

# RULE PROPOSALS

## INTERESTED PERSONS

Interested persons may submit comments, information or arguments concerning any of the rule proposals in this issue until the date indicated in the proposal. Submissions and any inquiries about submissions should be addressed to the agency officer specified for a particular proposal.

The required minimum period for comment concerning a proposal is 30 days. A proposing agency may extend the 30-day comment period to accommodate public hearings or to elicit greater public response to a proposed new rule or amendment. Most notices of proposal include a 60-day comment period, in order to qualify the notice for an exception to the rulemaking calendar requirements of N.J.S.A. 52:14B-3. An extended comment deadline will be noted in the heading of a proposal or appear in subsequent notice in the Register.

At the close of the period for comments, the proposing agency may thereafter adopt a proposal, without change, or with changes not in violation of the rulemaking procedures at N.J.A.C. 1:30-6.3. The adoption becomes effective upon publication in the Register of a notice of adoption, unless otherwise indicated in the adoption notice. Promulgation in the New Jersey Register establishes a new or amended rule as an official part of the New Jersey Administrative Code.

## CHILDREN AND FAMILIES

### (a)

#### COMMISSIONER

#### Notice of Administrative Corrections Rulemaking Procedures Addition of Electronic Submission of Comments Proposed New Rules: N.J.A.C. 3A:2

Take notice that the Department of Children and Families (Department) discovered that the notice of proposal published on November 7, 2016, 48 N.J.R. 2184(a), proposing new N.J.A.C. 3A:2, inadvertently did not include a method to submit comments electronically. As part of adding the electronic submission of comments to ensure compliance with N.J.S.A. 52:14B-1 et seq., Administrative Procedure Act, and N.J.A.C. 1:30-5.1(b)9, the Department is also extending the comment period by 28 days to allow for a full 60-day comment period upon the publication of this notice of correction. This notice of administrative correction is published pursuant to N.J.A.C. 1:30-2.7.

Full text of the comment submission information is as follows:

Submit written comments by February 3, 2017, to:

Pamela Wentworth, M.S.W., L.S.W.  
Office of Policy and Regulatory Development  
Department of Children and Families  
PO Box 717  
Trenton, New Jersey 08625  
or [rules@dcf.state.nj.us](mailto:rules@dcf.state.nj.us)

## COMMUNITY AFFAIRS

### (b)

#### DIVISION OF LOCAL GOVERNMENT SERVICES LOCAL FINANCE BOARD

#### Duties; Use of Local Finance Notices; Reserve for Pension Contributions; Annual Budgets of Municipal Port Authorities; Grants

#### Proposed Repeals: N.J.A.C. 5:30-1.2, 1.5, 3.7, 10.1, and 16.3

#### Proposed Amendment: N.J.A.C. 5:30-1.8

Authorized By: Local Finance Board, Timothy J. Cunningham,  
Chair.

Authority: N.J.S.A. 40:68A-43.1, 40A:5A-26, 52:27BB-8, and 52:27BB-10.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2016-197.

Please submit written comments on the notice of proposal by February 3, 2017, via e-mail to [dlgs@dca.nj.gov](mailto:dlgs@dca.nj.gov) or by regular mail to:

Patricia Parkin McNamara, Executive Secretary  
Local Finance Board  
Department of Community Affairs  
PO Box 803  
Trenton, NJ 08625-0803

For comments submitted via e-mail, please name the subject heading "Omnibus Repeal-Local Finance Board Regulations."

The agency proposal follows:

#### Summary

The Local Finance Board (Board) proposes repealing several existing rules in N.J.A.C. 5:30, namely in Subchapters 1, 3, 10, and 16. In addition, the Board proposes amending N.J.A.C. 5:30-1.8.

N.J.A.C. 5:30-1.8 contains regulations pertaining to the use and issuance of Local Finance Notices. Communications and directives called "Local Finance Notices" are issued by the Director of the Division of Local Government Services on a periodic basis to local units regulated by the Division of Local Government Services (Division) and the Local Finance Board. Local Finance Notices are posted on the Division's website and are searchable by year, number, title, or subject. Notices are directly distributed through dedicated electronic listservs to the following categories of local government officials: municipal clerks, county freeholder board clerks, chief financial officers, tax collectors, procurement officials, authority officials, fire district officials, and registered municipal accountants, based on their relevance to the particular category. Local Finance Notices on topics of interest to the wider public are electronically distributed via the Division's general listserv and the Local Finance Board's general listserv.

N.J.A.C. 5:30-1.8(c) requires the Division to publish a public notice in the New Jersey Register following the release of each Local Finance Notice that summarizes its contents. Since N.J.A.C. 5:30-1.8 was adopted in 2003, internet connectivity and the use of technology by local government has become virtually universal. The requirement that Local Finance Notices be published in the New Jersey Register is no longer necessary given the widespread electronic availability and distribution of Local Finance Notices; as such, the Board proposes deleting subsection (c). Subsection (a) would be amended to add the Local Finance Notice numbering reference from subsection (c).

N.J.A.C. 5:30-1.2 and 1.5 are proposed for repeal. N.J.A.C. 5:30-1.2 sets forth, in general terms, the Local Finance Board's statutory duty to review the entire field of New Jersey local government and promulgate appropriate rules for the interpretation and administration of State laws within its jurisdiction. N.J.A.C. 5:30-1.5 sets forth the Board's statutory

duty to advise the Director of the Division of Local Government Services concerning the administration of the Division, the exercise of his or her powers, and the problems of local government. The Board finds that, in the interests of promoting economy and efficiency in its rules, N.J.A.C. 5:30-1.2 and 1.5 should be repealed as both merely repeat select statutory text from N.J.S.A. 52:27BB-10.

N.J.A.C. 5:30-3.7 is proposed for repeal. This rule implemented P.L. 2003, c. 108, which re-established the pension contributions of local units after having been suspended for several years, and allowed said contributions to be phased-in over a five-year period. N.J.A.C. 5:30-3.7 allowed counties and municipalities to set up reserves for anticipated increases in the cost of employer pension contributions. To provide additional flexibility for municipalities and counties in budgeting their pension obligations, the Local Finance Board permitted an option that allowed funds to be raised and reserved in the year prior to the year when they will be expended. Funds reserved in this manner were only to be used to offset pension appropriations, unless otherwise approved by the Board. All reserves were to have been fully utilized by the close of the 2009 budget year. As N.J.A.C. 5:30-3.7 was no longer effective after the 2009 municipal or county budget year, the rule can be repealed in its entirety.

N.J.A.C. 5:30-10.1 is proposed for repeal. This rule currently sets forth the criteria for Local Finance Board review of municipal port authority budgets, as well as the deadline by which such budgets must be submitted for Board approval. Section 11 of P.L. 2015, c. 95 amended N.J.S.A. 40:68A-43.1(a) to shift approval authority for municipal port authority budgets from the Local Finance Board to the Director of the Division of Local Government Services. Municipal port authorities, like other local authorities (for example, municipal utilities authorities, housing authorities, parking authorities) are governed by the Local Authorities Fiscal Control Law (N.J.S.A. 40A:5A-1 et seq.), which, among other things, requires the Director to approve authority budgets. The above-referenced amendment to N.J.S.A. 40:68A-43.1(a) now requires municipal port authority budgets to be reviewed and approved in the same fashion as other local authorities, bringing the budget approval process for municipal port authorities into uniformity with the Local Authorities Fiscal Control Law. As such, the rules in effect for Director approval of all other local authority budgets now also apply to municipal port authority budget approval, and N.J.A.C. 5:30-10.1 can, thus, be repealed. (See N.J.A.C. 5:31-2.4 and 2.6)

N.J.A.C. 5:30-16.3 is proposed for repeal. Subject to the availability of funds, N.J.A.C. 5:30-16.3 permits the Director of the Division of Local Government Services to award a grant in an amount not to exceed \$1,000 to a county, municipality, local authority, or fire district with officials required to participate in the Division's GovConnect electronic communications system that do not have access to an Internet capable computer, service with an Internet service provider, or are in need of appropriate computer and Internet training. Eligible expenses include the purchase of computer hardware and software necessary to access the GovConnect website, subscription costs for Internet access, and appropriate training costs. No grant applications have been submitted by local units since 2004, and the final grants were closed out in early 2006. The original version of the rule proposed for repeal was adopted in 2002, a period when Internet access and usage of electronic communications by local governments and their officials was comparatively less widespread. Today, the Division of Local Government Services and Local Finance Board utilize electronic communications as the primary means of contact with New Jersey local governments. Given the virtually universal adoption of computer and internet technology by local governments throughout New Jersey, the grant has become dormant. The Board has, thus, determined that N.J.A.C. 5:30-16.3 is obsolete and should be repealed.

This notice of proposal provides for a comment period of 60 days and, therefore, pursuant to N.J.A.C. 1:30-3.3(a)5, this notice is excepted from the provisions of N.J.A.C. 1:30-3.1 and 3.2 governing rulemaking calendars.

#### **Social Impact**

The proposed amendment to N.J.A.C. 5:30-1.8, which deletes the requirement that a summary of each Local Finance Notice be published

in the New Jersey Register will not have a negative social impact. Local Finance Notices are publicly accessible online and are widely distributed to local government officials and regulated entities.

Repealing N.J.A.C. 5:30-1.2, 1.5, and 3.7 will have a positive social impact in that it will economize, and increase the efficiency of, the Local Finance Board's Administrative Code.

Repealing N.J.A.C. 5:30-10.1, which governs Local Finance Board approval of municipal port authority budgets, implements a statutory change that reduces red tape and administrative burden to municipal port authorities. In lieu of filing an application before the Board and waiting for approval at the Board's monthly meeting, the municipal port authority budget approval process (review and approval now with the Director of the Division of Local Government Services) has been brought into conformity with that of other local authorities.

Repealing N.J.A.C. 5:30-16.3, which governs the issuance of grants for Internet access and training for local government officials, will have no negative social impact. Throughout New Jersey, local governments and their key officials are connected to the World Wide Web and have embraced Internet technology. The grant program authorized by N.J.A.C. 5:30-16.3 is no longer needed as a means to facilitate basic technological capabilities and literacy amongst local government officials.

#### **Economic Impact**

The Board anticipates that the proposed amendment to N.J.A.C. 5:30-1.8 will not have a measurable economic impact. Local Finance Notices are publicly accessible online and are widely distributed to local government officials and regulated entities.

The Board anticipates that repealing N.J.A.C. 5:30-1.2, 1.5, 3.7, 10.1, and 16.3 will not have a measurable economic impact. By repealing N.J.A.C. 5:30-3.7, the Board will eliminate a rule whose effectiveness expired at the close of the 2009 budget year for municipalities and counties. The repeal of N.J.A.C. 5:30-10.1 implements a statutory change to the laws governing municipal port authority budgets and approval thereof. Finally, the repeal of N.J.A.C. 5:30-16.3 eliminates regulations governing a dormant and obsolete grant program; the Board recognizes that grants to encourage local government Internet connectivity and technological literacy have not been necessary for a long time.

#### **Federal Standards Statement**

No Federal standards analysis is required because the proposed amendment and the rules proposed for repeal are not being proposed in order to implement, comply with, or participate in any program established under Federal law or under a State law that incorporates or refers to Federal law, standards, or requirements.

#### **Jobs Impact**

The Board does not anticipate that any jobs will be created or lost as a result of the proposed amendment or the rules proposed for repeal.

#### **Agriculture Industry Impact**

The Board does not anticipate that the proposed amendment or the rules proposed for repeal will have an impact on the agriculture industry.

#### **Regulatory Flexibility Statement**

A regulatory flexibility analysis is not required because the neither the proposed amendment, nor the rules proposed for repeal, impose reporting, recordkeeping, or other compliance requirements on small businesses, as defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq.

#### **Housing Affordability Impact Analysis**

There is an extreme unlikelihood the proposed amendment and rules proposed for repeal will evoke a change in the average costs associated with housing or have any impact on the affordability of housing.

#### **Smart Growth Development Impact Analysis**

There is an extreme unlikelihood that the proposed amendment and rules proposed for repeal would evoke a change in the housing production within Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan and the proposed changes would have an insignificant impact on smart growth.

Full text of the rules proposed for repeal may be found in the New Jersey Administrative Code at N.J.A.C. 5:30-1.2, 1.5, 3.7, 10.1, and 16.3.

Full text of the proposed amendment follows (addition indicated in boldface **thus**; deletion indicated in brackets [thus]):

SUBCHAPTER 1. GENERAL PROVISIONS

5:30-1.2 (Reserved)

5:30-1.5 (Reserved)

5:30-1.8 Use of Local Finance Notices

(a) When necessary for the day-to-day administration of the responsibilities of the Board and the Division, the Director may issue such communications and directives as necessary to local units subject to the oversight of the Board and Division. Such communications and directives shall be known as Local Finance Notices (Notices), **and shall be numbered in a scheme as determined necessary from time-to-time by the Director.**

(b) (No change.)

[(c) Local Finance Notices shall be numbered in a scheme as determined necessary from time-to-time by the Director. A public notice in the New Jersey Register announcing its release and a summary of its contents shall follow the issuance of each notice.]

SUBCHAPTER 3. ANNUAL BUDGET

5:30-3.7 (Reserved)

SUBCHAPTER 10. MUNICIPAL PORT AUTHORITIES

5:30-10.1 (Reserved)

SUBCHAPTER 16. AGENCY COMMUNICATIONS WITH LOCAL UNITS

5:30-16.3 (Reserved)

(a)

**DIVISION OF HOUSING AND COMMUNITY RESOURCES**

**Local Housing Authority Crime Reports  
Proposed Readoption: N.J.A.C. 5:44A**

Authorized By: Charles A. Richman, Commissioner, Department of Community Affairs.

Authority: N.J.S.A. 40A:12A-45 and 49.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2016-196.

Submit written comments by February 3, 2017, to:

Geraldine Callahan  
Department of Community Affairs  
PO Box 800  
Trenton, New Jersey 08625-0800  
Fax No. (609) 984-6696  
E-mail: [geraldine.callahan@dca.nj.gov](mailto:geraldine.callahan@dca.nj.gov)

The agency proposal follows:

**Summary**

Pursuant to N.J.S.A. 52:14B-5.1, the rules concerning local housing authority crime reports, N.J.A.C. 5:44A, were scheduled to expire on November 4, 2016. As the agency submitted this notice of proposal to the Office of Administrative Law prior to that date, the expiration date is extended 180 days to May 3, 2017, pursuant to N.J.S.A. 52:14B-5.1.c(2). The Department of Community Affairs (Department) has reviewed these rules and finds that they continue to be necessary for the

purpose for which they were originally adopted, and is, therefore, proposing that they be readopted without change.

The rules proposed for readoption are intended to implement P.L. 2003, c. 254 (N.J.S.A. 52:27D-3.4 et seq.), which requires local housing authorities and the Department to report certain information on violent crimes and drug offenses to the Legislature. The rules establish procedures for collecting and reporting data on violent crimes and drug offenses committed on housing authority properties, as well as on properties of 10 or more rental units receiving project-based Federal Section 8 rental assistance (project-based housing).

The rules require all executive directors of housing authorities and all owners of project-based housing to file reports with the Department, no later than September 1 of each year on a form provided by the Department for this purpose. The report must include the number and type of violent crimes and drug offenses that occurred on the property during the preceding State fiscal year (July 1 through June 30).

As the Department has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

**Social Impact**

The rules proposed for readoption have a positive social impact insofar as they provide a means for furthering the awareness of local housing authorities and owners of project-based housing of the extent of crime and drug abuse on their properties. The information gathered is useful for law enforcement planning purposes.

**Economic Impact**

Compliance with the statutory reporting requirement implemented by the rules proposed for readoption imposes costs upon the local housing authorities and project-based housing owners who collect and submit the required information, upon the Department, which compiles the information submitted and prepares reports, and upon the police departments that use the information for planning and enforcement purposes. These costs are reduced to the extent that this information is already compiled and reported to the State Police under the New Jersey Uniform Crime Reporting Law. Costs may be incurred by housing authorities for employee crime prevention training, but reimbursement for such training programs is available from the Federal government.

Since all that the rules proposed for readoption actually add to the statutory requirements is the prescribing of the reporting form, they do not, in and of themselves, impose any costs.

**Federal Standards Statement**

No Federal standards analysis is required because this chapter is not being proposed for readoption under the authority of, or in order to implement, comply with, or participate in any program established under Federal law, or a State law that incorporates or refers to Federal law, standards, or requirements.

**Jobs Impact**

To the extent that the rules proposed for readoption result in increased awareness of security needs, they may result in the creation of additional jobs for security personnel.

**Agriculture Industry Impact**

The Department does not anticipate the rules proposed for readoption will have any impact upon the agricultural industry.

**Regulatory Flexibility Analysis**

In addition to affecting local housing authorities, the rules proposed for readoption establish specific recordkeeping, compliance, and reporting requirements for owners of properties with 10 or more rental units receiving project-based Federal Section 8 rental assistance, many of whom may qualify as "small businesses," as defined in the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Compliance with the rules should not require any such "small business" to hire professional services that they would not otherwise find it necessary to retain. The requirement to compile and report crime data is imposed by statute on all covered property owners, regardless of the size or form of organization of their rental housing business. No differential reporting, recordkeeping, or compliance requirements would, therefore, be appropriate.