

SENATE LAW AND PUBLIC SAFETY COMMITTEE

STATEMENT TO

SENATE, No. 1117

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 6, 1996

The Senate Law and Public Safety Committee reports favorably Senate Bill No. 1117 with committee amendments.

This bill revises R.S.43:17-1 et seq., which provides for the establishment of a firemen's relief association in any municipality with one or more fire companies. The purpose of a relief association is to establish and maintain a fund for the relief, support or burial of indigent firemen and their families. Relief associations are funded by a two percent tax on the premiums of fire insurance policies written by foreign and alien insurers.

Under the bill's provisions:

- C The associations would establish, provide and maintain a fund for the relief, support or burial of needy firefighters and their families, or firefighters who may become needy, disabled, or die as a result of doing fire duty, or be prevented by any injury or illness arising from that duty from working at their usual occupation. Under current law, the fund is maintained for burial or relief for indigent firemen and their families. The bill also provides that the relief or support would be granted in accordance with the rules and regulations adopted by the State association.
- C Only one relief association may be established in each municipality or fire district. However, in any municipality or fire district where there is more than one association on the bill's effective date, those associations would be permitted to continue operation if they comply with the provisions of R.S.43:17-7 and the rules and regulations adopted by the State association.
- C The State association must receive and hold in trust any moneys, accounts payable, property or securities of any local association that loses its charter. If a new local association is organized in that municipality, the moneys, accounts payable property or securities would then be turned over to that new association. Under current law, there is no procedure for the local association to divest itself of these items.
- C Local associations could provide for staggered terms for elections of members of their boards of representatives. Currently, such members are elected for terms of one year. All of the officers

would take an oath of office for the faithful performance of their duties; under current law, only the secretary takes such an oath. The treasurer and officers of the local relief associations would be covered by a bond which would be obtained for them by the State association, rather than the treasurer and officers providing a bond as at present. The treasurer of the State association would be the custodian of the bonds and submit copies to the Commissioner of Insurance.

- C A local association's board of representatives would no longer be able to delegate one of its members to sit on the local association's board of trustees, and vice-versa. Current law permits this practice.
- C Each board of representatives would meet five times a year rather than twice a year.
- C If a board of trustees officer's position is vacated, it would be filled by the representatives; current law also permits the board, company, association or corps by which the officer was elected to fill the position.
- C All applications for assistance would be referred to the board of trustees for their investigation and approval or disapproval. The trustees are required to report their findings and recommendations to the board of representatives, which may adopt or approve the recommendation or make its own determination in accordance with R.S.43:17-35 and the rules and regulations adopted by the executive committee of the State association. Assistance would be given only if the board finds need and if the applicant is deemed worthy. Under current law, at least two of the trustees must approve the assistance.
- C Management of the business of the State association, custody of its property and disposal of the funds and property would be entrusted to the executive committee in accordance with the provisions of R.S.43:17-35 and the rules and regulations adopted by the State association.
- C The board of representatives would oversee and control the funds, money and property of the local association and ensure its proper allocation, disbursement or management in accordance with the provisions of R.S.43:17-35 and the rules and regulations adopted by the State association.
- C A procedure is created to suspend any trustee or officer pending a hearing to determine if there are grounds for a charge of misconduct, malfeasance in office, or a violation of any law or the association's rules and regulations and to investigate such charges. After notice of the charges and a hearing, if a majority of the local association's membership finds misconduct or malfeasance in office, the board may declare the office vacant and appoint another person to fill the vacancy. If the State association or board of representatives does not file charges, the State association may declare the local association out of accord and seize control

of its assets and take any other necessary action to protect and preserve the funds or property of the local association.

- C A local association may pay to its delegates, life members, chief or next highest ranking officer who attends the annual convention of the State association the cost incurred for travel, lodging, and other expenses as determined by the executive committee of the State association and its rules and regulations.
- C On or before February 10th each year, each local association must file a financial report with the field examiner of the State association, who would then file a sworn statement with the Secretary of State by May 1st. The executive committee would examine each local association and file a biannual report certified by a licensed accountant. The report would then be filed by June 1st with the Treasurer of the State association and the Department of Insurance. Under current law, the local association is required to file the information by April 1st directly with the Secretary of State.
- C The manner in which the local associations may invest their moneys is revised. Under current law, one of the modes of investment may be bonds secured by mortgages which are first liens on real estate in this State. Another mode of investing is in shares of or accounts in savings and loan associations located in New Jersey. Under the provisions of this bill, both of these are eliminated, and bonds, stocks accounts and other financial instruments of any State or federal financial institution are added to the list of authorized modes of investment.
- C A violation of the provisions governing the manner of investments is made a crime of the fourth degree. Under current law, any violation of the provisions of chapter 17 of Title 43 is a misdemeanor.
- C Under current law, the executive committee of the State association or the Director of the Division of Taxation may restore depleted funds of a local association. Under this bill, only the executive committee would restore depleted funds.
- C The State association would have the same power as the local association to provide for the distribution of any fund for the relief of disabled or needy firefighters. The current statute does not give the State association this power.
- C The local associations are required to choose delegates and alternates for the conventions or meetings of the State association by June 1st of each year; current law states that delegates and alternates should be chosen by September 1st and exempt delegates and alternates by the second Wednesday in April.
- C Additional officers would be elected for the State association, including a vice president, first assistant secretary, second assistance secretary and executive committee. Currently, only a president, secretary and treasurer are required to be elected.
- C The exective committee is given the power to adopt and revise the

constitution and by-laws from time to time in accordance with R.S.43:17-35. The State association also may adopt any amendment submitted by any local association or executive committee to amend the constitution and by-laws.

- C A field examiner would be elected for proper supervision and control of the funds and property. Current law states that an auditor must be elected. The field examiner would file the sworn certificate with the Secretary of State required under current law listing each treasurer of the local associations who has complied with the provisions of chapter 17 of Title 43.

The bill also repeals R.S.43:17-48 through 43:17-54, which provide for the organization and funding of local relief associations in certain townships, fire districts and boroughs. All local associations thereafter would be subject to the provisions of this bill.

The committee amendment is technical in nature; it corrects a grammatical error.