

40A:10-8 to 40A:10-10

LEGISLATIVE HISTORY CHECKLIST

(Insurance fund commissioners for counties and municipalities method of appointment.)

NJSA 40A:10-8-40A:10-10

LAWS 1982

CHAPTER 25

Bill No. S913

Sponsor(s) Caufield & Lipman

Date Introduced Feb. 1, 1982

Committee: Assembly County Gov't

Senate County & Municipal Government

Amended during passage Yes

~~NY~~ Substituted for A669 (not attached since identical to S913) Amendments denoted by asterisks

Date of Passage: Assembly Mar. 11, 1982

Senate March 1, 1982

Date of approval April 29, 1982

Following statements are attached if available:

Sponsor statement	Yes	NY
Committee Statement:	Assembly	Yes NY
	Senate	Yes NY
Fiscal Note	Yes	No
Veto Message	Yes	No
Message on signing	Yes	NY

Following were printed:

Reports	Yes	No
Hearings	Yes	No

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4-29-82

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SENATE No. 913

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 1, 1982

By Senators CAUFIELD and LIPMAN

Referred to Committee on County and Municipal Government

AN ACT concerning the insurance fund of local units and amending
N. J. S. 40A:10-8, N. J. S. 40A:10-9 and N. J. S. 40A:10-10.

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

1 1. N. J. S. 40A:10-8 is amended to read as follows:

2 40A:10-8. Insurance fund commissioners; *secretary*; appoint-
3 ment; term; vacancies; compensation. Upon establishment of an
4 insurance fund, the officer or body of the local unit having the
5 power to make appointments shall appoint three [members of the
6 governing body] *officials* of the local unit, *who may be mem-*
7 *bers of the governing body, to serve as insurance fund commis-*
7A *sioners and shall appoint a person to serve as secretary to the*
8 *insurance fund commission.* The commissioners shall hold office
9 for 2 years or for the remainder of their term of office as [members
10 of the governing body] *officials*, whichever shall be less, and until
11 their successors shall have been duly appointed and qualified. **The*
11A *secretary shall serve at the pleasure of the commission.** The
12 commissioners shall serve without compensation. *The salary of*
13 *the secretary shall be set by ordinance or resolution, as appropriate,*
14 *as authorized by the governing body.*

15 Vacancies in the office of insurance fund commissioners caused
16 by any reason other than expiration of term as [a member of the
17 local unit governing body] *an official* shall be filled for the unex-
18 pired term. *Vacancies in the position of secretary shall be filled in*
19 *the manner of the original appointment.*

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.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Senate committee amendments adopted February 8, 1982.

1 2. N. J. S. 40A:10-9 is amended to read as follows:

2 40A:10-9. Organization of commissioners. The commissioners
3 shall, forthwith after their appointment, organize for the ensuing
4 year by election from their membership of a chairman [and a
5 secretary,] who shall serve for the year.

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

2 40A:10-10. Powers and authority of commissioners. The com-
3 missioners shall have the following powers and authority:

4 a. Employ necessary clerical assistants, whose compensation
5 shall be fixed and paid by the governing body of the local unit in
6 the same manner as is that of other employees of the local unit;

7 b. Invest the fund and all additions and accretions thereto in
8 such securities as they shall deem best suited for the purposes of
9 this article;

10 c. Adopt rules and regulations for the control and investment
11 of the fund;

12 d. Keep on hand at all times sufficient money, or have the same
13 invested in such securities as can be immediately sold for cash,
14 for the payment of losses to any buildings or property of the local
15 unit, or liability resulting from the operation of publicly owned
16 motor vehicles, equipment or apparatus;

17 e. Fix reasonable rates of premium for all insurance carried by
18 the insurance fund, and shall effect all insurance in the insurance
19 fund or with any insurance company or companies authorized to
20 do business in this State;

21 f. Premiums for insurance, whether carried in the insurance
22 fund or placed with insurance companies, shall be paid to the
23 commissioners by the board, commission, department, committee
24 or officer having charge or control of the property insured;

25 g. All insurance upon property owned or controlled by a local
26 unit or any of its departments, boards, agencies or commissions,
27 shall be placed and effected by the commissioners[.];

28 h. **[The]* *If provided by the rules and regulations of the
29 commission, the* secretary to the insurance fund commission shall
30 be entrusted with the daily operation of the insurance fund and
31 shall submit a report to the commissioners at least once a month.*

1 4. This act shall take effect immediately.

SENATE No. 913

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 1, 1982

By Senators CAUFIELD and LIPMAN

Referred to Committee on County and Municipal Government

AN Act concerning the insurance fund of local units and amending
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6 governing body] *officials* of the local unit, *who may be mem-*
7 *bers of the governing body, to serve as insurance fund commis-*
7A *sioners and shall appoint a person to serve as secretary to the*
8 *insurance fund commission. The commissioners shall hold office*
9 *for 2 years or for the remainder of their term of office as [members*
10 *of the governing body] officials, whichever shall be less, and until*
11 *their successors shall have been duly appointed and qualified. The*
12 *commissioners shall serve without compensation. The salary of*
13 *the secretary shall be set by ordinance or resolution, as appropriate,*
14 *as authorized by the governing body.*

15 Vacancies in the office of insurance fund commissioners caused
16 by any reason other than expiration of term as [a member of the
17 local unit governing body] *an official* shall be filled for the unex-
18 pired term. *Vacancies in the position of secretary shall be filled in*
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5 secretary.] who shall serve for the year.

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2 40A:10-10. Powers and authority of commissioners. The com-
3 missioners shall have the following powers and authority:

4 a. Employ necessary clerical assistants, whose compensation
5 shall be fixed and paid by the governing body of the local unit in
6 the same manner as is that of other employees of the local unit;

7 b. Invest the fund and all additions and accretions thereto in
8 such securities as they shall deem best suited for the purposes of
9 this article;

10 c. Adopt rules and regulations for the control and investment
11 of the fund;

12 d. Keep on hand at all times sufficient money, or have the same
13 invested in such securities as can be immediately sold for cash,
14 for the payment of losses to any buildings or property of the local
15 unit, or liability resulting from the operation of publicly owned
16 motor vehicles, equipment or apparatus;

17 e. Fix reasonable rates of premium for all insurance carried by
18 the insurance fund, and shall effect all insurance in the insurance
19 fund or with any insurance company or companies authorized to
20 do business in this State;

21 f. Premiums for insurance, whether carried in the insurance
22 fund or placed with insurance companies, shall be paid to the
23 commissioners by the board, commission, department, committee
24 or officer having charge or control of the property insured;

25 g. All insurance upon property owned or controlled by a local
26 unit or any of its departments, boards, agencies or commissions,
27 shall be placed and effected by the commissioners~~].~~];

28 *h. The secretary to the insurance fund commission shall be*
29 *entrusted with the daily operation of the insurance fund and shall*
30 *submit a report to the commissioners at least once a month.*

1 4. This act shall take effect immediately.

STATEMENT

This bill remedies a problem which has occurred with respect to the laws providing for the appointment of insurance fund commissioners in local government establishing a local insurance fund.

When chapter 10, Insurance, was incorporated into Title 40A by the revision accomplished by P. L. 1979, c. 230, the source sections, R. S. 40:26-5 and 40:51-5, were combined into N. J. S. 40A:10-8 and the terminology applicable to counties was used. As a result, municipalities are now governed by that language requiring the appointment of members of the governing body and, in certain cases, this would require members who were officials qualified under

the old law, but not members of the governing body, to be terminated under the new law. This bill permits those officials to continue to serve and provides that the local unit may appoint members of the governing body as commissioners.

In addition, the bill requires that the secretary to the insurance fund commission shall not be a commissioner. The bill provides that the secretary may be entrusted with the daily operations of the fund, and shall receive a salary to be set by the local governing body.

ASSEMBLY COUNTY GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 913

STATE OF NEW JERSEY

DATED: MACH 8, 1982

Senate Bill No. 913 amends the laws regarding local insurance fund commissions to authorize the appointment of any local official to the position of insurance fund commissioner. Under the present law only members of the governing body may serve as commissioners.

The bill remedies a problem which has occurred with respect to the laws regarding insurance fund commissioners which occurred when Chapter 10, Insurance, was incorporated into Title 40A by P. L. 1979, c. 230. At the time of the revision, the terminology applicable to counties was used to govern both municipal and county insurance fund commissions. As a result, members who were then qualified as municipal commissioners under the old law, and not necessarily members of the governing body, are no longer able to serve on insurance fund commissions. This amendment would permit those officials to continue to serve.

In addition, the bill establishes a secretary to the insurance fund commission who is to be entrusted with the daily operations of the fund and is required to submit monthly reports to the commissioners. At present, any member of the commission may serve as secretary.

The Senate committee adopted the amendments to provide that the secretary of the commission shall serve at the pleasure of the commission and to clarify that the provision of the bill entrusting the daily operations of the insurance fund to the secretary is permissive in nature.

The identical bill, Assembly Bill No. 669, was reported favorably from the committee, with the same amendments, this session.

SENATE COUNTY AND MUNICIPAL
GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 913

with Senate committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 8, 1982

Senate Bill No. 913 remedies a problem which has occurred with respect to the laws providing for the appointment of insurance fund commissioners in local governments establishing a local insurance fund.

When Chapter 10, Insurance, was incorporated into Title 40A by the revision accomplished by P. L. 1979, c. 230, the source sections, R. S. 40:26-5 and 40:51-5, were combined into N. J. S. 40A:10-8 and the terminology applicable to counties was used. As a result, municipalities are now governed by that language requiring the appointment of members of the governing body and, in certain cases, this would require members who were officials qualified under the old law, but not members of the governing body, to be terminated under the new law. This amendment permits those officials to continue to serve.

In addition, the bill requires that the secretary to the insurance fund commission shall not be a commissioner. The bill provides that the secretary may be entrusted with the daily operations of the fund, and shall receive a salary to be set by the local governing body.

The Senate Committee amendments provide that the secretary to the commission shall serve at the pleasure of the commission, and clarify that the provision of the bill entrusting the daily operations of the insurance fund to the secretary is permissive in nature.

This bill, as Senate Bill No. 3322, was reported favorably by this committee in the 1980-1981 session, and passed the Senate by a vote of 34-0. The bill passed the General Assembly by a vote of 64-0. It was not signed by Governor Byrne. The committee amendments made in the last session are incorporated in Senate Bill No. 913.

OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATE, APRIL 29, 1982

CONTACT: CARL GOLDEN

Legislation providing that interest earned on investment of revenue from the Casino Revenue Fund be credited to the fund was signed into law today by Governor Thomas H. Kean.

The bill, A-42, was sponsored by Assemblyman Michael Matthews, D-Atlantic.

The Governor noted that he had supported the proposal during his campaign last year and that it is appropriate for these funds to be used now that the voters have approved additional uses for the casino tax revenue.

The Governor also signed three other bills:

S-913, sponsored by Senator John Caufield, D-Essex, to permit a mayor to appoint a local official as commissioner of the local government insurance fund and to provide for the appointment of a secretary to the fund by the local governing body.

A-761, sponsored by Assembly Speaker Alan Karcher, D-Middlesex, to simplify the title reassignment procedures now in use in the Division of Motor Vehicles.

A-762, sponsored by Karcher, to permit the Division of Motor Vehicles to impose a 30-day suspension of a license for a moped driver upon a second offense.

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