

# SENATE, No. 1248

## STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED FEBRUARY 8, 2010

**Sponsored by:**

**Senator RONALD L. RICE**

**District 28 (Essex)**

**Senator JENNIFER BECK**

**District 12 (Mercer and Monmouth)**

**SYNOPSIS**

Requires local unit or authority to provide director of the Division of Local Government Services with report concerning law suits to which it is a party before budget is approved

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/29/2010)**

1 AN ACT concerning local unit and authority budgets and  
2 supplementing Title 40A of the New Jersey Statutes.

3

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

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7 1. a. The director shall not approve a budget pursuant to  
8 N.J.S.40A:4-10 until the governing body has provided the director  
9 with a report outlining any lawsuits filed by or against the local  
10 unit. The report shall include, but not be limited to, the following  
11 information:

12 The number of lawsuits filed by the local unit, with an  
13 explanation of the nature of each lawsuit, and, when appropriate,  
14 the dollar amount awarded to the local unit, unless the amount is  
15 rendered confidential by court order, during the reporting period;

16 The number of lawsuits filed against the local unit, with an  
17 explanation of the nature of each lawsuit, and, when appropriate,  
18 the dollar amount awarded to the plaintiff, unless the amount is  
19 rendered confidential by court order, during the reporting period;

20 The number of lawsuits that were settled out of court, with the  
21 dollar amounts of each settlement, during the reporting period;

22 The number of pending lawsuits, with an explanation of the  
23 nature of each lawsuit, during the reporting period;

24 The name of the attorney or law firm that represented the local  
25 unit in each lawsuit, and the dollar amount paid to the attorney or  
26 law firm for representation, during the reporting period;

27 An explanation of the manner of billing used by the attorney or  
28 law firm representing the local unit in each lawsuit, indicating  
29 whether the attorney or law firm received a set fee per hour or  
30 arranged another manner of billing, during the reporting period;

31 A summary of the local unit's liability insurance plan, indicating  
32 whether the local unit is self-insured or contracts its liability out to  
33 an insurance provider, during the reporting period.

34 b. The director shall transmit a copy of each report to the  
35 Commissioner of Community Affairs, who shall render each report  
36 to the Governor and the Legislature pursuant to section 3 of  
37 P.L.1966, c.293 (C.52:27D-3).

38 c. For the purposes of this section, "reporting period" means the  
39 previous January 1 to December 31 for any local unit operating  
40 under a calendar fiscal year or the previous July 1 to June 30 for  
41 any local unit operating under a State fiscal year.

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43 2. a. The director shall not approve a budget pursuant to  
44 N.J.S.40A:5A-10 until the authority has provided the director with a  
45 report outlining any lawsuits filed by or against the authority. The  
46 report shall include, but not be limited to, the following  
47 information:

1 The number of lawsuits filed by the authority, with an  
2 explanation of the nature of each lawsuit, and, when appropriate,  
3 the dollar amount awarded to the authority, unless the amount is  
4 rendered confidential by court order, during the reporting period;

5 The number of lawsuits filed against the authority, with an  
6 explanation of the nature of each lawsuit, and, when appropriate,  
7 the dollar amount awarded to the plaintiff, unless the amount is  
8 rendered confidential by court order, during the reporting period;

9 The number of lawsuits that were settled out of court, with the  
10 dollar amounts of each settlement, during the reporting period;

11 The number of pending lawsuits, with an explanation of the  
12 nature of each lawsuit, during the reporting period;

13 The name of the attorney or law firm that represented the  
14 authority in each lawsuit, and the dollar amount paid to the attorney  
15 or law firm for representation, during the reporting period;

16 An explanation of the manner of billing used by the attorney or  
17 law firm representing the authority in each lawsuit, indicating  
18 whether the attorney or law firm received a set fee per hour or  
19 arranged another manner of billing, during the reporting period;

20 A summary of the authority's liability insurance plan, indicating  
21 whether the local unit is self-insured or contracts its liability out to  
22 an insurance provider, during the reporting period.

23 b. The director shall transmit a copy of each report to the  
24 Commissioner of Community Affairs, who shall render each report  
25 to the Governor and the Legislature pursuant to section 3 of  
26 P.L.1966, c.293 (C.52:27D-3).

27 c. For the purposes of this section, "reporting period" means the  
28 previous January 1 to December 31 for any authority operating  
29 under a calendar fiscal year or the previous July 1 to June 30 for  
30 any authority operating under a State fiscal year.

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32 3. This act shall take effect immediately.

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### STATEMENT

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37 This bill provides that the Director of the Division of Local  
38 Government Services in the Department of Community Affairs  
39 shall not approve a budget pursuant to the "Local Budget Law,"  
40 N.J.S.40A:4-1 et seq., or the "Local Authorities Fiscal Control  
41 Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.), until the local unit or  
42 authority has provided the director with a report outlining any  
43 lawsuits to which it is a party. The report shall include, but not be  
44 limited to, the following information:

45 The number of lawsuits filed by the local unit or authority, with  
46 an explanation of the nature of each lawsuit, and, when appropriate,  
47 the dollar amount awarded to the local unit or authority, unless the

1 amount is rendered confidential by court order, during the reporting  
2 period;

3 The number of lawsuits filed against the local unit or authority,  
4 with an explanation of the nature of each lawsuit, and, when  
5 appropriate, the dollar amount awarded to the plaintiff, unless the  
6 amount is rendered confidential by court order, during the reporting  
7 period;

8 The number of lawsuits that were settled out of court, with the  
9 dollar amounts of each settlement, during the reporting period;

10 The number of pending lawsuits, with an explanation of the  
11 nature of each lawsuit, during the reporting period;

12 The name of the attorney or law firm that represented the local  
13 unit or authority in each lawsuit, and the dollar amount paid to the  
14 attorney or law firm for representation, during the reporting period;

15 An explanation of the manner of billing used by the attorney or  
16 law firm representing the local unit or authority in each lawsuit,  
17 indicating whether the attorney or law firm received a set fee per  
18 hour or arranged another manner of billing, during the reporting  
19 period;

20 A summary of the local unit or authority's liability insurance  
21 plan, indicating whether the local unit or authority is self-insured or  
22 contracts its liability out to an insurance provider, during the  
23 reporting period.

24 The bill also provides that the Director of the Division of Local  
25 Government Services shall transmit a copy of each report to the  
26 Commissioner of Community Affairs, who shall render each report  
27 to the Governor and the Legislature pursuant to section 3 of  
28 P.L.1966, c.293 (C.52:27D-3).

29 For the purposes of this bill, "reporting period" means the  
30 previous January 1 to December 31 for any local unit or authority  
31 operating under a calendar fiscal year, or the previous July 1 to June  
32 30 for any local unit or authority operating under a State fiscal year.