

P.L. 2006, CHAPTER 50, *approved July 20, 2006*  
Senate, No. 1071 (*Second Reprint*)

1 AN ACT concerning bond coverage for certain local government  
2 officers and employees, and amending P.L.1967, c.283 <sup>2</sup>[and] <sup>2</sup>  
3 N.J.S.40A:5-36 <sup>2</sup>, N.J.S.40A:5-38, and N.J.S.40A:5-39<sup>2</sup>.  
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5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
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8 1. Section 1 of P.L.1967, c.283 (C.40A:5-34.1) is amended to  
9 read as follows:

10 1. The board of chosen freeholders of any county or the  
11 governing body of any municipality, as the case may be, may  
12 provide by blanket bond for the bonding of certain county or  
13 municipal officers and employees for faithful performance and  
14 discharge of their duties. Blanket bond coverage may be by one or  
15 more blanket bonds issued by a surety company or companies or  
16 one or more underwriters or by a joint insurance fund established  
17 pursuant to P.L.1983, c.372 (C.40A:10-36 et seq.) of which the  
18 county or municipality is a member. <sup>2</sup>Blanket bond coverage may  
19 be provided by a surety company or companies or one or more  
20 underwriters in lieu of an individual bond as to any officer or  
21 employee required by law to be bonded, except treasurers and tax  
22 collectors, by whatever title known, and except municipal court  
23 judges and administrators, provided the blanket bond meets the  
24 requirements for the individual bond in amount, rights of  
25 cancellation, and the governmental agencies in whose favor it runs.<sup>2</sup>

26 Blanket bond coverage may be provided <sup>2</sup>by a joint insurance fund<sup>2</sup>  
27 in lieu of an individual bond as to any officer or employee required  
28 by law to be bonded, **[except]** including treasurers and tax  
29 collectors, by whatever title known, and municipal court judges and  
30 **'[clerks] administrators'**<sup>1</sup>, provided the blanket bond meets the  
31 requirements for the individual bond in amount, rights of  
32 cancellation, and the governmental agencies in whose favor it runs.

33 Whenever a copy of an individual bond is required by law to be  
34 filed with or supplied to specified officers, evidence of blanket  
35 bond coverage filed with or supplied to such officers by the board  
36 of chosen freeholders or governing body shall be compliance with  
37 such requirement.

38 (cf: P.L.1996, c.4, s.1)  
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40 2. N.J.S.40A:5-36 is amended to read as follows:

41 40A:5-36. Every bond given by a municipal court judge or  
42 <sup>2</sup>**[clerk]** administrator<sup>2</sup> of a municipal court as hereinafter provided  
43 shall be for the protection of the State, the county and the

**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 thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SCU committee amendments adopted March 2, 2006.

<sup>2</sup>Senate floor amendments adopted March 13, 2006.

1 municipality or, in the case of an intermunicipal court, the  
2 municipalities, and also for the protection of defendants, litigants,  
3 bondsmen and all other persons in interest. A bond pursuant to this  
4 section may be provided<sup>2</sup> by a joint insurance fund<sup>2</sup> through blanket  
5 bond coverage pursuant to section 1 of P.L.1967, c.283 (C.40A:5-  
6 34.1).

7 (cf: P.L.1977, c.396, s.4)

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9 <sup>2</sup>3. N.J.S.40A:5-38 is amended to read as follows:

10 40A:5-38. The Local Finance Board may prescribe rules and  
11 regulations pertaining to the bonds of municipal court judges and  
12 municipal court **[clerks]** administrators consistent with the rules of  
13 administration applicable to the municipal courts. Notwithstanding  
14 any other provision of law, the Local Finance Board shall, in  
15 accordance with a classification system established by said board,  
16 determine and fix the minimum amount of any official bond which  
17 may be required of a municipal court judge or **[clerk]** administrator  
18 of a municipal court.<sup>2</sup>

19 (cf: P.L.1977, c.396, s.5)

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21 <sup>2</sup>4. N.J.S.40A:5-39 is amended to read as follows:

22 40A:5-39. The governing body of any municipality authorized  
23 by law to fix the amount of any bond given by a municipal court  
24 judge or **[clerk]** administrator of a municipal court may fix such  
25 amount in excess of the minimum prescribed by the local finance  
26 board.<sup>2</sup>

27 (cf: P.L.1977, c.396, s.6)

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29 <sup>2</sup>**[3.]** 5.<sup>2</sup> This act shall take effect immediately.

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35 Allows joint insurance funds to include treasurers, tax collectors,  
36 and municipal court judges and administrators under blanket bond  
coverage.