

17B:27A-10

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 1999 **CHAPTER:** 367

NJSA: 17B:27A-10 (Health Benefits Program boards)

BILL NO: A3568 (Substituted for S2208)

SPONSOR(S): Felice and Doria

DATE INTRODUCED: December 2, 1999

COMMITTEE: **ASSEMBLY:** Banking and Insurance

SENATE: ---

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** December 13, 1999

SENATE: January 10, 2000

DATE OF APPROVAL: January 14, 2000

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL: Original
(Amendments during passage denoted by superscript number)

A3568

SPONSORS STATEMENT: (Begins on page 5 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** [Yes](#)

SENATE: No

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: No

S2208

SPONSORS STATEMENT: (Begins on page 5 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: [Yes](#)

Identical to Assembly Statement for A3568

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: [Yes](#)

FOLLOWING WERE PRINTED:

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No

P.L. 1999, CHAPTER 367, *approved January 14, 2000*

Assembly, No. 3568

1 **AN ACT** concerning the governing boards of the New Jersey Individual
2 Health Coverage Program and the New Jersey Small Employer
3 Health Benefits Program and amending P.L.1992, c.161 and
4 P.L.1992, c.162.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8

9 1. Section 9 of P.L.1992, c.161 (C.17B:27A-10) is amended to
10 read as follows:

11 9. a. There is created the New Jersey Individual Health Coverage
12 Program. All carriers subject to the provisions of this act shall be
13 members of the program.

14 b. Within 30 days of the effective date of this act, the commissioner
15 shall give notice to all members of the time and place for the initial
16 organizational meeting, which shall take place within 60 days of the
17 effective date. The board shall consist of nine representatives. The
18 commissioner or his designee shall serve as an ex officio member on
19 the board. Four members of the board shall be appointed by the
20 Governor, with the advice and consent of the Senate: one of whom
21 shall be a representative of an employer, appointed upon the
22 recommendation of a business trade association, who is a person with
23 experience in the management or administration of an employee health
24 benefit plan; one of whom shall be a representative of organized labor,
25 appointed upon the recommendation of the A.F.L.-C.I.O., who is a
26 person with experience in the management or administration of an
27 employee health benefit plan; and two of whom shall be consumers of
28 a health benefits plan who are reflective of the population in the State.
29 Four board members who represent carriers shall be elected by the
30 members, subject to the approval of the commissioner, as follows: to
31 the extent there is one licensed in this State that is willing to have a
32 representative serve on the board, a representative from each of the
33 following entities shall be elected:

34 (1) **【until December 31, 1999,】** a health service corporation **【or a**
35 domestic mutual insurer which converted from a health service
36 corporation in accordance with the provisions of sections 2 through 4
37 of P.L.1995, c.196 (C.17:48E-46 through C.17:48E-48). After that
38 date, a domestic mutual insurer which, either directly or through a
39 subsidiary health maintenance organization, is primarily engaged in the
40 business of issuing health benefits plans**】**;

41 (2) a health maintenance organization;

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 (3) **【a mutual health】** an insurer **【of】** authorized to write health
2 insurance in this State subject to Subtitle 3 of Title 17B of the New
3 Jersey Statutes; and

4 (4) a foreign health insurance company authorized to do business
5 in this State.

6 In approving the selection of the carrier representatives of the
7 board, the commissioner shall assure that all members of the program
8 are fairly represented.

9 Initially, two of the Governor's appointees and two of the carrier
10 representatives shall serve for a term of three years; one of the
11 Governor's appointees and one of the carrier representatives shall
12 serve for a term of two years; and one of the Governor's appointees
13 and one of the carrier representatives shall serve for a term of one
14 year. Thereafter, all board members shall serve for a term of three
15 years. Vacancies shall be filled in the same manner as the original
16 appointments.

17 c. If the initial carrier representatives to the board are not elected
18 at the organizational meeting, the commissioner shall appoint those
19 members to the initial board within 15 days of the organizational
20 meeting.

21 d. Within 90 days after the appointment of the initial board, the
22 board shall submit to the commissioner a plan of operation and
23 thereafter, any amendments to the plan necessary or suitable to assure
24 the fair, reasonable, and equitable administration of the program. The
25 commissioner may disapprove the plan of operation, if the
26 commissioner determines that it is not suitable to assure the fair,
27 reasonable, and equitable administration of the program, and that it
28 does not provide for the sharing of program losses on an equitable and
29 proportionate basis in accordance with the provisions of section 11 of
30 this act. The plan of operation or amendments thereto shall become
31 effective unless disapproved in writing by the commissioner within 45
32 days of receipt by the commissioner.

33 e. If the board fails to submit a suitable plan of operation within 90
34 days after its appointment, the commissioner shall adopt a temporary
35 plan of operation pursuant to section 9 of P.L.1993, c.164
36 (C.17B:27A-16.2). The commissioner shall amend or rescind a
37 temporary plan adopted under this subsection, at the time a plan of
38 operation is submitted by the board.

39 f. The plan of operation shall establish procedures for:

40 (1) the handling and accounting of assets and moneys of the
41 program, and an annual fiscal reporting to the commissioner;

42 (2) collecting assessments from members to provide for sharing
43 program losses in accordance with the provisions of section 11 of this
44 act and administrative expenses incurred or estimated to be incurred
45 during the period for which the assessment is made;

1 (3) approving the coverage, benefit levels, and contract forms for
2 individual health benefits plans in accordance with the provisions of
3 section 3 of this act;

4 (4) the imposition of an interest penalty for late payment of an
5 assessment pursuant to section 11 of this act; and

6 (5) any additional matters at the discretion of the board.

7 g. The board shall appoint an insurance producer licensed to sell
8 health insurance pursuant to P.L.1987, c.293 (C.17:22A-1 et seq.) to
9 advise the board on issues related to sales of individual health benefits
10 plans issued pursuant to this act.

11 (cf: P.L.1995, c.196, s.6)

12

13 2. Section 13 of P.L.1992, c.162 (C.17B:27A-29) is amended to
14 read as follows:

15 13. a. Within 60 days of the effective date of this act, the
16 commissioner shall give notice to all members of the time and place for
17 the initial organizational meeting, which shall take place within 90 days
18 of the effective date. The members shall elect the initial board, subject
19 to the approval of the commissioner. The board shall consist of 10
20 elected public members and two ex officio members who include the
21 Commissioner of Health and Senior Services and the commissioner or
22 their designees. Initially, three of the public members of the board
23 shall be elected for a three-year term, three shall be elected for a
24 two-year term, and three shall be elected for a one-year term.
25 Thereafter, all elected board members shall serve for a term of three
26 years. The following categories shall be represented among the
27 elected public members:

28 (1) Three carriers whose principal health insurance business is in
29 the small employer market;

30 (2) One carrier whose principal health insurance business is in the
31 large employer market;

32 (3) **【Until December 31, 1999, a】 A health **【**, hospital or medical**】**
33 service corporation **【**or a domestic mutual insurer which converted
34 from a health service corporation in accordance with the provisions of
35 sections 2 through 4 of P.L.1995, c.196 (C.17:48E-46 through
36 C.17:48E-48). After that date, a health, hospital or medical service
37 corporation or a domestic mutual insurer which, either directly or
38 through a subsidiary health maintenance organization, is primarily
39 engaged in the business of issuing health benefits plans**】**;**

40 (4) Two health maintenance organizations; and

41 (5) (Deleted by amendment, P.L.1995, c.298).

42 (6) (Deleted by amendment, P.L.1995, c.298).

43 (7) Three persons representing small employers, at least one of
44 whom represents minority small employers.

45 No carrier shall have more than one representative on the board.

1 The board shall hold an election for the two members added
2 pursuant to P.L.1995, c.298 within 90 days of the date of enactment
3 of that act. Initially, one of the two new members shall serve for a
4 term of one year and one of the two new members shall serve for a
5 term of two years. Thereafter, the new members shall serve for a term
6 of three years. The terms of the risk-assuming carrier and reinsuring
7 carrier shall terminate upon the election of the two new members
8 added pursuant to P.L.1995, c.298, notwithstanding the provisions of
9 this section to the contrary.

10 In addition to the 10 elected public members, the board shall
11 include six public members appointed by the Governor with the advice
12 and consent of the Senate who shall include:

13 Two insurance producers licensed to sell health insurance pursuant
14 to P.L.1987, c.293 (C.17:22A-1 et seq.);

15 One representative of organized labor;

16 One physician licensed to practice medicine and surgery in this
17 State; and

18 Two persons who represent the general public and are not
19 employees of a health benefits plan provider.

20 The public members shall be appointed for a term of three years,
21 except that of the members first appointed, two shall be appointed for
22 a term of one year, two for a term of two years and two for a term of
23 three years.

24 A vacancy in the membership of the board shall be filled for an
25 unexpired term in the manner provided for the original election or
26 appointment, as appropriate.

27 b. If the initial board is not elected at the organizational meeting,
28 the commissioner shall appoint the public members within 15 days of
29 the organizational meeting, in accordance with the provisions of
30 paragraphs (1) through (7) of subsection a. of this section.

31 c. (Deleted by amendment, P.L.1995, c.298).

32 d. All meetings of the board shall be subject to the requirements of
33 the "Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.).

34 e. At least two copies of the minutes of every meeting of the board
35 shall be delivered forthwith to the commissioner.

36 (cf: P.L.1995, c.298, s.6)

37

38 3. This act shall take effect immediately.

39

40

41

STATEMENT

42

43 This bill continues, beyond December 31, 1999, a representative of
44 a health service corporation (Horizon Blue Cross and Blue Shield of
45 New Jersey) on the governing boards of both the New Jersey
46 Individual Health Coverage and Small Employer Health Benefits

1 Programs. Legislation enacted in 1995 provided for the transfer of the
2 health service corporation seat on both boards to that of a domestic
3 mutual insurer, which converted from a health service corporation.
4 Because that conversion did not occur, this bill allows for the
5 continued representation of a health service corporation member on
6 both boards.

7 In addition, in regard to the New Jersey Individual Health Coverage
8 Program Board, the bill changes the mutual health insurer member to
9 a health insurer member which may be a mutual or stock company.

10

11

12

13

14 Continues health service corporation member on Individual Health
15 Coverage and Small Employer Health Benefits Program boards.

ASSEMBLY, No. 3568

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED DECEMBER 2, 1999

Sponsored by:

Assemblyman NICHOLAS R. FELICE

District 40 (Bergen and Passaic)

Assemblyman JOSEPH V. DORIA, JR.

District 31 (Hudson)

Co-Sponsored by:

Senators Bassano and Codey

SYNOPSIS

Continues health service corporation member on Individual Health Coverage and Small Employer Health Benefits Program boards.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/11/2000)

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2 Health Coverage Program and the New Jersey Small Employer
3 Health Benefits Program and amending P.L.1992, c.161 and
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15 shall give notice to all members of the time and place for the initial
16 organizational meeting, which shall take place within 60 days of the
17 effective date. The board shall consist of nine representatives. The
18 commissioner or his designee shall serve as an ex officio member on
19 the board. Four members of the board shall be appointed by the
20 Governor, with the advice and consent of the Senate: one of whom
21 shall be a representative of an employer, appointed upon the
22 recommendation of a business trade association, who is a person with
23 experience in the management or administration of an employee health
24 benefit plan; one of whom shall be a representative of organized labor,
25 appointed upon the recommendation of the A.F.L.-C.I.O., who is a
26 person with experience in the management or administration of an
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28 a health benefits plan who are reflective of the population in the State.
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5 term of two years. Thereafter, the new members shall serve for a term
6 of three years. The terms of the risk-assuming carrier and reinsuring
7 carrier shall terminate upon the election of the two new members
8 added pursuant to P.L.1995, c.298, notwithstanding the provisions of
9 this section to the contrary.

10 In addition to the 10 elected public members, the board shall
11 include six public members appointed by the Governor with the advice
12 and consent of the Senate who shall include:

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15 One representative of organized labor;

16 One physician licensed to practice medicine and surgery in this
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18 Two persons who represent the general public and are not
19 employees of a health benefits plan provider.

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38 3. This act shall take effect immediately.

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STATEMENT

42

43 This bill continues, beyond December 31, 1999, a representative of
44 a health service corporation (Horizon Blue Cross and Blue Shield of
45 New Jersey) on the governing boards of both the New Jersey
46 Individual Health Coverage and Small Employer Health Benefits

A3568 FELICE, DORIA

6

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2 health service corporation seat on both boards to that of a domestic
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6 both boards.

7 In addition, in regard to the New Jersey Individual Health Coverage
8 Program Board, the bill changes the mutual health insurer member to
9 a health insurer member which may be a mutual or stock company.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3568

STATE OF NEW JERSEY

DATED: DECEMBER 2, 1999

The Assembly Banking and Insurance Committee reports favorably Assembly Bill No. 3568.

This bill continues, beyond December 31, 1999, a representative of a health service corporation (Horizon Blue Cross and Blue Shield of New Jersey) on the governing boards of both the New Jersey Individual Health Coverage and Small Employer Health Benefits Programs. Legislation enacted in 1995 provided for the transfer of the health service corporation seat on both boards to that of a domestic mutual insurer, which converted from a health service corporation. Because that conversion did not occur, this bill allows for the continued representation of a health service corporation member on both boards.

In addition, in regard to the New Jersey Individual Health Coverage Program Board, the bill changes the mutual health insurer member to a health insurer member which may be a mutual or stock company.

SENATE, No. 2208

STATE OF NEW JERSEY
208th LEGISLATURE

INTRODUCED NOVEMBER 8, 1999

Sponsored by:

Senator C. LOUIS BASSANO
District 21 (Essex and Union)
Senator RICHARD J. CODEY
District 27 (Essex)

SYNOPSIS

Continues health service corporation member on Individual Health Coverage and Small Employer Health Benefits Program boards.

CURRENT VERSION OF TEXT

As introduced.



S2208 BASSANO, CODEY

2

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2 Health Coverage Program and the New Jersey Small Employer
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25 appointed upon the recommendation of the A.F.L.-C.I.O., who is a
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39 subsidiary health maintenance organization, is primarily engaged in the
40 business of issuing health benefits plans**];**

41 (2) a health maintenance organization;

42 (3) **[a mutual health] an insurer **[of] authorized to write health****

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 underlined thus is new matter.

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4 (4) the imposition of an interest penalty for late payment of an
5 assessment pursuant to section 11 of this act; and

6 (5) any additional matters at the discretion of the board.

7 g. The board shall appoint an insurance producer licensed to sell
8 health insurance pursuant to P.L.1987, c.293 (C.17:22A-1 et seq.) to
9 advise the board on issues related to sales of individual health benefits
10 plans issued pursuant to this act.

11 (cf: P.L.1995, c.196, s.6)

12
13 2. Section 13 of P.L.1992, c.162 (C.17B:27A-29) is amended to
14 read as follows:

15 13. a. Within 60 days of the effective date of this act, the
16 commissioner shall give notice to all members of the time and place for
17 the initial organizational meeting, which shall take place within 90 days
18 of the effective date. The members shall elect the initial board, subject
19 to the approval of the commissioner. The board shall consist of 10
20 elected public members and two ex officio members who include the
21 Commissioner of Health and Senior Services and the commissioner or
22 their designees. Initially, three of the public members of the board
23 shall be elected for a three-year term, three shall be elected for a
24 two-year term, and three shall be elected for a one-year term.
25 Thereafter, all elected board members shall serve for a term of three
26 years. The following categories shall be represented among the
27 elected public members:

28 (1) Three carriers whose principal health insurance business is in
29 the small employer market;

30 (2) One carrier whose principal health insurance business is in the
31 large employer market;

32 (3) **【Until December 31, 1999, a】 A health **【, hospital or medical】**
33 service corporation **【or a domestic mutual insurer which converted**
34 from a health service corporation in accordance with the provisions of
35 sections 2 through 4 of P.L.1995, c.196 (C.17:48E-46 through
36 C.17:48E-48). After that date, a health, hospital or medical service
37 corporation or a domestic mutual insurer which, either directly or
38 through a subsidiary health maintenance organization, is primarily
39 engaged in the business of issuing health benefits plans**】**;**

40 (4) Two health maintenance organizations; and

41 (5) (Deleted by amendment, P.L.1995, c.298).

42 (6) (Deleted by amendment, P.L.1995, c.298).

43 (7) Three persons representing small employers, at least one of
44 whom represents minority small employers.

45 No carrier shall have more than one representative on the board.

1 The board shall hold an election for the two members added
2 pursuant to P.L.1995, c.298 within 90 days of the date of enactment
3 of that act. Initially, one of the two new members shall serve for a
4 term of one year and one of the two new members shall serve for a
5 term of two years. Thereafter, the new members shall serve for a term
6 of three years. The terms of the risk-assuming carrier and reinsuring
7 carrier shall terminate upon the election of the two new members
8 added pursuant to P.L.1995, c.298, notwithstanding the provisions of
9 this section to the contrary.

10 In addition to the 10 elected public members, the board shall
11 include six public members appointed by the Governor with the advice
12 and consent of the Senate who shall include:

13 Two insurance producers licensed to sell health insurance pursuant
14 to P.L.1987, c.293 (C.17:22A-1 et seq.);

15 One representative of organized labor;

16 One physician licensed to practice medicine and surgery in this
17 State; and

18 Two persons who represent the general public and are not
19 employees of a health benefits plan provider.

20 The public members shall be appointed for a term of three years,
21 except that of the members first appointed, two shall be appointed for
22 a term of one year, two for a term of two years and two for a term of
23 three years.

24 A vacancy in the membership of the board shall be filled for an
25 unexpired term in the manner provided for the original election or
26 appointment, as appropriate.

27 b. If the initial board is not elected at the organizational meeting,
28 the commissioner shall appoint the public members within 15 days of
29 the organizational meeting, in accordance with the provisions of
30 paragraphs (1) through (7) of subsection a. of this section.

31 c. (Deleted by amendment, P.L.1995, c.298).

32 d. All meetings of the board shall be subject to the requirements of
33 the "Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.).

34 e. At least two copies of the minutes of every meeting of the board
35 shall be delivered forthwith to the commissioner.

36 (cf: P.L.1995, c.298, s.6)

37

38 3. This act shall take effect immediately.

39

40

41

STATEMENT

42

43 This bill continues, beyond December 31, 1999, a representative of
44 a health service corporation (Horizon Blue Cross and Blue Shield of
45 New Jersey) on the governing boards of both the New Jersey
46 Individual Health Coverage and Small Employer Health Benefits

S2208 BASSANO, CODEY

6

1 Programs. Legislation enacted in 1995 provided for the transfer of the
2 health service corporation seat on both boards to that of a domestic
3 mutual insurer, which converted from a health service corporation.
4 Because that conversion did not occur, this bill allows for the
5 continued representation of a health service corporation member on
6 both boards.

7 In addition, in regard to the New Jersey Individual Health Coverage
8 Program Board, the bill changes the mutual health insurer member to
9 a health insurer member which may be a mutual or stock company.

SENATE HEALTH COMMITTEE

STATEMENT TO

SENATE, No. 2208

STATE OF NEW JERSEY

DATED: DECEMBER 6, 1999

The Senate Health Committee reports favorably Senate Bill No. 2208.

This bill continues, beyond December 31, 1999, a representative of a health service corporation (Horizon Blue Cross and Blue Shield of New Jersey) on the governing boards of both the New Jersey Individual Health Coverage and Small Employer Health Benefits Programs. Legislation enacted in 1995 provided for the transfer of the health service corporation seat on both boards to that of a domestic mutual insurer, which converted from a health service corporation. Because that conversion did not occur, this bill allows for the continued representation of a health service corporation member on both boards.

In addition, in regard to the New Jersey Individual Health Coverage Program Board, the bill changes the mutual health insurer member to a health insurer member which may be a mutual or stock company.

This bill is identical to Assembly Bill No. 3568 (Felice/Doria) which is pending before the Assembly.

PO BOX 004
TRENTON, NJ 08625

Office of the Governor
NEWS RELEASE

CONTACT: Gene Herman
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RELEASE: January 14, 2000

S-279 (Girgenti) (Russo) - Clarifies duties and responsibilities of municipal prosecutors.

S-504 (Ciesla/Matheussen) (Blee/Malone) - Requires public school districts to provide transportation to all nonpublic schools in certain situations.

S-912 (Palaia/Bark) (Roberts/Geist) - Authorizes certain charges to office of county fire marshal and allows creation of arson investigation unit therein.

SCS for S-1196 (Kosco/Bryant/Furnari) (Cohen/DiGaetano) - Amends "Check Cashers Regulatory Act" to make it a crime to cash a check for consideration without a license and requires the revocation of license under certain circumstances; amends "Casino Control Act" to require casino licensees to file suspicious transaction report.

S-1492 (Sinagra/Bassano) (Cruz-Perez/Vandervalk) - "Physician- Dentist Fellowship and Education Program to Provide Health Care to Persons with Developmental Disabilities," appropriates \$2,500,000.

S-2217 (Gormley) (LeFevre/Blee) - Clarifies that cooperative to condominium conversions are not subject to realty transfer fee.

AS for SCS for S-949 (Blee/Cruz-Perez/Previte/Bryant/Gormley) (Jones/Asselta) - Makes Division of Criminal Justice investigators and probation officers eligible for body armor grants.

A-2965 (Bodine/Gregg) (Sinagra/Vitale) - Clarifies that only large water systems are required annually to mail drinking water quality information to customers; requires certain entities to post water quality test results.

A-3270 (Malone/Cottrell) (Singer/Allen) - Requires a board of education providing certain services to nonpublic school pupils to provide consultation with representatives of the nonpublic school on any change in the provision of services.

A-3408 (Biondi/Heck) (Kavanaugh/Robertson) - Provides sales tax exemptions for certain purchases by flood victims of Hurricane Floyd.

A-3571 (Blee) (Bryant/Matheussen) - Revises certain procedures for the receipt of State matching funds against contributions and donations made to institutions of higher education and institutional foundations.

S-1842 (Singer/Bark) (Malone/Conaway) - Establishes a special license plate to aid Deborah Hospital Foundation.

S-1869 (O'Connor) (Asselta/Gregg) - Makes permanent the Vietnam Veterans' Memorial Fund contribution gross income tax return check-off.

SCS for S-2034 (Ciesla/Codey) (Moran/Impeveduto) - Establishes certain licensing requirements for limousine drivers and additional requirements for owners of limousines.

A-2055 (Weinberg/Zisa) (Bassano/Singer) - Establishes Prostate Cancer Awareness, Education and Research Program in DHSS; appropriates \$1 million.

A-3245 (Lance/Gregg) (Schluter) - Appropriates \$200,000 for deer control research.

A-3410 (Lance/Smith) (Lynch) - Authorizes municipalities to establish grant programs to provide relief to certain real property owners for damages due to floods, hurricanes and other natural disasters.

A-3568 (Felice/Doria) (Bassano/Codey) - Continues health service corporation member on Individual Health Coverage and Small Employer Health Benefits Program boards.

A-3622 (Kramer) (Inverso) - Excludes certain hedge fund activity income of corporations of foreign nations from taxation under the corporation business tax.

A-3636 (DeCroce/Ciesla) - Exempts motor carrier employees from the State's statutory overtime wage rate requirements.