

FISCAL NOTE TO  
ASSEMBLY, No. 2264  
**STATE OF NEW JERSEY**

DATED: DECEMBER 4, 1996

Assembly Bill No. 2264 of 1996 revises statutes governing the collection and distribution of monies paid by insurance companies to the New Jersey State Firemen's Association established pursuant to R.S.43:17-1 et seq. and the local firemen's relief associations established pursuant to R.S.43:17-40 et seq.

The bill was drafted as a result of hearings held by the Senate Law and Public Safety Committee to investigate criticisms of the collection and distribution of funds by the New Jersey State Firemen's Association. The sponsors intend to clarify the archaic laws governing the association and to codify the procedures governing the tax monies collected and distributed by the association.

The Department of Banking and Insurance states that implementation of the bill will have no fiscal impact on its operating budget, since the responsibilities assigned to the department under the bill largely reflect its current role in reviewing the annual financial filings of the New Jersey State Fireman's Association and of the local relief associations. The department had previously codified its review procedure (see N.J.A.C. 11:1-38.1 et seq.) in response to a determination by the court, in Szabo v. N.J. State Fireman's Association, 230 N.J. Super. 265 (Ch.1988), that the department was obligated to review and audit the financial reports of the associations in order to insure the proper expenditure of public monies.

However, the department does express concern regarding a provision of the bill which establishes an appeals procedure to be followed for capital projects related to the New Jersey Fireman's Home and similar new facilities. This procedure requires the Commissioner of Banking and Insurance to review and issue decisions, within a 30 day period, on all appeals. According to the department, it would need to retain a consultant to assist in fulfilling its obligation under this provision, as the department lacks the expertise to review capital projects. Although the department expects that the cost of a consultant would be borne by relief association funds, it notes that there is no provision in the bill permitting it to recover for such costs.

The Office of Legislative Services (OLS) concurs with the department with respect to its ability to provide financial oversight of association filings without any additional cost to the State; however, the OLS notes that there should be no need for the department to hire outside consulting services for the review of capital projects given that other State agencies, such as the Department of Treasury, could assist

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the department in this regard.

This fiscal note has been prepared pursuant to P.L.1980, c.67.