

30:9-14

LEGISLATIVE HISTORY CHECKLIST

NJSA: 30:9-14 (Hospitals - Board of Managers - powers - include borrowing money)

LAWS OF: 1983

CHAPTER: 62

Bill No.: A3076

Sponsor(s): Janiszewski and others

Date Introduced: Jan. 27, 1983

Committee: Assembly: _____

Senate: _____

Amended during passage /// No Substituted for S3073 (not attached since identical to A3076)

Date of Passage: Assembly: Jan. 27, 1983

Senate: Jan. 31, 1983

Date of Approval: Feb. 8, 1983

Following statements are attached if available:

Sponsor statement:		Yes	//
Committee statement:	Assembly	///	No
	Senate	///	No
Fiscal Note:		///	No
Veto Message		///	No
Message on Signing:		Yes	//
Following were printed:			
Reports:		///	No
Hearings:		///	No

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1983

ASSEMBLY, No. 3076

STATE OF NEW JERSEY

INTRODUCED JANUARY 27, 1983

By Assemblymen JANISZEWSKI, COWAN, JACKMAN, T. GALLO,
CHARLES and DORIA

AN ACT concerning the powers of a hospital board of managers
established by a municipality and amending R. S. 30:9-14.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. R. S. 30:9-14 is amended to read as follows:

2 30:9-14. a. The governing body of any municipality establishing
3 and maintaining a hospital or hospitals under authority of section
4 30:9-13 of this Title shall have power to appoint a board to manage
5 and operate its hospitals established pursuant to section 30:9-13
6 of this Title. The board shall consist of 12 persons, 10 of whom
7 shall be citizens and residents of the municipality, who shall serve
8 without compensation; three of whom shall be appointed for a term
9 of two years, three of whom shall be appointed for a term of three
10 years, and four of whom shall be appointed for a term of four years.
11 Thereafter, all appointments shall be made for terms of four years.
12 All appointed members shall serve after the expiration of their
13 terms until their respective successors are appointed and shall
14 qualify, and any vacancy occurring in the appointed members of the
15 board, due to expiration of term or otherwise, shall be filled in the
16 same manner as the original appointment, for the unexpired term
17 only, notwithstanding that the previous incumbent may have held
18 over and continued in office as aforesaid. The board members may
19 be reimbursed for actual expenses incurred in the performance of
20 their official duties. The chief executive of the municipality and
21 the officer having charge of its finances shall be ex officio members
22 of the board.

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 printed in italics *thus* is new matter.

23 b. At its organization meeting the board shall annually elect a
24 chairman, vice-chairman, a secretary and a treasurer, who shall
25 hold office until February 1 next ensuing, and until their respective
26 successors have been elected and qualify. The treasurer may be
27 an ex officio member of the board. The treasurer shall file a bond
27A of indemnity with the board in an amount sufficient to cover the
28 moneys from time to time under his custody and control. Such
29 moneys shall be deposited to the account of the hospital in a sepa-
30 rate bank account or accounts.

31 c. The board or its members shall incur no expense or obligation
32 in excess of the amount appropriated by the governing body for
33 expenditure by them and of hospital funds subject to their dis-
34 position. *Moneys borrowed under subsection f. for the purposes of*
35 *the board under subsection e. shall be deemed hospital funds for*
36 *the purposes of this subsection.*

37 d. The governing body may remove a member for cause after
38 public hearing which removal shall be in accordance with the civil
39 service and tenure of office laws in municipalities operating under
40 such laws. Such removal shall be reviewable in the Superior Court
41 by a proceeding in lieu of prerogative writ.

42 e. The board shall have the following powers:

43 (1) To exercise full and exclusive control over the hospital or
44 hospitals owned by the municipality, but subject to State health
45 and licensing laws;

46 (2) To have a common seal and to alter the same in its
47 discretion;

48 (3) To sue and be sued as a public body, politic and corporate;

49 (4) To enter into any and all contracts, execute any and all
50 instruments and do and perform any and all acts or things neces-
51 sary, convenient or desirable for the purposes of the hospital, or
52 to carry out any powers expressly granted in this section;

53 (5) To do and perform any acts and things authorized by this
54 act, through or by means of its own officers, agents and employees,
55 or by contracts with any persons;

56 (6) To make and enforce bylaws or rules and regulations for
57 the business and affairs of the hospital and for the use, maintenance
58 and operation of the hospital;

59 (7) To fix the salaries of all employees and to create and
60 establish such positions as may be necessary for the efficient opera-
61 tion of the hospital, and except as otherwise provided by section
62 30:9-13 of this Title and applicable law. All salaries shall be fixed
63 as nearly as practicable in accordance with the schedule, if any, of
64 the municipality for corresponding positions. Receipts and reve-

65 nues of the hospital shall be retained and applied by the board
66 for the purposes of the hospital. Prior to November 15 of each
67 year, the board shall certify to the governing body any additional
68 sums that may be necessary for the proper conduct of its work
69 during the ensuing fiscal year, which shall include the following
70 items:

71 (a) Payment of wages and salaries of employees;

72 (b) Purchase of materials and supplies;

73 (c) Purchase of necessary equipment and services.

74-85 f. The governing body shall annually appropriate such sums as it
86 may deem necessary for said purposes within the amounts avail-
87 able therefor in accordance with applicable law. The board shall
88 [not] have the power to borrow money for any of its purposes.

89 g. (1) Notwithstanding anything to the contrary in any of the
90 statutes or any provisions thereof, whenever the Commissioner of
91 the Department of Health makes a determination pursuant to
92 subsection a. (6) of section 5 of P. L. 1977, c. 289 (C. 30:9-12.33),
93 the Governor shall reconstitute the board of managers of the
94 hospital by the appointment, with the advice and consent of the
95 Senate; provided, however, that if no action has been taken within
96 45 days after the nominations for appointment have been submitted
97 to the Senate, the nominations shall be deemed confirmed, of a
98 board consisting of not less than five nor more than nine members
99 who shall receive reasonable compensation, as set by the Governor,
100 and reimbursement of their expenses and who shall be appointed
101 for terms not to exceed five years. The appointments of the recon-
102 stituted board shall be effective as of July 1, 1981. The existing
103 board members shall continue to serve until the reconstituted board
104 is appointed.

105 (2) The reconstituted board shall have all the powers enumer-
106 ated in subsection e. of this section and shall have power to appoint,
107 retain and employ attorneys with the approval of the Governor
108 and the Attorney General.

109 (3) Notwithstanding the provisions of Title 11 (Civil Service)
110 or any other Title of the Revised Statutes, the board may appoint,
111 remove, promote and transfer employees in the following positions
112 which shall be in the unclassified service: executive director, asso-
113 ciate executive director, assistant executive director.

114 (4) In addition, the board shall be responsible for conducting a
115 study of the management, finances and governance structure of
116 the hospital and of the most feasible means of restoring the hospital
117 to an efficient and financially solvent operation. The recommenda-
118 tions of the reconstituted board concerning the future governance

119 of the hospital and the borrowing of money, sale of property and
120 investment of assets for the current or future management and
121-122 operation of the hospital, including the reestablishment of the
123 original board of managers if the hospital no longer meets the
124 condition described in subsection a. (6) of section 5 of P. L. 1977,
125 c. 289 (C. 30:9-12.33), shall be submitted to the governing body and
126 the Governor. The governing body shall take all necessary and
127 proper action to effectuate such recommendations.

128 (5) Prior to November 15 of each year, the board shall certify
129 to the governing body any additional sums that may be necessary
130 for the proper conduct of its work during the ensuing fiscal year.
131 The governing body shall appropriate such sums as the board has
132 certified to be necessary within the amounts available in accordance
133 with applicable law.

134 (6) Upon the appointment of the reconstituted board, no action
135 or proceeding in the nature of an attachment, garnishment or execu-
136 tion shall be commenced or maintained in the courts of this State
137 against the hospital or its assets for a period of one year from the
138 date of appointment of the board by the Governor.

1 2. This act shall take effect immediately.

STATEMENT

Presently, the governing body of a municipality has the power to establish a hospital and appoint a board of managers to conduct the operations of the hospital. The powers of the board of managers are statutorily enumerated and include the power to enter into any contracts, to execute instruments and to perform all acts necessary, convenient or desirable for the purposes of the hospital.

The purpose of this bill is to expand the powers of the board to include the power to borrow money for any of its purposes. Since the bill is not restrictive of the board's power to borrow money, a board may borrow money from a lending institution, the State, or any other source.

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A3076 (1983)

OFFICE OF THE GOVERNOR

RELEASE IMMEDIATE

CONTACT PAUL WOLCOTT

TUESDAY, FEBRUARY 8, 1983

Governor Thomas H. Kean has signed the following bills:

S-909, sponsored by State Senator Matthew Feldman, (D-Bergen), which prohibits the possession or manufacture, with certain exceptions, of bullets capable of penetrating body armor (Bullet-Proof Vests). The bill was signed after legislative concurrence with recommendations contained in the Governor's conditional veto of the bill on September 16, 1982. The recommendations created exceptions to the law for bona fide sportsmen, collectors and licensed retailers.

A-1476, sponsored by Assemblyman Anthony M. Villane Jr., (R-Monmouth) which includes the State Treasurer as a member of the Lottery Commission.

S-534, sponsored by State Senator John H. Dorsey, (R-Morris) which provides immunity from civil liability to trained persons who provide assistance to police or other agencies in connection with accidents or other emergencies involving liquified natural gas or liquified petroleum gas.

A-412, sponsored by Assemblyman Water J. Kavanaugh, (R-Somerset) which permits eye-level brake lights to be placed on passenger cars.

A-3076, sponsored by Assemblyman Robert C. Janiszewski, (D-Hudson) which permits certain hospitals to borrow from private sources to meet their expenses. The bill is aimed at the current problems of the Jersey City Medical Center, and will allow the Medical Center to borrow money to avoid closing its doors. The bill would permit Jersey City to guarantee the loan. It is believed that without that financial assistance, the Medical Center would be forced to close.

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