

SENATE, No. 341

STATE OF NEW JERSEY 214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

Sponsored by:

Senator STEVEN V. OROHO

District 24 (Sussex, Hunterdon and Morris)

Senator JEFF VAN DREW

District 1 (Cape May, Atlantic and Cumberland)

SYNOPSIS

Expands range of local units eligible to join an insurance fund established by a municipality or county under certain circumstances

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



(Sponsorship Updated As Of: 6/11/2010)

1 AN ACT concerning local unit insurance funds and amending
2 N.J.S.40A:10-6.

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

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

8 40A:10-6. The governing body of any local unit may establish
9 an insurance fund for the following purposes:

10 a. To insure against any loss or damage however caused to any
11 property, motor vehicles, equipment or apparatus owned by it, or
12 owned by or under the control of any of its departments, boards,
13 agencies or commissions;

14 b. To insure against liability resulting from the use or operation
15 of motor vehicles, equipment or apparatus owned by or controlled
16 by it, or owned by or under the control of any of its departments,
17 boards, agencies or commissions;

18 c. To insure against liability for its negligence and that of its
19 officers, employees and servants, whether or not compensated or
20 part-time, who are authorized to perform any act or services, but not
21 including an independent contractor within the limitations of the
22 "New Jersey Tort Claims Act" (N.J.S.59:1-1 et seq.);

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

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

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

37 For the purposes of this section, "local unit" means a county,
38 municipality, board of education, county college, county vocational
39 school, and any municipal authority.

40 (cf: P.L.2007, c.18, s.1)

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42 2. This act shall take effect immediately.

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.

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STATEMENT

This bill provides that, for the purposes of N.J.S.40A:10-6, which provides for the establishment of insurance funds by the governing body of any local unit under certain circumstances, “local unit” means a county, municipality, board of education, county college, county vocational school, and any municipal authority.

Under current law, a board of education is permitted to participate in a county insurance fund under N.J.S.A.18A-18A-2 and a municipal insurance fund under N.J.S.A.40A:10-6.1 and N.J.S.A.40A:10-52 (as well as N.J.S.A.40A:10-53, -54, and -55 with regard to participation by all-purpose regional school districts, consolidated school districts, and limited-purpose school districts). A county vocational school district is permitted to participate in a county insurance fund under N.J.S.A.40A:10-56 and N.J.S.A.40A:10-57. A county college is permitted to participate in a county insurance fund under N.J.S.A.18A:64A-25.40; however, there is no current statutory authority for a county college to participate in a municipal insurance fund. Similarly, there is no current statutory authority for a municipal authority to participate in a county or municipal insurance fund. This bill would collect all such local units under a single statute and provide the authority for participation in such insurance funds.