverage shall be at least in: (1) an amount or limit of $15,000 for plans issued or renewed prior to January 1, 2023, $25,000 for plans issued or renewed on or after January 1, 2023 but prior to January 1, 2026, and $35,000 for plans issued or renewed on or after January 1, 2026, exclusive of interest and costs, on account of injury to, or death of, one person, in any one accident; and (2) an amount or limit, subject to such limit for any one person so injured or killed, of $30,000 for plans issued or renewed prior to January 1, 2023, $50,000 for plans issued or renewed on or after January 1, 2023 but prior to January 1, 2026, and $70,000 for plans issued or renewed on or after January 1, 2026, exclusive of interest and costs, on account of injury to or death of, more than one person, in any one accident; and (3) an amount or limit of $25,000 for plans issued or renewed on or after January 1, 2023, exclusive of interest and costs, for damage to property in any one accident.

b. Notwithstanding the provisions of subsection a. of this section, an owner or registered owner of an automobile, as defined in section 2 of P.L.1972, c.70 (C.39:6A-2), registered or primarily garaged in the State may satisfy the requirements of subsection a. of this section by maintaining a basic automobile insurance policy containing coverages provided pursuant to subsections a. and b. of section 4 of P.L.1998, c.21 (C.39:6A-3.1).

c. Notwithstanding the provisions of subsection a. of this section, an owner or registered owner of an automobile, as defined in section 2 of P.L.1972, c.70 (C.39:6A-2), registered or primarily garaged in the State may satisfy the requirements of subsection a. of this section by maintaining a special automobile insurance policy containing coverages provided pursuant to subsection b. of section 45 of P.L.2003, c.89 (C.39:6A-3.3).

d. Upon the renewal of a policy of insurance that, under its original policy limits, would no longer meet the minimum requirements established pursuant to this section, an insurer shall notify the named insured that the policy limits have been increased to meet the requirements established pursuant to this section. Notice provided pursuant to this subsection shall specify the limit or limits that have been increased to meet the requirements established pursuant to this section. Notwithstanding the provisions of any law, rule, or regulation to the contrary, an insurer shall not be required to receive a signed coverage selection form pursuant to N.J.A.C.11:3-15.7, to increase a policy's limits pursuant to this section.

(cf: P.L.2022, c.87, s.2.)

5. This act shall take effect 180 days after the date of enactment.

STATEMENT

This bill requires low-speed electric bicycles and low-speed electric scooters to be registered with the New Jersey Motor Vehicle Commission (MVC) and to be insured.

The bill prohibits the operation of a low-speed electric bicycle or low-speed electric scooter unless the low-speed electric bicycle or low-speed electric scooter is registered by the owner thereof.

The bill authorizes the MVC to grant a registration certificate to the owner of a low-speed electric bicycle or low-speed electric scooter, provided that the application for registration has been properly submitted, the registration fee has been paid, and the low-speed electric bicycle or low-speed electric scooter is of a type approved by the MVC. The bill provides that the registration expires on the last day of the 11th calendar month following the calendar month in which the certificate was issued.

The bill requires the owner or registered owner of a low-speed electric bicycle or low-speed electric scooter registered or principally garaged in this State to maintain liability insurance coverage, personal injury protection coverage for pedestrians, and uninsured motorist coverage.

SENATE, No. 4702

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED OCTOBER 20, 2025

Sponsored by:
Senator ANDREW ZWICKER
District 16 (Hunterdon, Mercer, Middlesex and Somerset)

SYNOPSIS

Establishes autonomous vehicle pilot program.

CURRENT VERSION OF TEXT

As introduced.

AN ACT establishing an autonomous vehicle pilot program and supplementing Title 39 of the Revised Statutes.

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

1. As used in P.L. , c. (C.) (pending before the Legislature as this bill):

"Automated driving system" means a combination of hardware and software systems within a motor vehicle that are collectively capable of performing the entire dynamic driving task on a sustained basis, regardless of whether the dynamic driving task is limited to a specific operational design domain.

"Autonomous vehicle manufacturer" means: a person or entity that builds or sells fully autonomous vehicles; a person or entity that installs automated driving systems in motor vehicles that are not originally built as fully autonomous vehicles; or a person or entity that develops automated driving systems in fully autonomous vehicles or motor vehicles that are not originally built as fully autonomous vehicles.

"Autonomous vehicle tester" means an autonomous vehicle manufacturer, institution of higher education, fleet service provider, or automotive equipment or technology provider that tests the autonomous vehicle's operation and performance across urban, suburban, rural, and highway settings and under varied weather and traffic conditions.

"Chief administrator" means the Chief Administrator of the New Jersey Motor Vehicle Commission.

"Closed testbed" means a closed facility with infrastructure simulating real-world traffic control and road conditions for autonomous vehicle testing that is not connected to live transportation systems.

"Commission" means the New Jersey Motor Vehicle Commission.

"Department" means the Department of Transportation.

"Dynamic driving task" means all real-time operational and tactical functions required to operate a motor vehicle, including, at a minimum, monitoring of the environment, steering, acceleration, braking, and obstacle avoidance.

"Fleet service provider" means a person or entity that owns or leases a fully autonomous vehicle and operates the fully autonomous vehicle for commercial or public use.

"Fully autonomous vehicle" means a motor vehicle that is equipped with an automated driving system and designed to function without a human driver and has a level of automation that is classified as a level four automation or level five automation as defined in SAE J3016.

"Open-road testbed" means a testbed instrumented with sensing, computing, and connected motor vehicle technologies that is capable of communicating with, and monitoring the operations of, fully autonomous vehicles and their interaction with other motor vehicles and road users.

"Operational design domain" means any operating conditions under which a given automated driving system is specifically designed to function, including, but not limited to, environmental, geographical, and time-of-day restrictions, and the requisite presence or absence of certain traffic or roadway characteristics.

"Operator" means the person seated in the driver's seat of a fully autonomous vehicle.

"Pilot program" means the fully autonomous vehicle pilot program established pursuant to section 2 of P.L. , c. (C.) (pending before the Legislature as this bill).

"Platooning" means a coordinated group of fully autonomous vehicles controlled by a lead vehicle.

2. a. The New Jersey Motor Vehicle Commission, in consultation with the Department of Transportation, shall establish a five-year pilot program to allow autonomous vehicle testers to operate fully autonomous vehicles in this State, including in closed testbeds and open-road testbeds. A fully autonomous vehicle shall not be tested or operated in the State unless the autonomous vehicle tester has been authorized by the commission to participate in the pilot program and complies with the provisions of P.L. , c. (C.) (pending before the Legislature as this bill).

b. The commission shall require an autonomous vehicle tester to submit an application to the commission for approval to participate in the pilot program, in a form and manner determined by the commission.

c. The pilot program shall be overseen by a task force made up of five members composed of public safety officials, transportation experts, and autonomous vehicle industry representatives, including autonomous vehicle developers and automobile insurance industry representatives, and consumer advocates appointed by the commission, in consultation with the department. The task force shall:

(1) provide quarterly reports to the commission and to the department regarding the status of the pilot program;

(2) solicit public feedback concerning the pilot program;

(3) assist the commission and department in establishing responses and protocols related to fully autonomous vehicle collisions, cyberattacks against autonomous vehicle manufacturers and fully autonomous vehicles, major operational disruptions concerning fully autonomous vehicles, and liability in event of fully autonomous vehicle collisions; and

(4) coordinate with the New Jersey Division of State Police and the Office of the Attorney General to develop guidelines to govern pedestrian and driver security and safety.

d. An autonomous vehicle tester shall not operate a fully autonomous vehicle in the State unless:

(1) the operator is:

(a) seated in the driver's seat of the fully autonomous vehicle;

(b) monitoring the operation of the fully autonomous vehicle;

(c) capable of taking immediate manual control of the fully autonomous vehicle;

(d) an employee, independent contractor, or other person designated and trained by the autonomous vehicle tester concerning the capabilities and limitations of the fully autonomous vehicle;

(e) not under the influence of drugs or alcohol; and

(f) a holder of a valid basic driver's license or other appropriate license, as determined by the commission;

(2) the autonomous vehicle tester registers each fully autonomous vehicle to be operated with the commission; and submits to the commission, in a manner and form determined by the commission, proof of liability insurance, self-insurance, or a surety bond of at least $5,000,000 for damages by reason of bodily injury, death, or property damage caused by the fully autonomous vehicle; and

(3) the operator and the autonomous vehicle tester:

(a) comply with any provision of Title 39 of the Revised Statutes or any other law of this State concerning the operation of a motor vehicle;

(b) comply with the standards established by the National Highway Traffic Safety Administration regarding fully autonomous vehicles; and

(c) satisfy any other requirement as determined by the chief administrator, in consultation with the Commissioner of Transportation, as necessary to ensure the safe operation of fully autonomous vehicles in the State.

e. The chief administrator may immediately prohibit an operator or autonomous vehicle tester from operating a fully autonomous vehicle if the chief administrator determines that the operation of a fully autonomous vehicle by the operator or autonomous vehicle tester poses a risk to public safety or that the operator or autonomous vehicle tester fails to comply with the provisions of P.L. , c. (C.) (pending before the Legislature as this bill) or with the requirements of the pilot program.

f. An autonomous vehicle tester that participates in the pilot program shall provide information to the chief administrator that the chief administrator deems to be appropriate for measuring the performance of the pilot program. The autonomous vehicle tester may withhold any commercially valuable, confidential, or proprietary information.

3. Any fully autonomous vehicle being operated as part of the pilot program shall:

a. be equipped with a redundant safety system to ensure a controlled stop in case of system failure and be equipped with technology that ensures appropriate motor vehicle control;

b. allow the operator or emergency responders to override autonomous functions through manual controls of an emergency stop mechanism and allow operators to take control at any time through various methods, including but not limited to, use of the brake, the accelerator pedal, or steering wheel;

c. alert operators when fully autonomous vehicle technology has been disengaged and the operator is required to take over control of the motor vehicle;

d. retain data recordings beginning 30 seconds before a collision and be capable of capturing operational data such as speed, steering, braking, sensor inputs, and system failures;

e. be equipped with crash-avoidance systems, including pedestrian detection, automatic emergency braking, and lane keep assist systems;

f. comply with posted speed limits and emit artificial noise for pedestrian safety;

g. meet industry cybersecurity standards to prevent unauthorized access or hacking and ensure that all data is encrypted for privacy protection; and

h. bear a marker that is visible to other drivers and pedestrians to indicate the motor vehicle is a fully autonomous vehicle.

4. All fully autonomous vehicle collisions shall be reported, along with any relevant data, to the department within 48 hours.

5. a. The department shall establish new fully autonomous vehicle testing environments, including closed testbeds and open-road testbeds, and shall also make use of any existing autonomous vehicle testing environments.

b. The department shall identify funding sources to invest in and shall coordinate with counties and municipalities to deploy smart infrastructure for fully autonomous vehicles including sensor equipped roads, communication systems, and real-time traffic management technology.

6. a. Fully autonomous vehicles operating as taxis shall only be permitted to operate on designated highways, shall be marked as fully autonomous, shall be continuously monitored through data reporting, and shall have communication systems for emergency overrides by authorities.

b. Fully autonomous vehicles operating as commercial trucks shall operate on designated highways under specific speed and weight restrictions set by the department and shall require appropriate licensing for operators ensuring operators are capable of manually controlling the vehicle, if needed.

c. Platooning is authorized for fully autonomous vehicles operating as commercial trucks on highways with a lead vehicle controlled by an operator. Trucks that employ synchronized braking and acceleration that follow the lead vehicle may operate at a level five automation and without a human driver.

7. No later than six months after completion of the three-year pilot program, the commission shall submit to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature a report that evaluates the pilot program and includes recommendations for the safe integration of fully autonomous vehicles on the highways of this State.

8. The commission shall adopt, in consultation with the department, and 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 P.L. , c. (C.) (pending before the Legislature as this bill).

9. This act shall take effect immediately and shall expire upon the submission of the report required to be submitted pursuant to section 7 of P.L. , c. (C.) (pending before the Legislature as this bill).

STATEMENT

This bill requires the New Jersey Motor Vehicle Commission (commission), in consultation with the Department of Transportation (department), to establish a three-year pilot program to allow autonomous vehicle testers (testers) to operate fully autonomous vehicles (AVs) in the State.

The pilot program is to be overseen by a task force made up of five members composed of public safety officials, transportation experts, and AV industry representatives, and consumer advocates appointed by the commission, in consultation with the department. The task force is required to: (1) provide quarterly reports to the commission and to the department regarding the status of the pilot program; (2) solicit public feedback concerning the pilot program; (3) assist the commission and department in establishing responses and protocols related to AV collisions, cyberattacks against AV manufacturers and AVs, major operational disruptions concerning AVs, and liability in event of AV collisions; and (4) coordinate with the New Jersey Division of State Police and the Office of the Attorney General to develop guidelines to govern pedestrian and driver security and safety.

Testers are not permitted to operate AVs in the State unless certain conditions are met. Specifically, the operator is required to: be seated in the AV's driver's seat; monitor the AV's operation; be capable of taking immediate manual control of the AV; be an employee, independent contractor, or other person designated and trained by the AV tester concerning the capabilities and limitations of the AV; not be under the influence of drugs or alcohol; and possess a valid basic driver's license or other appropriate license. The tester is required to register the AV and submit proof of liability insurance, self-insurance, or a surety bond of at least $5 million to the commission.

The Chief Administrator of the commission (chief administrator) is permitted to immediately prohibit an operator or tester from operating an AV if the chief administrator determines that such operation poses a risk to public safety or that the operator or AV tester fails to comply with the provisions of the bill.

A tester participating in the pilot program is required to provide the chief administrator with certain information appropriate for measuring the performance of the pilot program, but is permitted to withhold commercially valuable, confidential, or proprietary information.

Any AV being operated under the pilot program is required to: (1) be equipped with a redundant safety system and technology that ensures appropriate motor vehicle control; (2) allow the operator or emergency responders to override autonomous functions and allow operators to take control of the AV; (3) alert operators when AV technology has been disengaged and the operator is required to take control of the vehicle; (4) retain data recordings beginning 30 seconds before a collision and be capable of capturing operational data; (5) be equipped with certain crash-avoidance systems; (6) comply with posted speed limits and emit artificial noise for pedestrian safety; (7) meet industry cybersecurity standards and ensure that all data is encrypted; and (8) bear a visible marker that indicates the vehicle is an AV.

Under the bill, all AV collisions are to be reported to the department within 48 hours. Additionally, the bill requires the department to establish new AV testing environments, including closed testbeds and open-road testbeds, and to utilize existing AV testing environments. The department is required to identify funding sources to invest in and to coordinate with counties and municipalities to deploy smart infrastructure for AVs, including sensor equipped roads, communication systems, and real time traffic management technology.

AVs operating as taxis are to: operate on designated highways; be marked as fully autonomous; be continuously monitored through data reporting; and have communication systems for emergency overrides by authorities. AVs operating as commercial trucks are to operate on designated highways under specific speed and weight restrictions set by the department and operators are required to have appropriate licensing to handle manual controls if needed. Finally, platooning is authorized for AVs operating as commercial trucks on highways with a lead vehicle controlled by an operator. Trucks that employ synchronized braking and acceleration and that follow the lead vehicle may operate as a fully autonomous vehicle without a human driver.

The commission is required, no later than six months after completion of the three-year pilot program, to submit to the Governor and to the Legislature a report that evaluates the pilot program and includes recommendations for the safe integration of AVs on State highways.

SENATE, No. 4713

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED OCTOBER 20, 2025

Sponsored by:
Senator VIN GOPAL
District 11 (Monmouth)
Senator LINDA R. GREENSTEIN
District 14 (Mercer and Middlesex)

Co-Sponsored by:
Senator Turner

SYNOPSIS

Establishes various requirements for charter schools, charter school board of trustees members, and charter management organizations.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 10/27/2025)

AN ACT concerning charter schools, amending various parts of the statutory law, and supplementing P.L.1995, c.426 (C.18A:36A-1 et seq.) and chapter 12 of Title 18A of the New Jersey Statutes.

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

1. (New section) As used in P.L. , c. (C.) (pending before the Legislature as this bill):

"Charter management 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), which operates or manages one or more charter schools linked by centralized support and operations.

"Compensation study" means a review by a board of trustees of a charter school, or a third-party organization contracted by the board of trustees to conduct the review, of the proposed total remuneration for the top three salaried employees of the charter school compared to compensation for similar positions in school districts in the State and any other information the Commissioner of Education deems necessary.

2. Section 4 of P.L.1995, c.426 (C.18A:36A-4) is amended to read as follows:

4. a. A charter school may be established by teaching staff members, parents with children attending the schools of the district, or a combination of teaching staff members and parents. A charter school may also be established by an institution of higher education or a private entity located within the State in conjunction with teaching staff members and parents of children attending the schools of the district. If the charter school is established by a private entity, representatives of the private entity shall not constitute a majority of the trustees of the school, and the charter shall specify the extent to which the private entity shall be involved in the operation of the school. The name of the charter school shall not include the name or identification of the private entity, and the private entity shall not realize a net profit from its operation of a charter school.

b. A currently existing public school is eligible to become a charter school if the following criteria are met:

(1) At least **[**51%**]** <u>51 percent</u> of the teaching staff in the school shall have signed a petition in support of the school becoming a charter school; and

(2) At least **[**51%**]** <u>51 percent</u> of the parents or guardians of pupils attending that public school shall have signed a petition in support of the school becoming a charter school.

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined <u>thus</u> is new matter.

c. An application to establish a charter school shall be submitted to the commissioner and the local board of education or State district superintendent, in the case of a school district under full State intervention, in the school year preceding the school year in which the charter school will be established. Notice of the filing of the application shall be sent immediately by the commissioner to: the members of the State Legislature[,]; school superintendents[,]; and mayors and governing bodies of all legislative districts, school districts, or municipalities in which there are students who will be eligible for enrollment in the charter school. The commissioner shall post the notice of the filing, along with instructions and a link for the public to submit comments concerning the application, on the department's Internet website where the notice shall remain until the commissioner makes a final decision on the application. Any other agency or governing body that receives notice of the filing pursuant to this subsection may post the notice on the agency's or governing body's Internet website.

The commissioner shall cause notice of the filing to be published in the county or counties where the charter school is to be located on three occasions. The notices shall be published in accordance with R.S.35:1-2.2 or any other requirements for issuing or publishing a public notice.

Each notice provided to the public, a school district, and a municipality pursuant to this section shall include instructions for the public to submit comments on the application to the commissioner within 30 days of the date of the first notice.

The board of education or State district superintendent shall review the application and forward a recommendation to the commissioner within 60 days of receipt of the application. The commissioner shall have final authority to grant or reject a charter application.

d. The local board of education or a charter school applicant may appeal the decision of the commissioner to the Appellate Division of the Superior Court.

e. A charter school established during the 48 months following the effective date of [this act] P.L.1995, c.426 (C.18A:36A-1 et seq.), other than a currently existing public school which becomes a charter school pursuant to the provisions of subsection b. of [section 4 of this act] this section, shall not have an enrollment in excess of 500 students or greater than [25%] 25 percent of the student body of the school district in which the charter school is established, whichever is less.

Any two charter schools within the same public school district [that are not operating the same grade levels] or within contiguous public school districts that demonstrate a need to consolidate may petition the commissioner to amend their charters and consolidate into one school[. The commissioner may approve an amendment to consolidate, provided that the basis for consolidation is to accommodate the transfer of students who would otherwise be subject to the random selection process pursuant to section 8 of P.L.1995, c.426 (C.18A:36A-8)] pursuant to a process that shall be determined by the commissioner.

(cf: P.L.2011, c.140, s.2)

3. Section 5 of P.L.1995, c.426 (C.18A:36A-5) is amended to read as follows:

5. The commissioner shall develop an application for the establishment of a charter school. The application [for a charter school] shall include the following information:

a. The identification of the charter applicant;

b. The name of the proposed charter school;

c. The proposed governance structure of the charter school including a list of the proposed members of the board of trustees of the charter school or a description of the qualifications and method for the appointment or election of members of the board of trustees;

d. The educational goals of the charter school, the curriculum to be offered, and the methods of assessing whether students are meeting educational goals. Charter school students shall be required to meet the same testing and academic performance standards as established by law and regulation for public school students. Charter school students shall also meet any additional assessment indicators which are included within the charter approved by the commissioner;

e. The admission policy and criteria for evaluating the admission of students which shall comply with the requirements of section 8 of [this act] P.L.1995, c.426 (C.18A:36A-8);

f. The age or grade range of students to be enrolled;

g. The school calendar and school day schedule;

h. A description of the charter school staff responsibilities and the proposed qualifications of teaching staff;

i. A description of the procedures to be implemented to ensure significant parental involvement in the operation of the school;

j. A description of, and address for, the physical facility in this State in which the charter school will be located;

k. Information on the manner in which community groups will be involved in the charter school planning process;

l. The financial plan for the charter school, including the anticipated administrative costs of the charter school, and the provisions which will be made for auditing the school pursuant to the provisions of N.J.S.18A:23-1. As used in this subsection, "administrative costs" means administrative costs as defined by State Board of Education regulations adopted under chapter 23A of Title 6A of the New Jersey Administrative Code;

m. A description of and justification for any waivers of regulations which the charter school will request; [and]

n. [Such] Any other information as the commissioner may require; and

o. A demonstration of need and an explanation of how the need is not currently being met by existing public schools. Unaudited waitlist data shall not qualify as a demonstration of need.

(cf: P.L.1995, c.426, s.5)

4. Section 10 of P.L.1995, c.426 (C.18A:36A-10) is amended to read as follows:

10. a. A charter school [may] shall be physically located, and provide all instruction, in part of an existing public school building, in space provided on a public work site, in a public building, or any other suitable location in the school district in the State in which the charter school has been authorized to operate. In the case of a nonpublic school that converts to a charter school pursuant to the provisions of section 1 of P.L.2011, c.140 (C.18A:36A-4.1), the charter school may be located in the same school building in which the nonpublic school was located in the State. The facility shall be exempt from public school facility regulations except those pertaining to the health or safety of the pupils. A charter school shall not construct a facility with public funds other than federal funds.

b. The Commissioner of Education shall deny a charter school application that proposes to operate a charter school, or provide instruction, in a physical location outside of the State.

c. The commissioner shall deny a charter school application submitted after the effective date of P.L.   , c.   (C.   ) (pending before the Legislature as this bill) that proposes to operate or provide instruction primarily online.

d. This section shall not be construed to limit the ability or discretion of a teaching staff member to utilize technological tools as an aide to in-person instruction. Technological tools shall include, but not be limited to: online learning applications; educational software; third party websites; Internet-based educational resources; online data and assessment platforms; and any other software program or application used to assist with curricular or education specific needs.

e. This section shall not be construed to limit the ability of a charter school to utilize virtual or remote instruction as permitted pursuant to Title 18A of the New Jersey Statutes or State Board of Education regulations.

f. The Department of Education, in consultation with school districts throughout the State, shall maintain and publish on its Internet website a searchable list of all public school facilities that have been closed, are unused, unoccupied, or advertised for sale or for lease.

(cf: P.L.2011, c.140, s.3)

5. Section 14 of P.L.1995, c.426 (C.18A:36A-14) is amended to read as follows:

14. a. The board of trustees of a charter school shall have the authority to decide matters related to the operations of the school including budgeting, curriculum, and operating procedures, subject to the school's charter. The board shall not contract with a for-profit entity to operate or manage the charter school. The board may contract with a charter management organization for these services.

The board shall provide for appropriate insurance against any loss or damage to its property or any liability resulting from the use of its property or from the acts or omissions of its officers and employees.

b. In the case of a currently existing public school which becomes a charter school pursuant to the provisions of subsection b. of section 4 of [this act] P.L.1995, c.426 (C.18A:36A-4), all school employees of the charter school shall be deemed to be members of the bargaining unit defined in the applicable agreement and shall be represented by the same majority representative organization as the employees covered by that agreement. In the case of other charter schools, the board of trustees of a charter school shall have the authority to employ, discharge, and contract with necessary teachers and nonlicensed employees subject to the school's charter. The board of trustees may choose whether or not to offer the terms of any collective bargaining agreement already established by the school district for its employees, but the board shall adopt any health and safety provisions of the agreement. The charter school and its employees shall be subject to the provisions of the "New Jersey Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1 et seq.) and the "Conscientious Employee Protection Act," P.L.1986, c.105 (C.34:19-1 et seq.). A charter school shall not set a teacher salary lower than the minimum teacher salary specified pursuant to section 7 of P.L.1985, c.321 (C.18A:29-5.6) nor higher than the highest step in the salary guide in the collective bargaining agreement which is in effect in the district in which the charter school is located.

c. All classroom teachers and professional support staff shall hold appropriate New Jersey certification. The commissioner shall make appropriate adjustments in the alternate route program in order to expedite the certification of persons who are qualified by education and experience.

d. A public school employee, tenured or non-tenured, may request a leave of absence of up to three years from the local board of education or State district superintendent in order to work in a charter school. Approval for a leave of absence shall not be unreasonably withheld. Employees on a leave of absence as provided herein shall remain in, and continue to make contributions to, their retirement plan during the time of the leave and shall be enrolled in the health benefits plan of the district in which the charter school is located. The charter school shall make any required employer's contribution to the district's health benefits plan.

e. Public school employees on a leave shall not accrue tenure in the public school system but shall retain tenure, if so applicable, and shall continue to accrue seniority, if so applicable, in the public school system if they return to their non-charter school when the leave ends. An employee of a charter school shall not accrue tenure pursuant to N.J.S.18A:17-2, N.J.S.18A:17-3, or N.J.S.18A:28-5, but shall acquire streamline tenure pursuant to guidelines promulgated by the commissioner, and the charter shall specify the security and protection to be afforded to the employee in accordance with the guidelines.

f. Any public school employee who leaves or is dismissed from employment at a charter school within three years shall have the right to return to the employee's former position in the public school district which granted the leave of absence, provided the employee is otherwise eligible for employment in the public school.

(cf: P.L.1995, c.426, s.14)

6. Section 16 of P.L.1995, c.426 (C.18A:36A-16) is amended to read as follows:

16. a. The commissioner shall annually assess whether each charter school is meeting the goals of its charter[, and] . The commissioner shall also conduct a comprehensive review prior to granting a renewal of the school's charter. Notice of a charter school's renewal application shall be provided in accordance with the provisions of subsection c. of section 4 of P.L.1995, c.426 (C.18A:36A-4).

The executive county superintendent of schools of the county in which the charter school is located shall have on-going access to the records and facilities of the charter school to ensure that the charter school is in compliance with its charter and that State board regulations concerning assessment, testing, civil rights, and student health and safety are being met.

b. In order to facilitate the commissioner's review, each charter school shall submit an annual report to the local board of education, the executive county superintendent of schools, and the commissioner in the form prescribed by the commissioner. The report shall be received annually by the local board, the executive county superintendent, and the commissioner no later than August 1.

The report shall also be made available on the charter school's Internet website and to the parent or guardian of a student enrolled in the charter school, and shall be presented to the public at a regularly scheduled board of trustees meeting.

c. By April 1, 2001, the commissioner shall hold public hearings in the north, central, and southern regions of the State to receive input from members of the educational community and the public on the charter school program.

d. The commissioner shall commission an independent study of the charter school program. The study shall be conducted by an individual or entity identified with expertise in the field of education and the selection shall be approved by the Joint Committee on the Public Schools. The individual or entity shall design a comprehensive study of the charter school program.

e. The commissioner shall submit to the Governor, the Legislature, and the State Board of Education by October 1, 2001 an evaluation of the charter school program based upon the public input required pursuant to subsection c. of this section and the independent study required pursuant to subsection d. of this section. The evaluation shall include, but not be limited to, consideration of the following elements:

(1) the impact of the charter school program on resident districts' students, staff, parents, educational programs, and finances;

(2) the impact of the charter school program and the increased number of schools on the economics of educational services on a Statewide basis;

(3) the fairness and the impact of the reduction of available resources on the ability of resident districts to promote competitive educational offerings;

(4) the impact of the shift of pupils from nonpublic schools to charter schools;

(5) the comparative demographics of student enrollments in school districts of residence and the charter schools located within those districts. The comparison shall include, but not be limited to, race, gender, socioeconomic status, enrollment of special education students, enrollment of students of limited English proficiency, and student progress toward meeting the core curriculum content standards as measured by student results on Statewide assessment tests;

(6) the degree of involvement of private entities in the operation and financial support of charter schools, and their participation as members of charter school boards of trustees;

(7) verification of the compliance of charter schools with applicable laws and regulations;

(8) student progress toward meeting the goals of the charter schools;

(9) parent, community and student satisfaction with charter schools;

(10) the extent to which waiting lists exist for admission to charter schools and the length of those lists;

(11) the extent of any attrition among student and faculty members in charter schools; and

(12) the results of the independent study required pursuant to subsection d. of this section.

The evaluation shall include a recommendation on the advisability of the continuation, modification, expansion, or termination of the program. If the evaluation does not recommend termination, then it shall include recommendations for changes in the structure of the program which the commissioner deems advisable. The commissioner may not implement any recommended expansion, modification, or termination of the program until the Legislature acts on that recommendation.

f. Every five years the commissioner shall publicly report on the state of charter schools in New Jersey based on measures contained in the Performance Framework developed by the State Board of Education pursuant to regulations adopted under chapter 11 of Title 6A of the New Jersey Administrative Code to evaluate the academic, financial, and organizational performance of charter schools.

(cf: P.L.2000, c.142, s.3)

7. Section 17 of P.L.1995, c.426 (C.18A:36A-17) is amended to read as follows:

17. a. A charter granted by the commissioner pursuant to the provisions of ⟦this act⟧ P.L.1995, c.426 (C.18A:36A-1 et seq.) shall be granted for a four-year period and may be renewed for a five-year period. The commissioner may review the charter of a school that has been granted a renewal at any time during the renewal period. The commissioner shall provide the charter school with reasonable notice of the commissioner's intent to review the school's charter.

b. The commissioner may place a charter school on probationary status to allow the implementation of a remedial plan if, on two occasions, the school:

(1) has not fulfilled any condition imposed by the commissioner in connection with granting the charter;

(2) violates any provision of its charter;

(3) violates any of the financial operations requirements established for the charter schools by the State board;

(4) fails to make reasonable and appropriate efforts to serve a cross section of the community's school age population;

(5) engages in a practice and pattern of discrimination in violation of federal or State law; or

(6) violates any federal or State law.

Upon notification by the commissioner that the charter school has been placed on probationary status, the board of trustees shall provide to the commissioner, in writing, a complete list of the names and addresses of all students and staff currently enrolled and working in the school so the commissioner may send the appropriate notice to the parents or guardians and staff pursuant to the provisions of section 4 of P.L.2000, c.142 (C.18A:36A-17.1).

c. The commissioner [may] shall revoke a school's charter if the school [has not fulfilled any condition imposed by the commissioner in connection with the granting of the charter or if the school has violated any provision of its charter. The commissioner may place the charter school on probationary status to allow the implementation of a remedial plan after which, if the plan is unsuccessful, the charter may be summarily revoked] is determined by the commissioner, after notice and opportunity for a hearing in accordance with N.J.S.18A:6-9 and the procedures set forth in State Board of Education regulations, to have committed or engaged in any of the criteria listed in paragraphs (1) through (6) of subsection b. of this section while on probationary status.

d. The commissioner shall develop procedures and guidelines for the revocation and renewal of a school's charter.

(cf: P.L.1995, c.426, s.17)

8. (New section) a. Prior to approving a charter school application and granting a charter, the Commissioner of Education shall review:

(1) the application material submitted by the proposed charter school pursuant to section 5 of P.L.1995, c.426 (C.18A:36A-5);

(2) the proposed charter school's anticipated financial impact on the school district in which the charter school is to be located, including the impact to the bond ratings of the school district; and

(3) any other information the commissioner deems necessary.

b. The commissioner shall give equal consideration to the information reviewed pursuant to the provisions of subsection a. of this section when determining whether to grant or deny an application for a charter school established after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill).

9. (New section) The Commissioner of Education shall consider the most recent compensation study submitted by the charter school and the charter school's administrative costs over the past three years when reviewing an application to renew a charter school and as part of the annual review conducted by the commissioner pursuant to section 16 of P.L.1995, c.426 (C.18A:36A-16).

10. (New section) a. The Department of Education shall maintain, in a manner that is consistent with applicable federal law, a webpage on its Internet website for charter school transparency. The purpose of the webpage shall be to provide increased public

access to the operations and activities of charter schools in the State.

b. The following information shall be posted on the webpage:

(1) a current list of each charter management organization that operates or manages a charter school;

(2) each executed contract between a charter school and charter management organization;

(3) each charter school's plain language budget summary submitted pursuant to section 12 of P.L. , c. (C.) (pending before the Legislature as this bill);

(4) each Form 990 received by the department pursuant to section 21 of P.L. , c. (C.) (pending before the Legislature as this bill);

(5) each annual report submitted by a charter school pursuant to section 16 of P.L.1995, c.426 (C.18A:36A-16);

(6) each renewal application submitted by a charter school;

(7) a list of charter schools on probationary status and any remedial plan put in place to assist a charter school on probationary status;

(8) each application by a charter school to establish a charter school, amend a school's charter, renew a school's charter, and consolidate two or more charter schools; and

(9) each public notice concerning charter school applications issued pursuant to the provisions of P.L. , c. (C.) (pending before the Legislature as this bill), along with instructions and a link for the public to submit comments concerning the application to the commissioner.

c. The webpage shall be updated on a regular basis.

11. (New section) a. A charter school shall maintain an Internet website. The purpose of the website shall be to provide increased public access to the operations and activities of the charter school.

b. The following information shall be posted on the homepage of the charter school's website:

(1) the budget adopted by the charter school for the school year pursuant to section 12 of P.L. , c. (C.) (pending before the Legislature as this bill);

(2) all meeting notices required pursuant to the provisions of the "Senator Byron M. Baer Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.) in accordance with section 16 of P.L. , c. (C.) (pending before the Legislature as this bill);

(3) each annual report submitted by a charter school pursuant to section 16 of P.L.1995, c.426 (C.18A:36A-16);

(4) a list of the members of the board of trustees;

(5) a list, and location, of the facilities operated by the charter school; and

(6) any other information required by State or federal law.

c. The website shall be updated on a regular basis.

12. (New section) a. The budget adopted by a charter school for the school year shall be provided for public inspection on the homepage of the charter school's Internet website 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 form for the use of charter schools for this purpose. The commissioner shall also promulgate a procedure and timeline for the submission by each charter school of the required budget summary form to the Department of Education.

b. The plain language budget summary shall provide the public with information in summary form about the budget of the charter school and shall include, in addition to an abbreviated version of the formal budget adopted by the charter school, any statistical information as the commissioner determines to be useful for the public's understanding of the charter school's fiscal matters and condition, and shall also include, but not be limited to, the following information for both the budget year and prebudget year:

(1) all line items of appropriation aggregated by item type;

(2) revenues by major category, including private donation;

(3) the amount of available surplus;

(4) a description of unusual revenues or appropriations, with a description of the circumstances of the revenues or appropriations;

(5) a list of shared service agreements in which the charter school is participating;

(6) the salary of the lead person and the school business administrator employed by the charter school; and

(7) if either the lead person or school business administrator is a contracted service provider, each executed contract between the lead person or school business administrator and charter school.

c. The plain language budget summary shall be submitted to the department in a 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 website shall be presented as data that can be downloaded by the public for comparative purposes using commonly-used software.

d. Upon the preparation of its budget, each board of trustees shall fix a date, place, and time for the holding of a public hearing upon the budget and the amounts of money necessary for the use of the charter school for the ensuing school year and the various items and purposes for which the funds will be used. The hearing shall be held at a time and place accessible to the public. The board of trustees shall cause notice of the public hearing and the statement annexed to the budget to be:

(1) published in the county or counties where the charter school is to be located on three occasions; and

(2) sent to the board of education of each school district of residence of the students enrolled in the charter school not less than four days prior to the date fixed for the public hearing.

13. (New section) An individual appointed to a board of trustees of a charter school following the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), other than a student representative appointed pursuant to section 2 of P.L.2021, c.446 (C.18A:36A-11.2), shall possess legal, fiscal, educational, community, or board leadership or governance experience.

14. (New section) A member of the board of trustees of a charter school shall maintain the member's principal residence in the charter school's district of residence. A person who holds membership on a board of trustees of a charter school on the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), but does not maintain principal residence in the charter school's district of residence on that effective date, shall not be subject to the residency requirements of this section while the person continues to hold membership on the board without a break in service of greater than seven days.

15. (New section) a. Appointment as a member of a board of trustees of a charter school following the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall be subject to the approval of the Commissioner of Education.

b. A member of a charter school board of trustees appointed following the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) may serve in an acting capacity while awaiting approval pursuant to subsection a. of this section.

16. (New section) a. As required by the provisions of the "Senator Byron M. Baer Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.), the board of trustees of a charter school shall post a copy of all meeting notices, including a calendar of all meeting dates, and the minutes of each meeting on the charter school's website.

b. The board shall hold all meetings in a physical building in the school district in which the charter school is located except that a meeting may be held by means of communications or other electronic equipment during a period declared pursuant to the laws of this State as a state of emergency, public health emergency, or state of local disaster emergency.

17. (New section) a. As used in this section:

"Non-disclosure agreement" means an agreement between the board of trustees of a charter school and an employee of the charter school arising out of an existing or anticipated employment relationship, or an agreement between the board and an employee with respect to severance pay, under which the employee or expected employee agrees not to disclose information that may be exchanged or acquired during the course of employment at the charter school. A non-disclosure agreement may include a confidentiality clause or any other language limiting the ability of an employee to discuss their employment with the charter school.

"Restrictive covenant" means an agreement between the board of trustees of a charter school and an employee of the charter school arising out of an existing or anticipated employment relationship, or an agreement between the board and an employee with respect to severance pay, under which the employee or expected employee agrees not to engage in certain specified activities competitive with the charter school after the employment relationship has ended.

b. The board of trustees of a charter school, or any employee acting on behalf of the board, shall not require or request that an employee enter into a non-disclosure agreement or restrictive covenant as a condition of employment or with respect to severance pay as provided in an employment contract.

c. Nothing in this section shall be construed to prohibit a board of trustees from entering into a non-disparagement agreement with an employee.

18. (New section) a. A board of trustees of a charter school shall submit a compensation study to the commissioner:

(1) in any school year during which a charter school enters into, renews, or substantially modifies a contract with the lead person of the charter school, as part of the charter school's annual report required pursuant to subsection b. of section 16 of P.L.1995, c.426 (C.18A:36A-16); and

(2) at any other time the commissioner deems necessary.

b. A board of trustees of a charter school may utilize a compensation study completed in any of the immediately preceding three school years to comply with the provisions of this section.

19. (New section) A board of trustees of a charter school shall not renegotiate, extend, amend, or otherwise alter the terms of a contract with a lead person 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.

20. (New section) A board of trustees of a charter school shall not renegotiate, extend, amend, or otherwise alter the terms of a contract with a charter management organization 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.

21. (New section) a. A charter management organization that receives payment for operating or managing a charter school, the source of which is State or local funds, shall:

(1) comply with the provisions of P.L.1963, c.73 (C.47:1A-1 et seq.), commonly known as the open public records act, in its operation or management of the charter school; and

(2) annually file with the Department of Education the most recent public inspection copy of its Internal Revenue Service Form 990 and all schedules and supporting documentation required to be submitted to the Internal Revenue Service in conjunction with Form 990, and post the Form 990 at an easily accessible location on its Internet website. The Form 990, as well as the schedules and supporting documentation required to be submitted to the Internal Revenue Service in conjunction with the form, shall only be made available for public inspection by the Department of Education in accordance with applicable federal law.

b. A charter management organization found to be in violation of this section by the commissioner shall have 90 days from the date of the determination to come into compliance with the provisions of this section. If, after 90 days, the charter management organization continues to be in violation, the charter management organization shall be ineligible to provide any services to a charter school in the State.

22. (New section) Any executive of a charter management organization including, but not limited to, the chief executive officer, chief operating officer, chief financial officer, executive director, president, and general counsel, that receives payment for operation or management services from a charter school, the source of which is State or local funds, shall be required to comply with the provisions of sections 5 and 6 of P.L.1991, c.393 (C.18A:12-25 and C.18A:12-26).

23. (New section) a. As used in this section:

"Administrator" means any officer or employee of a school district, charter school, or renaissance school project who: (1) holds a position that requires a certificate authorizing the holder to serve as a school administrator, principal, or school business administrator; (2) holds a position that requires a certificate authorizing the holder to serve as supervisor who is responsible for making recommendations regarding hiring or purchasing or acquiring any property or services of a school district, charter school, or renaissance school project; or (3) holds a position that does not require the person to hold any type of certificate, but is responsible for making recommendations regarding hiring or purchasing or acquiring any property or services by a school district, charter school, or renaissance school project. "Administrator" includes a chief school administrator and a lead person of a charter school, but does not include a member of a board of education or board of trustees of a charter school or renaissance school project.

"Immediate family member" means the person's spouse, partner in a civil union as defined in section 92 of P.L.2006, c.103 (C.37:1-33), domestic partner as defined in section 3 of P.L.2003, c.246 (C.26:8A-3), or dependent child, residing in the same household.

b. Notwithstanding any other law, rule, or regulation to the contrary, as a condition of receiving State aid, a nepotism policy adopted by the board of education of a school district or the board of trustees of a charter school or renaissance school project shall include, in addition to any other requirements adopted by the State Board of Education, provisions prohibiting:

(1) any immediate family member of an administrator, board of education member, or board of trustees member of a charter school or renaissance school project from being employed in a leadership or governance position in the school district, charter school and any school facility operated by the charter school, or renaissance school project, during the tenure of the administrator, board of education member, or board of trustees member; and

(2) any immediate family member of the officers and members of the management team, board, or other governing body of a charter management organization from being employed in a leadership or governance position in any charter school that contracts with the charter management organization for operation or management services.

24. Section 13 of P.L.1991, c.393 (C.18A:12-33) is amended to read as follows:

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.

d. Within one year after being newly elected or appointed or being re-elected or re-appointed to the board of education, a board member shall complete a training program on harassment, intimidation, and bullying in schools, including a school district's responsibilities under P.L.2002, c.83 (C.18A:37-13 et seq.). A board member shall be required to complete the program only once.

e. Training on harassment, intimidation, and bullying in schools shall be provided by the New Jersey School Boards Association, in consultation with recognized experts in school bullying from a cross section of academia, child advocacy organizations, nonprofit organizations, professional associations, and government agencies.

<u>f. The training provided by the New Jersey School Boards Association to a member of a board of trustees of a charter school pursuant to this section shall:</u>

<u>(1) be prepared in consultation with the New Jersey Public Charter Schools Association;</u>

<u>(2) include information on best practices for charter school governance and oversight, school leader evaluations, and charter school compensation for leadership;</u>

<u>(3) include guidelines for conducting a compensation study prepared pursuant to section 18 of P.L. , c. (C.) (pending before the Legislature as this bill); and</u>

<u>(4) be approved by the Department of Education and New Jersey Public Charter Schools Association.</u>

(cf: P.L.2010, c.122, s.6)

25. Sections 4, 5, 7, 14, 15, 17, and 23 shall take effect immediately; sections 10, 11, 12, 16, 21, 22, and 24 shall take effect six months from the date of enactment; and sections 1, 2, 3, 6, 8, 9, 13, 18, 19, and 20 shall take effect when the Commissioner of Education next reviews applications to establish or renew charter schools, but no later than three years from the date of enactment; except that the Commissioner of Education may take any

anticipatory administrative action, in advance of the effective dates, as may be necessary to implement the provisions of this act.

STATEMENT

This bill modifies certain parts of the "Charter School Program Act of 1995" and other sections of New Jersey law to establish various new requirements for charter schools, charter school boards of trustees, and charter school management organizations.

Public Notice and Hearing of Charter School Applications and Renewals

The bill requires three public notices of an application to establish or renew a charter school, as applicable, to be published in a newspaper having a substantial circulation in the county or counties where the charter school is to be located and in accordance with current law's requirements for issuing or publishing a public notice. Each public notice is to include instructions for the public to submit comments on the application to the Commissioner of Education within 30 days of the date of the first notice.

The bill requires the Department of Education to post notice of the filing on the department's Internet website where it is to remain until the commissioner makes a final determination on the application.

Charter School Applications and Consolidation

The bill directs the Commissioner of Education to develop an application for the establishment of a charter school. The application is to include a financial plan for the charter school that includes the anticipated administrative costs of the charter school and a demonstration of need and an explanation of how the need is not currently being met by existing public schools.

Under the bill, prior to approving a charter school application and granting a charter, the commissioner is required to review: (1) the application material submitted by the proposed charter school; (2) the proposed charter school's anticipated financial impact on the school district in which the charter school is to be located, including the impact to the bond ratings of the school district; and (3) any other information the commissioner deems necessary. The commissioner is to give equal consideration to this information when determining whether to grant or deny an application to establish a charter school.

The bill permits any two charter schools within the same public school district or within contiguous public school districts that demonstrate a need to consolidate to petition the commissioner to consolidate into one school pursuant to a process that is to be determined by the commissioner. Under current law, any two charter schools within the same public school district that are not operating the same grade levels may petition the commissioner to amend their charters and consolidate into one school under certain circumstances.

Physical Location Requirements for Charter Schools

Under the bill, a charter school is required to be physically located, and provide all instruction, in the State. The bill directs the commissioner to deny a charter school application that proposes to operate a charter school, or provide instruction, in a physical location outside of the State and to deny a charter school application that proposes to operate or provide instruction primarily online.

The bill clarifies that its provisions are not to be construed to limit a charter school's ability to utilize technological tools as an aide to in-person instruction, or virtual or remote instruction as permitted under current law or regulation.

Charter School Reporting

Current law requires each charter school to submit an annual report to the local board of education, the county superintendent of schools, and the commissioner. This bill requires the annual report to be made available on the charter school's Internet website and be presented to the public at a regularly scheduled board of trustees meeting.

This bill requires the commissioner to report on the state of charter schools in New Jersey every five years based on measures contained in the Performance Framework developed by the State Board of Education to evaluate the academic, financial, and organizational performance of charter schools.

The bill requires a charter school to maintain an Internet website that includes certain listed information in an effort to provide increased public access to the operations and activities of the charter school.

The bill also requires the Department of Education to maintain, and include certain listed information on, a webpage on its Internet website for charter school transparency.

Charter School Renewals and Revocations

Pursuant to current law, a charter granted by the commissioner is granted for a four-year period and may be renewed for a five-year period.

The bill permits the commissioner to review any charter school that has been granted a renewal at any time during the renewal period. The commissioner is to provide the charter school with reasonable notice of the commissioner's intent to review the school's charter.

Under the bill, the commissioner may place a charter school on probationary status to allow the implementation of a remedial plan if, on two occasions, the school:

(1) has not fulfilled any condition imposed by the commissioner in connection with granting the charter;

(2) violates any provision of its charter;

(3) violates any of the financial operations requirements established for the charter schools by the State board;

(4) fails to make reasonable and appropriate efforts to serve a cross section of the community's school age population;

(5) engages in a practice and pattern of discrimination in violation of federal or State law; or

(6) violates any federal or State law.

The bill requires the commissioner to revoke a school's charter if the commissioner determines, after notice and opportunity for a hearing, the charter school has committed or engaged in any of the six listed criteria while the school is on probationary status.

Under the bill, the commissioner is to consider the most recent compensation study submitted by the charter school and the charter school's administrative costs over the past three years when reviewing an application to renew a charter school and as part of a charter school's annual review.

Charter School Budget Transparency

The bill requires the budget adopted by a charter school for the school year to be posted for public inspection on the charter school's Internet website and be made available in print in a "user-friendly" format using plain language. Under the bill, the plain language budget summary is to be submitted to the department and made publicly available on the department's website. Under current law, school districts are required to post this information. This bill supplements the charter school law to generally require charter schools to disclose and post the same budgetary information as required under current law for school districts, with certain additional information pertaining to the salary, and in certain circumstances the contract, of the lead person and the school business administrator of the charter school

Under the bill, a board of trustees of a charter school is also required to hold a public hearing on the budget, the amounts of money necessary for the ensuing school year, and the various items and purposes for which the funds will be used.

Additional Requirements with Respect to Charter School Boards of Trustees and Board Membership

The bill clarifies that the provisions of the "Conscientious Employee Protection Act" apply to charter schools and charter school employees.

This bill requires an individual appointed to a board of trustees of a charter school to possess legal, fiscal, educational, community, or board leadership or governance experience. The bill also makes appointment as a member of a board of trustees of a charter school subject to approval of the commissioner.

The bill requires the board of trustees of a charter school to submit a compensation study concerning the lead person of the school to the commissioner at various intervals. The board of trustees may utilize a compensation study completed in any of the immediately preceding three years to comply with this submission requirement.

The bill imposes on charter schools certain public notice requirements in relation to modifications to certain administrator contracts, which requirements are similar to those under current law on school districts. Specifically, the bill prohibits a board of trustees of a charter school from renegotiating, extending, amending, or otherwise altering the terms of a contract with a lead person, school business administrator, or charter management organization unless notice is provided to the public at least 30 days prior to the scheduled action by the board. The bill stipulates that the board is to hold a public hearing and may not take any action on the matter until the hearing has been held.

The bill prohibits a board of trustees of a charter school, or any employee acting on behalf of the board, from requiring or requesting an employee enter into a non-disclosure agreement or restrictive covenant as a condition of employment or with respect to severance pay as provided in an employment contract; except that this provision is not to be construed to prohibit a board of trustees from entering into a non-disparagement agreement with an employee.

Under current law, the board of trustees of a charter school is required to comply with the "Senator Byron M. Baer Open Public Meetings Act." In accordance with these provisions, the bill requires the board of trustees of a charter school to post a copy of all meeting notices, including a calendar of all meeting dates, and the minutes of each meeting on the charter school's website. The bill also requires the board of trustees of a charter school to hold all meetings in a physical building in the school district of residence of the charter school, with certain limited exceptions.

Under State Board of Education regulations, the board of education of a school district was required to adopt an anti-nepotism policy by October 1, 2008. Regulations also required each charter school board of trustees to adopt a policy by January 20, 2010. The regulations were amended in 2024 to require the adoption of an anti-nepotism policy by the board of trustees of each renaissance school project. This bill requires these nepotism policies to include provisions prohibiting: (1) any immediate family member of an administrator, board of education member, or board of trustees member of a charter school or renaissance school project from being employed in a leadership or governance position in the school district, charter school and any school facility operated by the charter school, or renaissance school project, during the tenure of the administrator, board of education member, or board of trustees member; and (2) any immediate family member of the officers and members of the management team, board, or other governing body of a charter management organization from being employed in a leadership or governance position in any charter school that contracts with the charter management organization for operation or management services.

The bill requires the training provided to charter school board of trustees members by the New Jersey School Boards Association to: (1) be prepared in consultation with the New Jersey Public Charter Schools Association; (2) include information on best practices for charter school governance and oversight, school leader evaluations, and charter school compensation for leadership; (3) include guidelines for conducting a compensation study; and (4) be approved by the Department of Education and the New Jersey Public Charter Schools Association.

This bill requires a charter school board of trustees member to maintain their principal residence in the charter school district of residence.

Provisions Related to Charter Management Organizations

Under the bill, a charter management organization is defined as a nonprofit organization that is exempt from federal taxation pursuant to section 501(c)(3) of the federal Internal Revenue Code, which operates or manages one or more charter schools linked by centralized support and operations.

The bill prohibits a board of trustees of a charter school from contracting with a for-profit entity to provide any operation or management services, but permits contracting with a charter management organization.

Under the bill, an executive of a charter management organization that receives payment for operation or management services from a charter school, the source of which is State or local funds, is required to comply with the provisions of the "School Ethics Act" pertaining to disclosure of certain employment and financial activities.

The bill requires a charter management organization that receives payment for operating or managing a charter school, the source of which is State or local funds, to (1) comply with the provisions of State law commonly referred to as the "Open Public Records Act," in its operation or management of the charter school, and (2) annually file with the department the most recent public inspection copy of its Internal Revenue Service Form 990, and in accordance with federal law, all schedules and supporting documentation required to be submitted in conjunction with that form. Form 990 is a tax form the Internal Revenue Service requires 501(c)(3) charitable and nonprofit organizations to submit. Form 990 includes revenue, expenditure, and income data in addition to information used to assess whether a nonprofit aligns with federal requirements for tax-exempt status.

SENATE, No. 3915

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED NOVEMBER 18, 2024

Sponsored by:
Senator TROY SINGLETON
District 7 (Burlington)

SYNOPSIS

Requires municipalities to share certain payments in lieu of property taxes with school districts; informs counties, school districts, and DCA of certain information related to property tax exemptions and abatements.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning certain property tax exemptions and amending P.L.1991, c.431, P.L.2007, c.62, and P.L.1991, c.441.

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

1. Section 3 of P.L.1991, c.431 (C.40A:20-3) is amended to read as follows:

3. As used in P.L.1991, c.431 (C.40A:20-1 et seq.):

a. "Gross revenue" means annual gross revenue or gross shelter rent or annual gross rents, as appropriate, and other income, for each urban renewal entity designated pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.). The financial agreement shall establish the method of computing gross revenue for the entity, and the method of determining insurance, operating and maintenance expenses paid by a tenant which are ordinarily paid by a landlord, which shall be included in the gross revenue; provided, however, that any federal funds received, whether directly or in the form of rental subsidies paid to tenants, by a nonprofit corporation that is the sponsor of a qualified subsidized housing project, shall not be included in the gross revenue of the project for purposes of computing the annual **[**services**]** <u>service</u> charge for **[**municipal**]** <u>public</u> services supplied to the project; and provided further that any gain realized by the urban renewal entity on the sale of any unit in fee simple, whether or not taxable under federal or State law, shall not be included in computing gross revenue.

b. "Limited-dividend entity" means an urban renewal entity incorporated pursuant to Title 14A of the New Jersey Statutes, or established pursuant to Title 42 of the Revised Statutes, for which the profits and the entity are limited as follows. The allowable net profits of the entity shall be determined by applying the allowable profit rate to each total project unit cost, if the project is undertaken in units, or the total project cost, if the project is not undertaken in units, and all capital costs, determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits, for the period commencing on the date on which the construction of the unit or project is completed, and terminating at the close of the fiscal year of the entity preceding the date on which the computation is made, where:

"Allowable profit rate" means the greater of 12% or the percentage per annum arrived at by adding 1 1/4% to the annual interest percentage rate payable on the entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined <u>thus</u> is new matter.

be considered as interest for this purpose. If there is no permanent mortgage financing the allowable profit rate shall be the greater of 12% or the percentage per annum arrived at by adding 1 1/4% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in the county.

c. "Net profit" means the gross revenues of the urban renewal entity less all operating and non-operating expenses of the entity, all determined in accordance with generally accepted accounting principles, but:

(1) there shall be included in expenses: (a) all annual service charges paid pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12); (b) all payments to the municipality of excess profits pursuant to section 15 or 16 of P.L.1991, c.431 (C.40A:20-15 or 40A:20-16); (c) an annual amount sufficient to amortize the total project cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits, over the term of the abatement as set forth in the financial agreement; (d) all reasonable annual operating expenses of the urban renewal entity and any other entity whose revenue is included in the computation of excess profits, including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies, and payments into repair or maintenance reserve accounts; (e) all payments of rent including, but not limited to, ground rent by the urban renewal entity; (f) all debt service;

(2) there shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of debt service, income taxes, or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding any proprietary ownership interest in the entity.

The urban renewal entity shall provide to the municipality an annual audited statement which clearly identifies the calculation of net profit for the urban renewal entity during the previous year. The annual audited statement shall be prepared by a certified public accountant and shall be submitted to the municipality within 90 days of the close of the fiscal year.

d. "Nonprofit entity" means an urban renewal entity incorporated pursuant to Title 15A of the New Jersey Statutes for which no part of its net profits inures to the benefit of its members.

e. "Project" means any work or undertaking pursuant to a redevelopment plan adopted pursuant to the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et al.), which has as its purpose the redevelopment of all or any part of a redevelopment area including any industrial, commercial, residential or other use, and may include any buildings, land, including demolition, clearance or removal of buildings from land, equipment, facilities, or other real or personal properties which are necessary, convenient, or desirable appurtenances, such as, but not limited to, streets, sewers, utilities, parks, site preparation, landscaping, and administrative, community, health, recreational, educational and welfare facilities, and zero-emission vehicle fueling and charging infrastructure.

f. "Redevelopment area" means an area determined to be in need of redevelopment and for which a redevelopment plan has been adopted by a municipality pursuant to the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et al.).

g. "Urban renewal entity" means a limited-dividend entity, the New Jersey Economic Development Authority or a nonprofit entity which enters into a financial agreement pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) with a municipality to undertake a project pursuant to a redevelopment plan for the redevelopment of all or any part of a redevelopment area, or a project necessary, useful, or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or any part of one or more redevelopment areas, or a low and moderate income housing project.

h. "Total project unit cost" or "total project cost" means the aggregate of the following items as related to a unit of a project, if the project is undertaken in units, or to the total project, if the project is not undertaken in units, all of which as limited by, and approved as part of the financial agreement: (1) cost of the land and improvements to the entity, whether acquired from a private or a public owner, with cost in the case of leasehold interests to be computed by capitalizing the aggregate rental at a rate provided in the financial agreement; (2) architect, engineer and attorney fees, paid or payable by the entity in connection with the planning, construction and financing of the project; (3) surveying and testing charges in connection therewith; (4) actual construction costs which the entity shall cause to be certified and verified to the municipality and the municipal governing body by an independent and qualified architect, including the cost of any preparation of the site undertaken at the entity's expense; (5) insurance, interest and finance costs during construction; (6) costs of obtaining initial permanent financing; (7) commissions and other expenses paid or payable in connection with initial leasing; (8) real estate taxes and assessments during the construction period; (9) a developer's overhead based on a percentage of actual construction costs, to be computed at not more than the following schedule:

$500,000 or less - 10%

$500,000 through $1,000,000 - $50,000 plus 8% on excess above $500,000

$1,000,001 through $2,000,000 - $90,000 plus 7% on excess above $1,000,000

$2,000,001 through $3,500,000 - $160,000 plus 5.6667% on excess above $2,000,000

$3,500,001 through $5,500,000 - $245,000 plus 4.25% on excess above $3,500,000

$5,500,001 through $10,000,000 - $330,000 plus 3.7778% on excess above $5,500,000

over $10,000,000 - 5%

If the project includes units in fee simple, with respect to those units, "total project cost" shall mean the sales price of the individual housing unit which shall be the most recent true consideration paid for a deed to the unit in fee simple in a bona fide arm's length sales transaction, but not less than the assessed valuation of the unit in fee simple assessed at 100 percent of true value.

If the financial agreement so provides, there shall be excluded from the total project cost: (1) actual costs incurred by the entity and certified to the municipality by an independent and qualified architect or engineer which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or federal law; and (2) any extraordinary costs incurred by the entity and certified to the chief financial officer of the municipality by an independent certified public accountant in order to alleviate blight conditions within the area in need of redevelopment including, but not limited to, the cost of demolishing structures considered by the entity to be an impediment to the proposed redevelopment of the property, costs associated with the relocation or removal of public utility facilities as defined pursuant to section 10 of P.L.1992, c.79 (C.40A:12A-10) considered necessary in order to implement the redevelopment plan, costs associated with the relocation of residents or businesses displaced or to be displaced by the proposed redevelopment, and the clearing of title to properties within the area in need of redevelopment in order to facilitate redevelopment.

i. "Housing project" means any work or undertaking to provide decent, safe, and sanitary dwellings for families in need of housing; the undertaking may include any buildings, land (including demolition, clearance or removal of buildings from land), equipment, facilities, or other real or personal properties or interests therein which are necessary, convenient or desirable appurtenances of the undertaking, such as, but not limited to, streets, sewers, water, utilities, parks; site preparation; landscaping, and administrative, community, health, recreational, educational, welfare, commercial, or other facilities, or to provide any part or combination of the foregoing.

j. "Redevelopment relocation housing project" means a housing project which is necessary, useful or convenient for the relocation of residents displaced by redevelopment of all or any part of one or more redevelopment areas.

k. "Low and moderate income housing project" means a housing project which is occupied, or is to be occupied, exclusively by households whose incomes do not exceed income limitations established pursuant to any State or federal housing program.

l. "Qualified subsidized housing project" means a low and moderate income housing project owned by a nonprofit corporation organized under the provisions of Title 15A of the New Jersey Statutes for the purpose of developing, constructing and operating rental housing for senior citizens under section 202 of Pub.L. 86-372 (12 U.S.C. s.1701q) or rental housing for persons with disabilities under section 811 of Pub.L. 101-625 (42 U.S.C. s.8013), or under any other federal program that the Commissioner of Community Affairs by rule may determine to be of a similar nature and purpose.

m. "Debt service" means the amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage or other financing including returns on institutional equity financing and market rate related party debt for a project for a period equal to the term of the tax exemption granted by a financial agreement.

n. "Zero-emission vehicle" means a vehicle certified as a zero emission vehicle pursuant to the California Air Resources Board zero emission vehicle standards for the applicable model year, including but not limited to, battery electric-powered vehicles and hydrogen fuel cell vehicles.

o. "Zero-emission vehicle fueling and charging infrastructure" means infrastructure to charge or fuel zero-emission vehicles, including but not limited to, public electric vehicle charging stations and public hydrogen fueling stations.

<u>p. "Chief executive officer of the county" means the county executive, county manager, county supervisor, or president of the board of chosen freeholders, as appropriate to the form of government of a county.</u>

(cf: P.L.2021, c.168, s.4)

2. Section 8 of P.L.1991, c.431 (C.40A:20-8) is amended to read as follows:

8. Every urban renewal entity qualifying under ⟦this act⟧ P.L.1991, c.431 (C.40A:20-1 et seq.), before proceeding with any projects, shall make written application to the municipality for approval thereof, and shall provide copies of the application, for informational purposes, to the board of chosen freeholders and the chief executive officer of the county within which the municipality is located, and to the board of education and superintendent of any school district, including a regional school district, that is coextensive with the municipality, or of which the municipality is a constituent. The urban renewal entity, at the time an application is made, shall provide notice of the application submission to the Director of the Division of Local Government Services in the Department of Community Affairs, which shall post the notice on the Internet website of the department. The application shall be in a form, and shall certify to those facts and data, as shall be required by the municipality, and shall include but not be limited to:

a. A general statement of the nature of the proposed project, that the undertaking conforms to all applicable municipal ordinances, and that the project accords with the redevelopment plan and master plan of the municipality, or, in the case of a redevelopment relocation housing project, provides for the relocation of residents displaced or to be displaced from a redevelopment area, or, in the case of a low and moderate income housing project, the housing units are restricted to occupation by low and moderate income households.

b. A description of the proposed project outlining the area included and a description of each unit thereof if the project is to be undertaken in units and setting forth architectural and site plans as required.

c. A statement prepared by a qualified architect or engineer of the estimated cost of the proposed project in the detail required, including the estimated cost of each unit to be undertaken.

d. The source, method and amount of money to be subscribed through the investment of private capital, setting forth the amount of stock or other securities to be issued therefor or the extent of capital invested and the proprietary or ownership interest obtained in consideration therefor.

e. A fiscal plan for the project outlining a schedule of annual gross revenue, the estimated expenditures for operation and maintenance, payments for interest, amortization of debt and reserves, and payments ⟦to the municipality⟧ in lieu of taxes to be made pursuant to a financial agreement to be entered into with the municipality.

f. A proposed financial agreement conforming to the provisions of section 9 of ⟦this act⟧ P.L.1991, c.431 (C.40A:20-9).

g. Any other information relevant to determining the financial impact of the project as may be required pursuant to a rule adopted by the Commissioner of Community Affairs or the Local Finance Board.

The application shall be addressed and submitted to the mayor or other chief executive officer of the municipality. The mayor or other chief executive officer shall, within 60 days of his receipt of the application thereafter, submit the application with his recommendations to the municipal governing body. [The] Simultaneously therewith, the mayor or other chief executive officer of the municipality shall submit copies of his recommendations to the board of chosen freeholders and the chief executive officer of the county within which the municipality is located and to the board of education and superintendent of any school district, including a regional school district, that is coextensive with the municipality, or of which the municipality is a constituent. Representatives of the county and school district or districts may submit recommendations to the municipal governing body within 10 days after the date of submittal of the recommendations of the mayor or chief executive officer of the municipality. After affording representatives of the county and school district, or districts, a 10-day period to review the proposed project and the recommendations of the mayor or chief executive officer of the municipality, and after giving due consideration to the recommendations submitted by all interested parties, the municipal governing body shall by resolution approve or disapprove the application, but in the event of disapproval, changes may be suggested to secure approval. An application may be revised and resubmitted.

(cf: P.L.1991, c.431, s.8)

3. Section 9 of P.L.1991, c.431 (C.40A:20-9) is amended to read as follows:

9. Every approved project shall be evidenced by a financial agreement between the municipality and the urban renewal entity. The agreement shall be prepared by the entity and submitted as a separate part of its application for project approval. The agreement shall not take effect until approved by ordinance of the municipality. Any amendments or modifications of the agreement made thereafter shall be by mutual consent of the municipality and the urban renewal entity, and shall be subject to approval by ordinance of the municipal governing body upon recommendation of the mayor or other chief executive officer of the municipality prior to taking effect.

The financial agreement shall be in the form of a contract requiring full performance within 30 years from the date of completion of the project, and shall include the following:

a. That the profits of or dividends payable by the urban renewal entity shall be limited according to terms appropriate for the type of entity in conformance with the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

b. That all improvements and land, to the extent authorized pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12), in the project to be constructed or acquired by the urban renewal entity shall be exempt from taxation as provided in P.L.1991, c.431 (C.40A:20-1 et seq.).

c. That the urban renewal entity shall make payments for ⟦municipal⟧ <u>public</u> services as provided in P.L.1991, c.431 (C.40A:20-1 et seq.).

d. That the urban renewal entity shall submit annually, within 90 days after the close of its fiscal year, its auditor's reports to the mayor and governing body of the municipality<u>, in which the urban renewal entity shall certify to the mayor and the governing body of the municipality the number of school-age children residing in the approved project who are attending a public school. The urban renewal entity, at the time the auditor's reports are submitted, shall provide copies of the reports to the Director of the Division of Local Government Services in the Department of Community Affairs, which shall post the reports on the Internet website of the department</u>.

e. That the urban renewal entity shall, upon request, permit inspection of property, equipment, buildings and other facilities of the entity, and also permit examination and audit of its books, contracts, records, documents and papers by authorized representatives of the municipality or the State.

f. That in the event of any dispute between the parties matters in controversy shall be resolved by arbitration in the manner provided in the financial agreement.

g. That operation under the financial agreement shall be terminable by the urban renewal entity in the manner provided by P.L.1991, c.431 (C.40A:20-1 et seq.).

h. That the urban renewal entity shall at all times prior to the expiration or other termination of the financial agreement remain bound by the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

The financial agreement shall contain detailed representations and covenants by the urban renewal entity as to the manner in which it proposes to use, manage or operate the project. The financial agreement shall further set forth the method for computing gross revenue for the urban renewal entity, the method of determining insurance, operating and maintenance expenses paid by a tenant which are ordinarily paid by a landlord, the plans for financing the project, including the estimated total project cost, the amortization rate on the total project cost, the source of funds, the interest rates to be paid on the construction financing, the source and amount of paid-in capital, the terms of mortgage amortization or payment of principal on any mortgage, a good faith projection of initial sales prices of any condominium units and expenses to be

incurred in promoting and consummating such sales, and the rental schedules and lease terms to be used in the project. Any financial agreement may allow the municipality to levy an annual administrative fee, not to exceed two percent of the annual service charge <u>for public services</u>.
(cf: P.L.2015, c.95, s.28)

4. Section 12 of P.L.1991, c.431 (C.40A:20-12) is amended to read as follows:

12. The rehabilitation or improvements made in the development or redevelopment of a redevelopment area or area appurtenant thereto or for a redevelopment relocation housing project, pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from taxation for a limited period as hereinafter provided. When housing is to be constructed, acquired or rehabilitated by an urban renewal entity, the land upon which that housing is situated shall be exempt from taxation for a limited period as hereinafter provided. The exemption shall be allowed when the clerk of the municipality wherein the property is situated shall certify to the municipal tax assessor that a financial agreement with an urban renewal entity for the development or the redevelopment of the property, or the provision of a redevelopment relocation housing project, or the provision of a low and moderate income housing project has been entered into and is in effect as required by P.L.1991, c.431 (C.40A:20-1 et seq.).

Delivery by the municipal clerk to the municipal tax assessor of a certified copy of the ordinance of the governing body approving the tax exemption and financial agreement with the urban renewal entity shall constitute the required certification. For each exemption granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et al.), upon certification as required hereunder, the tax assessor shall implement the exemption and continue to enforce that exemption without further certification by the clerk until the expiration of the entitlement to exemption by the terms of the financial agreement or until the tax assessor has been duly notified by the clerk that the exemption has been terminated.

Within 10 calendar days following the later of the effective date of an ordinance following its final adoption by the governing body approving the tax exemption or the execution of the financial agreement by the urban renewal entity, the municipal clerk shall transmit a certified copy of the ordinance and financial agreement to the <u>Director of the Division of Local Government Services in the Department of Community Affairs, the</u> chief financial officer of the county and to the county counsel <u>of the county within which the municipality is located, and to the board of education and the superintendent of any school district coextensive with the municipality or of which the municipality is a constituent, including a regional school district,</u> for informational purposes. <u>Upon receipt</u>

<u>of an ordinance and financial agreement, the Department of Community Affairs shall post the ordinance and agreement on the Internet website of the department.</u>

Whenever an exemption status changes during a tax year, the procedure for the apportionment of the taxes for the year shall be the same as in the case of other changes in tax exemption status during the tax year. Tax exemptions granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et al.) represent long term financial agreements between the municipality and the urban renewal entity and as such constitute a single continuing exemption from local property taxation for the duration of the financial agreement. The validity of a financial agreement or any exemption granted pursuant thereto may be challenged only by filing an action in lieu of prerogative writ within 20 days from the publication of a notice of the adoption of an ordinance by the governing body granting the exemption and approving the financial agreement. Such notice shall be published in a newspaper of general circulation in the municipality and in a newspaper of general circulation in the county if different from the municipal newspaper.

a. The financial agreement shall specify the duration of the exemption for urban renewal entities in accordance with the parameters of either paragraph (1) or paragraph (2) of this subsection:

(1) the financial agreement may specify a duration of not more than 30 years from the completion of the entire project, or unit of the project if the project is undertaken in units, or not more than 35 years from the execution of the financial agreement between the municipality and the urban renewal entity; or

(2) for each project undertaken pursuant to a redevelopment agreement which allows the redeveloper to undertake two or more projects sequentially, the financial agreement may specify a duration of not more than 30 years from the completion of a project, or unit of the project if the project is undertaken in units, or not more than 50 years from the execution of the first financial agreement implementing a project under the redevelopment agreement. As used in this subsection, "redevelopment agreement" means an agreement entered into pursuant to subsection f. of section 8 of P.L.1992, c.79 (C.40A:12A-8) between a municipality or redevelopment entity and a redeveloper.

A financial agreement may provide for an exemption period of less than 30 years from the completion of the entire project, less than 35 years from the execution of the financial agreement, or less than 50 years from the execution of the first financial agreement implementing a project under the redevelopment agreement. Nothing in this subsection shall be construed as requiring a financial agreement for a project undertaken pursuant to a redevelopment agreement which allows the redeveloper to undertake two or more projects sequentially to specify a duration within the parameters of paragraph (2) of this subsection.

b. During the term of any exemption, in lieu of any taxes to be paid on the buildings and improvements of the project and, to the extent authorized pursuant to this section, on the land, the urban renewal entity shall make payment to the municipality of an annual service charge **[**, which**]** <u>for public services. The municipality</u> shall remit a portion of that revenue to the county<u>, and to the school district or districts,</u> as provided hereinafter. In addition, the municipality may assess an administrative fee, not to exceed two percent of the annual service charge, for the processing of the application. The annual service charge for **[**municipal**]** <u>public</u> services supplied to the project to be paid by the urban renewal entity for any period of exemption, shall be determined as follows:

(1) An annual amount equal to a percentage determined pursuant to this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), of the annual gross revenue from each unit of the project, if the project is undertaken in units, or from the total project, if the project is not undertaken in units. The percentage of the annual gross revenue shall not be more than **[**15%**]** <u>15 percent</u> in the case of a low and moderate income housing project, nor less than **[**10%**]** <u>10 percent</u> in the case of all other projects.

At the option of the municipality, or where because of the nature of the development, ownership, use or occupancy of the project or any unit thereof, if the project is to be undertaken in units, the total annual gross rental or gross shelter rent or annual gross revenue cannot be reasonably ascertained, the governing body shall provide in the financial agreement that the annual service charge shall be a sum equal to a percentage determined pursuant to this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), of the total project cost or total project unit cost determined pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) calculated from the first day of the month following the substantial completion of the project or any unit thereof, if the project is undertaken in units. The percentage of the total project cost or total project unit cost shall not be more than **[**2%**]** <u>two percent</u> in the case of a low and moderate income housing project, and shall not be less than **[**2%**]** <u>two percent</u> in the case of all other projects.

(2) In either case, the financial agreement shall establish a schedule of annual service charges to be paid over the term of the exemption period, which shall be in stages as follows:

(a) For the first stage of the exemption period, which shall commence with the date of completion of the unit or of the project, as the case may be, and continue for a time of not less than six years nor more than 15 years, as specified in the financial agreement, the urban renewal entity shall pay the municipality an annual service charge for **[**municipal**]** <u>public</u> services supplied to the project in an annual amount equal to the amount determined pursuant to paragraph (1) of this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11). For the remainder of the period of the exemption, if any, the annual service charge shall be determined as follows:

(b) For the second stage of the exemption period, which shall not be less than one year nor more than six years, as specified in the financial agreement, an amount equal to either the amount determined pursuant to paragraph (1) of this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), or [20%] 20 percent of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater;

(c) For the third stage of the exemption period, which shall not be less than one year nor more than six years, as specified in the financial agreement, an amount equal to either the amount determined pursuant to paragraph (1) of this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), or [40%] 40 percent of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater;

(d) For the fourth stage of the exemption period, which shall not be less than one year nor more than six years, as specified in the financial agreement, an amount equal to either the amount determined pursuant to paragraph (1) of this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), or [60%] 60 percent of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater; and

(e) For the final stage of the exemption period, the duration of which shall not be less than one year and shall be specified in the financial agreement, an amount equal to either the amount determined pursuant to paragraph (1) of this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), or [80%] 80 percent of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater.

If the financial agreement provides for an exemption period of less than 30 years from the completion of the entire project, less than 35 years from the execution of the financial agreement, or less than 50 years from the execution of the first financial agreement implementing a project under the redevelopment agreement, the financial agreement shall set forth a schedule of annual service charges for the exemption period which shall be based upon the minimum service charges and staged adjustments set forth in this section.

The annual service charge shall be paid to the municipality on a quarterly basis in a manner consistent with the municipality's tax collection schedule.

Each municipality which enters into a financial agreement on or after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.) shall remit five percent of the annual service charge collected by the municipality to the county in accordance with the provisions of

R.S.54:4-74. If the municipality enters into a contract with a board of education pursuant to section 7 of P.L.2023, c.311 (C.18A:7G-15.1a), the municipality shall also remit to the board of education such amounts as may be required under the contract.

<u>Each municipality which enters into a financial agreement on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall remit a percentage of the annual service charge to the school district or districts, including regional school districts, immediately upon receipt of that service charge. The amount of the annual service charge to be remitted to the school district or districts, including regional school districts, pursuant to this section shall be: for a residential project, the amount calculated by multiplying the number of school-age children who are attending public school in the municipality or at a school in a regional school district that serves the municipality and who are residing in the approved project as certified by the urban renewal entity in the annual auditor's report to the mayor and governing body of the municipality, by the base per pupil amount determined by the Commissioner of Education for the previous school year pursuant to section 7 of P.L.2007, c.260 (C.18A:7F-49); and for a nonresidential project or a project with both residential and nonresidential components, five percent of the annual service charge collected by the municipality or an in-kind contribution equal in value to five percent of the annual service charge. When an amount is remitted to more than one school district, including regional school districts, the amount shall be divided amongst the districts in proportion to each district's share of the total school tax levy in the municipality.</u>

Against the annual service charge the urban renewal entity shall be entitled to credit for the amount, without interest, of the real estate taxes on land paid by it in the last four preceding quarterly installments.

Notwithstanding the provisions of this section or of the financial agreement, the minimum annual service charge shall be the amount of the total taxes levied against all real property in the area covered by the project in the last full tax year in which the area was subject to taxation, and the minimum annual service charge shall be paid in each year in which the annual service charge calculated pursuant to this section or the financial agreement would be less than the minimum annual service charge.

c. All exemptions granted pursuant to the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) shall terminate at the time prescribed in the financial agreement.

Upon the termination of the exemption granted pursuant to the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), the project, all affected parcels, land and all improvements made thereto shall be assessed and subject to taxation as are other taxable properties in the municipality. After the date of termination, all restrictions and limitations upon the urban renewal entity shall terminate and be at an end upon the entity's rendering its final accounting to and with the municipality.

(cf: P.L.2023, c.311, s.26)

5. Section 3 of P.L.2007, c.62 (C.18A:7F-38) is amended to read as follows:

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, except as provided in subsection e. of section 4 of P.L.2007, c.62 (C.18A:7F-39), 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 2.0 percent, and adjustments for an increase in health care costs, increases in amounts for certain normal and accrued liability pension contributions set forth in sections 1 and 2 of P.L.2009, c.19 amending section 24 of P.L.1954, c.84 (C.43:15A-24) and section 15 of P.L.1944, c.255 (C.43:16A-15) for the year set forth in those sections, <u>less any payment received in the prebudget year pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12),</u> and, in the case of an SDA district as defined pursuant to section 3 of P.L.2000, c.72 (C.18A:7G-3), during the 2018-2019 through the 2024-2025 school years, increases to raise a general fund tax levy to an amount that does not exceed its local share.

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. (Deleted by amendment, P.L.2010, c.44)

d. (1) 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 2.0 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.

(2) The allowable adjustment for increases in the amount of normal and accrued liability pension contributions authorized pursuant to subsection a. of this section shall equal that portion of the actual increase in total normal and accrued liability pension contributions for the budget year that exceeds 2.0 percent of the total normal and accrued liability pension contributions in the prebudget year.

(3) In the case of an SDA district, as defined pursuant to section 3 of P.L.2000, c.72 (C.18A:7G-3), in which the prebudget year adjusted tax levy is less than the school district's prebudget year local share as calculated pursuant to section 10 of P.L.2007, c.260 (C.18A:7F-52), the allowable adjustment for increases to raise a tax levy that does not exceed the school district's local share shall equal the difference between the prebudget year adjusted tax levy and the prebudget year local share.

e. (Deleted by amendment, P.L.2010, c.44)

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.

(cf: P.L.2018, c.67, s.6)

6. Section 4 of P.L.1991, c.441 (C.40A:21-4) is amended to read as follows:

4. The governing body of a municipality may determine to utilize the authority granted under Article VIII, Section I, paragraph 6 of the New Jersey Constitution, and adopt an ordinance setting forth the eligibility or noneligibility of dwellings, multiple dwellings, or commercial and industrial structures, or all of these, for exemptions or abatements, or both, from taxation in areas in need of rehabilitation. The ordinance may differentiate among these types of structures as to whether the property shall be eligible for exemptions or abatements, or both, within the limitations set forth in P.L.1991, c.441 (C.40A:21-1 et seq.). With respect to a type of structure, the ordinance shall specify the eligibility of improvements, conversions, or construction, or all of these, for each type of structure. The ordinance may differentiate for the purposes of determining eligibility pursuant to this section among the various

neighborhoods, zones, areas or portions of the designated area in need of rehabilitation.

An ordinance adopted pursuant to this section may be amended from time to time. An amendment to an ordinance shall not affect any exemption, abatement, or tax agreement previously granted and in force prior to the amendment.

Application for exemptions and abatements from taxation may be filed pursuant to an ordinance so adopted to take initial effect in the tax year in which the ordinance is adopted, and for tax years thereafter as set forth in P.L.1991, c.441 (C.40A:21-1 et seq.), but no application for exemptions or abatements shall be filed for exemptions or abatements to take initial effect in the eleventh tax year or any tax year occurring thereafter, unless the ordinance is readopted by the governing body pursuant to this section.

<u>The municipality shall provide a copy of an ordinance introduced or adopted pursuant to this section, including one amending or repealing an ordinance, to the Director of the Division of Local Government Services in the Department of Community Affairs, which shall post the ordinance on the Internet website of the department.</u>

(cf: P.L.2007, c.268, s.2)

7. This act shall take effect immediately.

STATEMENT

This bill revises various aspects of the laws governing property tax exemptions. Specifically, the bill requires municipalities to share certain payments in lieu of property taxes (PILOTs) with school districts. The bill also requires notice to be provided to the county, school districts, and Department of Community Affairs (DCA) when a municipality considers and approves a property tax exemption.

Under current law, any urban renewal entity that benefits from a long-term property tax exemption is required to make annual PILOTs to the municipality in which it is located. Currently, the municipality is required to remit five percent of the PILOT to the host county, thereby retaining 95 percent of the payment. Under the bill, municipalities would also be required to remit certain portions of these PILOTs to the school districts that serve the municipality, including regional school districts.

For a residential property, the municipality would be required to provide those school districts with an amount equal to the product of: (1) the number of school-age children who attend a public school or regional school district that serves the municipality, and who reside in the project; and (2) the base per pupil amount determined by the Commissioner of Education for the previous school year pursuant to section 7 of P.L.2007, c.260 (C.18A:7F-49). Alternatively, this amount would equal five percent of the PILOT, or an in-kind contribution equal in value to that amount, if the long-term tax exemption concerns nonresidential or mixed-use property. When an amount is remitted to more than one school district, the amount would be divided amongst those districts in proportion to each district's share of the total school tax levy in the municipality.

The bill also provides that when an urban renewal entity applies for a long-term property tax exemption, the entity would be required to provide copies of the application to the county, school districts, and the Director of the Division of Local Government Services (DLGS) in the DCA. The DLGS would be required to post this application on the Internet website of the DCA.

Under current law, the mayor of a municipality is required to submit recommendations to the municipal governing body within 60 days of receiving an application from an urban renewal entity for a long-term tax exemption. The bill would require these recommendations to be simultaneously submitted to the county and the local school districts that serve the municipality. Thereafter, representatives of the county and school districts may submit recommendations to the governing body within 10 days of receiving the mayor's recommendations.

The bill would also require a municipality to provide the DLGS and the school districts with a copy of an ordinance and financial agreement approving a long-term tax exemption. Currently, a municipality is required to only provide the county these documents. The bill also requires the DCA to post the ordinance and financial agreement on the DCA's website.

After an application for a long-term property tax exemption is approved, current law requires the urban renewal entity to submit an annual audit to the municipality. Under the bill, this annual audit would be required to certify the number of school-age children attending public school who are residing in the approved project. The bill would also require an urban renewal entity to provide copies of the audit to the Director of the DLGS for publication on the DCA's website.

The bill also requires a municipality to provide the DLGS with a copy of an ordinance that effectuates a five-year property tax abatement, and requires the DLGS to post this ordinance on the website of the DCA.

SENATE, No. 4502

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 22, 2025

Sponsored by:
Senator JOSEPH F. VITALE
District 19 (Middlesex)
Senator VIN GOPAL
District 11 (Monmouth)

Co-Sponsored by:
Senators Mukherji, Zwicker and McKnight

SYNOPSIS

Establishes telecommunication fee to support Statewide behavioral health crisis system of care.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 10/20/2025)

AN ACT concerning the Statewide behavioral health crisis system of care and supplementing Title 26 of the Revised Statutes.

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

1. a. Consistent with the provisions of the "National Suicide Hotline Designation Act of 2020," Pub.L.116-172, there shall be imposed on each resident of New Jersey who is a subscriber of commercial mobile services or IP-enabled voice services, a monthly Statewide 9-8-8 fee on any periodic bill received by the customer for the commercial mobile service or IP-enabled voice service. The amount of the fee shall be $0.40 per line per month. The fee established pursuant to this subsection shall not be applied to mobile service users who receive benefits under the federal Lifeline program as defined in 47 CFR 54.401.

b. The fee imposed under subsection a. of this section shall be collected by the mobile telecommunications company or the telecommunications company providing the applicable service to its customers upon payment of any periodic bill for such service. This section shall not be deemed as extending to a mobile telecommunications company or a telecommunications company that provides IP-enabled services 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 mobile telecommunications company or the telecommunications company that provides IP-enabled services as the State deems necessary.

c. (1) The fees collected pursuant to subsection a. of this section shall be collected monthly and reported and paid to the Director of the Division of Taxation in the Department of the Treasury on a quarterly basis in a manner prescribed by the director, 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 section 1 of P.L.1992, c.140 (C.54:48-4.1) as the director shall prescribe, and the State Treasurer shall credit the fee revenue to the "9-8-8 Suicide Prevention and Behavioral Health Crisis Hotline Trust Fund Account" established pursuant to section 2 of this act.

(2) Each mobile telecommunications company and telecommunications company that provides IP-enabled services shall be liable for the fee imposed, collected, or required to be paid, collected, or remitted under the provisions 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 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.

2. a. There is established in the Department of the Treasury within the General Fund a special account to be known as the"9-8-8 Suicide Prevention and Behavioral Health Crisis Hotline Trust Fund Account."

b. Funds credited to the "9-8-8 Suicide and Crisis Lifeline Trust Fund Account" shall be annually appropriated to pay expenses, including enhancements as needed based upon increased demand that the State is expected to incur that are reasonably attributed to:

(1) ensuring the efficient and effective routing and responding to all calls, chats, and texts made to 9-8-8 Lifeline Contact Centers and personnel;

(2) the provision of acute mental health, Mobile Crisis Outreach Response Teams and crisis stabilization services, including those provided at Crisis Stabilization and Receiving Centers, Crisis Diversion Homes, and Certified Community Behavioral Health Clinics by directly responding to the 9-8-8 Suicide and Crisis Lifeline contacts; and

(3) public awareness and advertising campaigns to highlight the availability and accessibly of these 9-8-8 continuum services.

Money in the fund shall be obligated and expended in accordance with the requirements of section 4 of the "National Suicide Hotline Designation Act of 2020," Pub.L.116-172 (47 U.S.C. s.251a), and rules adopted pursuant thereto.

3. This act shall take effect immediately.

STATEMENT

The bill establishes a monthly Statewide 9-8-8 fee in the amount of $0.40 per line per month for each resident of New Jersey who is a subscriber of commercial mobile services or IP-enabled voice services. The fee will not be applied to mobile service users who receive benefits under the federal Lifeline program.

The fee will be collected by the mobile telecommunications company or the telecommunications company providing the applicable service to its customers upon payment of any periodic bill for such service.

The fees collected pursuant to this bill will be collected monthly and reported and paid to the Director of the Division of Taxation in the Department of the Treasury and the State Treasurer will credit the fee revenue to the "9-8-8 Suicide Prevention and Behavioral Health Crisis Hotline Trust Fund Account" established pursuant to the bill.

This bill establishes in the Department of the Treasury within the General Fund a special account to be known as the"9-8-8 Suicide Prevention and Behavioral Health Crisis Hotline Trust Fund Account." Funds credited to the "9-8-8 Suicide and Crisis Lifeline Trust Fund Account" will be annually appropriated to pay expenses, including enhancements as needed based upon increased demand that the State is expected to incur that are reasonably attributed to:

(1) ensuring the efficient and effective routing and responding to all calls, chats, and texts made to 9-8-8 Lifeline Contact Centers and personnel;

(2) the provision of acute mental health, Mobile Crisis Outreach Response Teams and crisis stabilization services, including those provided at Crisis Stabilization and Receiving Centers, Crisis Diversion Homes, and Certified Community Behavioral Health Clinics by directly responding to the 9-8-8 Suicide and Crisis Lifeline contacts; and

(3) public awareness and advertising campaigns to highlight the availability and accessibly of these 9-8-8 continuum services.

Money in the fund will be obligated and expended in accordance with the requirements of the “National Suicide Hotline Designation Act of 2020,” and rules adopted pursuant thereto.