

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext. 103 or <mailto:refdesk@njstatelib.org>

REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

No

P.L. 2002, CHAPTER 5, *approved March 18, 2002*

Senate, No. 15 (*First Reprint*)

1 **AN ACT** concerning the calculation of certain surcharges imposed
2 pursuant to Title 34 of the Revised Statutes and amending
3 R.S.34:15-94.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. R.S.34:15-94 is amended to read as follows:

9 34:15-94. a. (Deleted by amendment, P.L.1999, c.408).

10 b. Commencing January 1, 1989 and on the first day of each year
11 thereafter, the Commissioner of Labor shall levy an annual surcharge
12 upon all policyholders and self-insured employers for the purpose of
13 providing moneys to the Second Injury Fund. Each policyholder and
14 self-insured employer shall be liable for payment of the annual
15 surcharge in accordance with the provisions of this section and all
16 regulations promulgated pursuant hereto. The annual surcharge levied
17 under this section shall be applied to all workers' compensation and
18 employer's liability insurance policies providing coverage on or after
19 January 1, 1989 and, in the case of self-insured employers, to coverage
20 provided on or after January 1, 1989. Notwithstanding any law to the
21 contrary, the surcharge levied pursuant to this section shall not apply:
22 to any reinsurance or retrocessional transaction; to the State or any
23 political subdivision thereof which acts as a self-insured employer; or
24 to any workers' compensation endorsement required pursuant to
25 section 1 of P.L.1979, c.380 (C.17:36-5.29).

26 c. On or before July 31 of 1988 and of each year thereafter:

27 (1) Each insurer and self-insured employer shall submit to the
28 Commissioner of Labor, in a form and manner prescribed by the
29 Commissioner of Labor, a report of the total compensation payments
30 made by the insurer or self-insured employer during the 12-month
31 period ending on the immediately preceding June 30th;

32 (2) Each insurer shall submit to the Commissioner of Banking and
33 Insurance, in a form and manner prescribed by the Commissioner of
34 Banking and Insurance, a report of the total earned premiums
35 collected by the insurer on all workers' compensation or employer's
36 liability policies written on risks located in this State pursuant to the
37 provisions of R.S.17:17-1 et seq., during the 12-month period ending
38 on the immediately preceding June 30th;

39 (3) The Commissioner of Labor shall estimate the amount of
40 special adjustment and supplemental benefits payable by each insurer

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SLA committee amendments adopted February 25, 2002.

1 writing workers' compensation or employer's liability insurance in the
2 State and by each self-insured employer pursuant to R.S.34:15-95
3 during the then current fiscal year;

4 (4) The Commissioner of Labor shall make a determination of the
5 aggregate annual surcharge to be levied upon policyholders and
6 self-insured employers during the next following calendar year, which
7 shall be an amount equal to (a) 150%, in the case of any calendar year
8 commencing prior to January 1, 2000, and (b) 125%, in the case of
9 any calendar year commencing after December 31, 1999, of the
10 compensation and benefits estimated by the Commissioner of Labor to
11 be payable from the Second Injury Fund during the next following
12 calendar year plus 100% of the amount estimated by the Commissioner
13 of Labor to be necessary for the cost of administration of the Division
14 of Workers' Compensation in the Department of Labor, less the
15 estimated amount of net assets exceeding \$5,000,000.00 which will
16 remain in the Second Injury Fund on December 31st of the then
17 current calendar year, and the Commissioner of Labor shall submit an
18 informational copy to the Joint Budget Oversight Committee. For the
19 purpose of determining the annual surcharge to be levied upon
20 policyholders and self-insured employers as prescribed herein, any
21 amount transferred from the Second Injury Fund to the General Fund
22 pursuant to ¹[P.L.2001, c.130] P.L. , c. (C.)(pending before
23 the Legislature as Senate Bill No. 18 of 2002)¹ shall be added back
24 to the Second Injury Fund for computational purposes only;

25 (5) The Commissioner of Labor shall apportion the aggregate
26 annual surcharge calculated pursuant to paragraph (4) of this
27 subsection among policyholders as a group and self-insured employers
28 as a separate group. Policyholders shall be liable to pay that portion of
29 the aggregate annual surcharge that is equal to the proportion that the
30 compensation payments made by all policyholders during the 12-month
31 period ending on the immediately preceding June 30th bear to the total
32 compensation payments made by all policyholders and self-insured
33 employers during the 12-month period ending on the immediately
34 preceding June 30th. Self-insured employers shall be liable to pay that
35 portion of the aggregate annual surcharge that is equal to the
36 proportion that the compensation payments made by all self-insured
37 employers during the 12-month period ending on the immediately
38 preceding June 30th bear to the total compensation payments made by
39 all policyholders and self-insured employers during the 12-month
40 period ending on the immediately preceding June 30th; and

41 (6) The Commissioner of Labor shall notify the Commissioner of
42 Banking and Insurance of the aggregate annual surcharge amount
43 applicable to policyholders during the next following calendar year.

44 d. On or before September 15 of 1988 and of each year thereafter:

45 (1) In consultation with the Commissioner of Labor, the
46 Commissioner of Banking and Insurance shall determine the annual

1 policyholder surcharge rate to be applied to each workers'
2 compensation and employer's liability policy during the next following
3 calendar year, and shall notify insurers of the annual policyholder
4 surcharge rate to be applied to policy premiums during the next
5 following calendar year. The annual policyholder surcharge rate shall
6 be established as a percentage, which shall be equal to the percentage
7 relationship that the annual surcharge amount which is applicable to all
8 policyholders bears to the total earned premiums for workers'
9 compensation and employer's liability coverage written on risks
10 located in this State for the 12-month period ending on the
11 immediately preceding June 30th.

12 (2) The Commissioner of Labor shall notify each self-insured
13 employer of the amount of the annual surcharge applicable to that
14 self-insured employer during the next following calendar year. The net
15 annual surcharge for each self-insured employer shall be established as
16 a pro rata portion of the annual surcharge applicable to all self-insured
17 employers, which shall be chargeable to the self-insured employer in
18 the proportion that the self-insured employer's compensation payments
19 during the 12-month period ending on the immediately preceding June
20 30th bear to the total compensation payments made by all self-insured
21 employers during the 12-month period ending on the immediately
22 preceding June 30th, less the estimated amount of special adjustment
23 and supplemental benefits payable by that self-insured employer
24 pursuant to R.S.34:15-95 during the then current fiscal year.

25 e. (1) Every insurer providing workers' compensation and
26 employer's liability insurance shall collect from each of its
27 policyholders, on behalf of the Commissioner of Labor and in
28 accordance with subsections b., c. and d. of this section, an amount
29 equal to the annual policyholder surcharge rate established by the
30 Commissioner of Banking and Insurance pursuant to subsection d. of
31 this section, multiplied by the amount of the policyholder's premium.
32 The surcharge to be collected from the policyholder shall be stated
33 separately on the policy or billing statement and be collected at the
34 same time and in the same manner that the premium or other charges
35 for the coverage are collected. On or before the 30th day after the end
36 of the calendar quarter commencing January 1, 1989, and on or before
37 the 30th day following the end of each calendar quarter thereafter,
38 each insurer shall report to the Commissioner of Labor, on forms as
39 the commissioner may require, the total amount of its workers'
40 compensation and employer's liability insurance earned premiums for
41 the preceding quarterly accounting period, and remit the surcharge
42 collected from policyholders on those premiums, less special
43 adjustment and supplemental benefits paid during the preceding
44 calendar quarter by the insurer pursuant to the workers' compensation
45 law, R.S.34:15-1 et seq. No insurer or its agent shall be entitled to
46 any portion of any surcharge imposed pursuant to this section as a fee

1 or commission for its collection nor shall that surcharge be subject to
2 any taxes, licenses or fees.

3 (2) On or before the 30th day after the end of each calendar
4 quarter commencing January 1, 1989, and on or before the 30th day
5 following the end of each calendar quarter thereafter, each self-insured
6 employer shall remit to the Commissioner of Labor an amount equal
7 to one-fourth of the effective net annual surcharge as established for
8 that self-insured employer during the then current calendar year
9 pursuant to subsection d. of this section, less special adjustment and
10 supplemental benefits paid during the preceding calendar quarter by
11 the self-insured employer pursuant to the workers' compensation law,
12 R.S.34:15-1 et seq.

13 f. The Commissioner of Labor shall promulgate within 180 days
14 of the effective date of this act and in accordance with the
15 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
16 seq.), any rules and regulations as may be necessary for the
17 apportionment and collection of annual surcharges from policyholders
18 and self-insured employers covered by this section.

19 g. The Commissioner of Banking and Insurance shall promulgate
20 within 180 days of the effective date of this act and in accordance with
21 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
22 seq.), any rules and regulations as may be necessary for the collection,
23 and provision to the Commissioner of Labor, of information with
24 respect to earned premiums of insurers and the establishment of the
25 annual surcharge rate for policyholders.

26 h. For each 30-day period or part thereof during which a
27 policyholder, self-insured employer, or insurer fails to make a payment
28 or transfer of payment as required by this section or regulations
29 promulgated pursuant hereto, a penalty of one-half of one percent
30 (0.5%) of the amount of delinquent payment or transfer of payment
31 shall be assessed against the delinquent policyholder, self-insured
32 employer or insurer. In no case of single failure, however, shall
33 penalties assessed under this section exceed five percent (5.0%) of the
34 amount of surcharge unpaid or untransferred. Penalties assessed under
35 this subsection shall be collected in a civil action by a summary
36 proceeding brought by the Commissioner of Labor pursuant to "The
37 Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et
38 seq.), and shall be deposited by the commissioner in the Second Injury
39 Fund.

40 i. For each 30-day period during which an insurer or self-insured
41 employer fails to file a report as required by this section, the
42 Commissioner of Labor shall assess a penalty of \$100.00 against the
43 insurer or self-insured employer and, upon collection thereof, shall
44 deposit those moneys in the "uninsured employer's fund." As a result
45 of any single failure, however, no such penalty shall exceed a total of
46 \$500.00. During the period of any such failure to file this report, the

1 estimate by the Department of Labor of the amounts of such
2 compensation payments or earned premiums shall be used for the
3 purposes cited in the workers' compensation law, R.S.34:15-1 et seq.

4 j. The Commissioner of Labor may, with the authorization of and
5 appropriation by the Legislature, transfer from the Second Injury Fund
6 an amount necessary for the cost of administration of the Division of
7 Workers' Compensation in the Department of Labor.

8 k. As used in this section, "policyholder" means a holder of a
9 policy of workers' compensation or employer's liability insurance
10 issued by an insurer. "Insurer" means a domestic, foreign or alien
11 mutual association or stock company writing workers' compensation
12 or employer's liability insurance on risks located in this State and
13 subject to premium taxes pursuant to P.L.1945, c.132 (C.54:18A-1 et
14 seq.). "Self-insured employer" means an employer which self-insures
15 for workers' compensation or employer's liability insurance pursuant
16 to the provisions of R.S.34:15-77.

17 (cf: P.L.1999, c. 408)

18

19 2. This act shall take effect immediately.

20

21

22

23

24 _____
Concerns calculation of Second Injury Fund surcharges.

SENATE, No. 15

STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED FEBRUARY 11, 2002

Sponsored by:
Senator JOHN H. ADLER
District 6 (Camden)

SYNOPSIS

Concerns calculation of Second Injury Fund surcharges.

CURRENT VERSION OF TEXT

As introduced.



S15 ADLER

2

1 AN ACT concerning the calculation of certain surcharges imposed
2 pursuant to Title 34 of the Revised Statutes and amending
3 R.S.34:15-94.

4

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

7

8 1. R.S.34:15-94 is amended to read as follows:

9 34:15-94. a. (Deleted by amendment, P.L.1999, c.408).

10 b. Commencing January 1, 1989 and on the first day of each year
11 thereafter, the Commissioner of Labor shall levy an annual surcharge
12 upon all policyholders and self-insured employers for the purpose of
13 providing moneys to the Second Injury Fund. Each policyholder and
14 self-insured employer shall be liable for payment of the annual
15 surcharge in accordance with the provisions of this section and all
16 regulations promulgated pursuant hereto. The annual surcharge levied
17 under this section shall be applied to all workers' compensation and
18 employer's liability insurance policies providing coverage on or after
19 January 1, 1989 and, in the case of self-insured employers, to coverage
20 provided on or after January 1, 1989. Notwithstanding any law to the
21 contrary, the surcharge levied pursuant to this section shall not apply:
22 to any reinsurance or retrocessional transaction; to the State or any
23 political subdivision thereof which acts as a self-insured employer; or
24 to any workers' compensation endorsement required pursuant to
25 section 1 of P.L.1979, c.380 (C.17:36-5.29).

26 c. On or before July 31 of 1988 and of each year thereafter:

27 (1) Each insurer and self-insured employer shall submit to the
28 Commissioner of Labor, in a form and manner prescribed by the
29 Commissioner of Labor, a report of the total compensation payments
30 made by the insurer or self-insured employer during the 12-month
31 period ending on the immediately preceding June 30th;

32 (2) Each insurer shall submit to the Commissioner of Banking and
33 Insurance, in a form and manner prescribed by the Commissioner of
34 Banking and Insurance, a report of the total earned premiums
35 collected by the insurer on all workers' compensation or employer's
36 liability policies written on risks located in this State pursuant to the
37 provisions of R.S.17:17-1 et seq., during the 12-month period ending
38 on the immediately preceding June 30th;

39 (3) The Commissioner of Labor shall estimate the amount of
40 special adjustment and supplemental benefits payable by each insurer
41 writing workers' compensation or employer's liability insurance in the
42 State and by each self-insured employer pursuant to R.S.34:15-95
43 during the then current fiscal year;

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.

1 (4) The Commissioner of Labor shall make a determination of the
2 aggregate annual surcharge to be levied upon policyholders and
3 self-insured employers during the next following calendar year, which
4 shall be an amount equal to (a) 150%, in the case of any calendar year
5 commencing prior to January 1, 2000, and (b) 125%, in the case of
6 any calendar year commencing after December 31, 1999, of the
7 compensation and benefits estimated by the Commissioner of Labor to
8 be payable from the Second Injury Fund during the next following
9 calendar year plus 100% of the amount estimated by the Commissioner
10 of Labor to be necessary for the cost of administration of the Division
11 of Workers' Compensation in the Department of Labor, less the
12 estimated amount of net assets exceeding \$5,000,000.00 which will
13 remain in the Second Injury Fund on December 31st of the then
14 current calendar year, and the Commissioner of Labor shall submit an
15 informational copy to the Joint Budget Oversight Committee. For the
16 purpose of determining the annual surcharge to be levied upon
17 policyholders and self-insured employers as prescribed herein, any
18 amount transferred from the Second Injury Fund to the General Fund
19 pursuant to P.L.2001, c.130 shall be added back to the Second Injury
20 Fund for computational purposes only;

21 (5) The Commissioner of Labor shall apportion the aggregate
22 annual surcharge calculated pursuant to paragraph (4) of this
23 subsection among policyholders as a group and self-insured employers
24 as a separate group. Policyholders shall be liable to pay that portion of
25 the aggregate annual surcharge that is equal to the proportion that the
26 compensation payments made by all policyholders during the 12-month
27 period ending on the immediately preceding June 30th bear to the total
28 compensation payments made by all policyholders and self-insured
29 employers during the 12-month period ending on the immediately
30 preceding June 30th. Self-insured employers shall be liable to pay that
31 portion of the aggregate annual surcharge that is equal to the
32 proportion that the compensation payments made by all self-insured
33 employers during the 12-month period ending on the immediately
34 preceding June 30th bear to the total compensation payments made by
35 all policyholders and self-insured employers during the 12-month
36 period ending on the immediately preceding June 30th; and

37 (6) The Commissioner of Labor shall notify the Commissioner of
38 Banking and Insurance of the aggregate annual surcharge amount
39 applicable to policyholders during the next following calendar year.

40 d. On or before September 15 of 1988 and of each year thereafter:

41 (1) In consultation with the Commissioner of Labor, the
42 Commissioner of Banking and Insurance shall determine the annual
43 policyholder surcharge rate to be applied to each workers'
44 compensation and employer's liability policy during the next following
45 calendar year, and shall notify insurers of the annual policyholder
46 surcharge rate to be applied to policy premiums during the next

1 following calendar year. The annual policyholder surcharge rate shall
2 be established as a percentage, which shall be equal to the percentage
3 relationship that the annual surcharge amount which is applicable to all
4 policyholders bears to the total earned premiums for workers'
5 compensation and employer's liability coverage written on risks
6 located in this State for the 12-month period ending on the
7 immediately preceding June 30th.

8 (2) The Commissioner of Labor shall notify each self-insured
9 employer of the amount of the annual surcharge applicable to that
10 self-insured employer during the next following calendar year. The net
11 annual surcharge for each self-insured employer shall be established as
12 a pro rata portion of the annual surcharge applicable to all self-insured
13 employers, which shall be chargeable to the self-insured employer in
14 the proportion that the self-insured employer's compensation payments
15 during the 12-month period ending on the immediately preceding June
16 30th bear to the total compensation payments made by all self-insured
17 employers during the 12-month period ending on the immediately
18 preceding June 30th, less the estimated amount of special adjustment
19 and supplemental benefits payable by that self-insured employer
20 pursuant to R.S.34:15-95 during the then current fiscal year.

21 e. (1) Every insurer providing workers' compensation and
22 employer's liability insurance shall collect from each of its
23 policyholders, on behalf of the Commissioner of Labor and in
24 accordance with subsections b., c. and d. of this section, an amount
25 equal to the annual policyholder surcharge rate established by the
26 Commissioner of Banking and Insurance pursuant to subsection d. of
27 this section, multiplied by the amount of the policyholder's premium.
28 The surcharge to be collected from the policyholder shall be stated
29 separately on the policy or billing statement and be collected at the
30 same time and in the same manner that the premium or other charges
31 for the coverage are collected. On or before the 30th day after the end
32 of the calendar quarter commencing January 1, 1989, and on or before
33 the 30th day following the end of each calendar quarter thereafter,
34 each insurer shall report to the Commissioner of Labor, on forms as
35 the commissioner may require, the total amount of its workers'
36 compensation and employer's liability insurance earned premiums for
37 the preceding quarterly accounting period, and remit the surcharge
38 collected from policyholders on those premiums, less special
39 adjustment and supplemental benefits paid during the preceding
40 calendar quarter by the insurer pursuant to the workers' compensation
41 law, R.S.34:15-1 et seq. No insurer or its agent shall be entitled to
42 any portion of any surcharge imposed pursuant to this section as a fee
43 or commission for its collection nor shall that surcharge be subject to
44 any taxes, licenses or fees.

45 (2) On or before the 30th day after the end of each calendar
46 quarter commencing January 1, 1989, and on or before the 30th day

1 following the end of each calendar quarter thereafter, each self-insured
2 employer shall remit to the Commissioner of Labor an amount equal
3 to one-fourth of the effective net annual surcharge as established for
4 that self-insured employer during the then current calendar year
5 pursuant to subsection d. of this section, less special adjustment and
6 supplemental benefits paid during the preceding calendar quarter by
7 the self-insured employer pursuant to the workers' compensation law,
8 R.S.34:15-1 et seq.

9 f. The Commissioner of Labor shall promulgate within 180 days
10 of the effective date of this act and in accordance with the
11 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
12 seq.), any rules and regulations as may be necessary for the
13 apportionment and collection of annual surcharges from policyholders
14 and self-insured employers covered by this section.

15 g. The Commissioner of Banking and Insurance shall promulgate
16 within 180 days of the effective date of this act and in accordance with
17 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
18 seq.), any rules and regulations as may be necessary for the collection,
19 and provision to the Commissioner of Labor, of information with
20 respect to earned premiums of insurers and the establishment of the
21 annual surcharge rate for policyholders.

22 h. For each 30-day period or part thereof during which a
23 policyholder, self-insured employer, or insurer fails to make a payment
24 or transfer of payment as required by this section or regulations
25 promulgated pursuant hereto, a penalty of one-half of one percent
26 (0.5%) of the amount of delinquent payment or transfer of payment
27 shall be assessed against the delinquent policyholder, self-insured
28 employer or insurer. In no case of single failure, however, shall
29 penalties assessed under this section exceed five percent (5.0%) of the
30 amount of surcharge unpaid or untransferred. Penalties assessed under
31 this subsection shall be collected in a civil action by a summary
32 proceeding brought by the Commissioner of Labor pursuant to "The
33 Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et
34 seq.), and shall be deposited by the commissioner in the Second Injury
35 Fund.

36 i. For each 30-day period during which an insurer or self-insured
37 employer fails to file a report as required by this section, the
38 Commissioner of Labor shall assess a penalty of \$100.00 against the
39 insurer or self-insured employer and, upon collection thereof, shall
40 deposit those moneys in the "uninsured employer's fund." As a result
41 of any single failure, however, no such penalty shall exceed a total of
42 \$500.00. During the period of any such failure to file this report, the
43 estimate by the Department of Labor of the amounts of such
44 compensation payments or earned premiums shall be used for the
45 purposes cited in the workers' compensation law, R.S.34:15-1 et seq.

46 j. The Commissioner of Labor may, with the authorization of and

1 appropriation by the Legislature, transfer from the Second Injury Fund
2 an amount necessary for the cost of administration of the Division of
3 Workers' Compensation in the Department of Labor.

4 k. As used in this section, "policyholder" means a holder of a
5 policy of workers' compensation or employer's liability insurance
6 issued by an insurer. "Insurer" means a domestic, foreign or alien
7 mutual association or stock company writing workers' compensation
8 or employer's liability insurance on risks located in this State and
9 subject to premium taxes pursuant to P.L.1945, c.132 (C.54:18A-1 et
10 seq.). "Self-insured employer" means an employer which self-insures
11 for workers' compensation or employer's liability insurance pursuant
12 to the provisions of R.S.34:15-77.
13 (cf: P.L.1999, c. 408)

14

15 2. This act shall take effect immediately.

16

17

18

STATEMENT

19

20 This bill provides that any amount of funds transferred from the
21 Second Injury Fund to the General Fund pursuant to P.L.2001, c.130,
22 the annual appropriations act for the current fiscal year, shall be
23 regarded as not transferred to the General Fund for the purposes of
24 calculating the amount on the surcharge to be levied on employers and
25 insurers to support the fund.

SENATE LABOR COMMITTEE

STATEMENT TO

SENATE, No. 15

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 25, 2002

The Senate Labor Committee reports favorably and with committee amendments Senate Bill No. 15.

This bill, as amended by the committee, provides that any amount of funds transferred from the Second Injury Fund to the General Fund pursuant to Senate Bill No. 18 of 2002, shall not be regarded as transferred for the purposes of calculating the amount of the surcharge levied on employers and insurers to support the fund.

The committee amended the bill to provide that amounts transferred from the Second Injury Fund to the General Fund pursuant to Senate Bill No. 18 of 2002 will be added back into the Second Injury Fund for computational purposes.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 15

STATE OF NEW JERSEY

DATED: FEBRUARY 28, 2002

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 15 (1R).

This bill provides that the transfer of any funds from the Second Injury Fund to the General Fund under companion legislation pending as Senate Bill No. 18/Assembly Bill No. 2010 shall be disregarded for purposes of calculating the amount of the assessment to be levied on employers and insurers to support the fund.

Background. The Second Injury Fund (SIF) is the source of worker's compensation benefits for workers already partially disabled who experience a second work-related injury and are rendered totally disabled by the two work-related injuries taken together. The SIF encourages employers to hire disabled workers by limiting, in the event of further injury, the last employer's liability for compensation payments to amounts solely applicable to that further injury.

The SIF is funded from an annual assessment, or surcharge, on those providing coverage for workers' compensation benefits, either as an insurance carrier for employers or as an employer officially authorized to self-insure for coverage of its own employees. The assessment is computed separately for the two groups, with insurance carriers as a group accounting for more than 90% of the total. For insurance carriers, the assessment is allocated among individual firms at a uniform percentage rate equal to the ratio between the total surcharge for all carriers and the total earned premiums they received on the workers' compensation coverage written. For self-ensured employers, the assessment is allocated among individual firms in the same proportion that the annual employer compensation paid by each bears to the employer compensation paid by all. The assessment is made on a calendar year basis and determined late in the pre-assessment year by the Commissioner of the New Jersey Department of Labor (DOL).

Bill provisions. The law provides that the amount of each year's assessment shall be equal to:

- ¢ (1) 125% of the amount of compensation and benefits expected to be payable from the Fund during the assessment year, *plus*
- ¢ (2) the full administrative costs of the DOL's Division of

Workers' Compensation, *minus*

C (3) the amount by which the Fund's anticipated net assets as of the end of the pre-assessment year exceed \$5 million.

The bill does not change the explicit terms of the assessment formula, but provides that the moneys transferred under the companion bill referred to above shall, for purposes of computing the assessment, be added back to the Fund. The effect of this provision will be to authorize the Commissioner of Labor, in estimating the Fund's end-of-year balance for purposes of computing the value for the third factor in the assessment formula above, to treat the transferred amount as though included in that balance. This in turn will decrease the assessment by the same amount.

FISCAL IMPACT

The amount expected to be transferred from the Second Injury Fund under the companion legislation is \$20 million, as recommended by the Governor. This bill will have the effect of exempting SIF contributors from the assessment increase that would otherwise be required for calendar year 2003 to offset the transfer. As a result, the Fund's closing balance for future calendar years can be expected to be \$20 million less than it would be under present law. The Fund's balance is currently about \$60 million, indicating that the Fund will remain able to meet benefit payment obligations after the proposed transfer without an offsetting increase in the next assessment.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 15

STATE OF NEW JERSEY

210th LEGISLATURE

DATED: MARCH 7, 2002

SUMMARY

Synopsis: Concerns calculation of Second Injury Fund surcharges.

Type of Impact: Potential reduction in future surcharges levied upon policyholders and self-insured employers to provide revenue.

Agencies Affected: Department of Labor

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Second Injury Fund	potential revenue reduction		

- ! The potential fiscal impact of this bill is the reduction of any future surcharges levied upon policyholders and self-insured employers to provide revenue to the Second Injury Fund (SIF). This results from the bill's provision that any amounts transferred from the SIF to the General Fund in FY 2002 be added back to the SIF for purposes of computing the annual surcharge that generates SIF revenue. This annual revenue reduction may not be commensurate with the amount transferred to the General Fund.
- ! This change should have little to no impact on the ability of the fund to meet its obligations given a substantial fund balance as of July 1, 2001.
- ! The Second Injury Fund is designed to maintain, through assessments and prior year balances, about 125 percent of the amount needed for benefits and other costs in the succeeding calendar year.
- ! In Fiscal Year 2001, the Second Injury Fund began with a fund balance of \$71.7 million, realized revenues and other resources of \$133.7 million, and spent \$122.2 million, leaving a balance of \$83.2 million. The current unexpended balance is \$60.1 million. Separate legislation proposes to shift \$20 million of this balance to the General Fund.

BILL DESCRIPTION

Senate Bill No. 15 (1R) of 2002 provides that any funds transferred from the Second Injury Fund to the General Fund under the provisions of Senate Bill No. 18 of 2002, will be added back to the Second Injury Fund for purposes of calculating the annual surcharges to be levied.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

Second Injury Fund revenues are raised from an assessment on self-insured employers and workers' compensation insurers. The Second Injury Fund is designed to maintain, through assessments and prior year balances, about 125 percent of the amount needed for benefit and other costs in the succeeding calendar year.

The FY 2000 Appropriations Act transferred \$30 million from this fund to the General Fund. Subsequently, P.L. 1999, c. 408 reduced the Second Injury Fund assessment from 150 percent to 125 percent of the succeeding year's needs. The calculation for the Second Injury Fund includes an assessment of 125 percent of benefits, plus 100 percent of the amount for administrative costs, reduced by the previous year's balance in excess of \$5 million. In Fiscal Year 2001, the Second Injury Fund began with a fund balance of \$71.7 million, realized revenues and other resources of \$133.7 million, and spent \$122.2 million, leaving a balance of \$83.2 million. The current unexpended balance in the fund is \$60.1 million. Separate legislation (Senate Bill No. 18 of 2002) is proposed which transfers \$20 million from the Second Injury Fund to the General Fund.

The potential fiscal impact of this bill is reduction of any future surcharges levied upon policyholders and self-insured employers to provide revenue to the Second Injury Fund. This results from the bill's provision that any amounts transferred from the SIF to the General Fund in Fiscal Year 2002 be added back to the SIF for purposes of computing the annual surcharge that generates SIF revenue. This annual revenue reduction may not be commensurate with the amount transferred to the General Fund. This change should have little to no impact on the ability of the fund to meet its obligations given a substantial fund balance as of July 1, 2001.

Section: *Commerce, Labor and Industry*

Analyst: *Sonya S. Hough*
Assistant Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

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

ASSEMBLY, No. 2007

STATE OF NEW JERSEY
210th LEGISLATURE

INTRODUCED FEBRUARY 11, 2002

Sponsored by:

Assemblywoman LORETTA WEINBERG

District 37 (Bergen)

Assemblyman ALFRED E. STEELE

District 35 (Bergen and Passaic)

SYNOPSIS

Concerns calculation of Second Injury Fund surcharges.

CURRENT VERSION OF TEXT

As introduced.



A2007 WEINBERG, STEELE

2

1 AN ACT concerning the calculation of certain surcharges imposed
2 pursuant to Title 34 of the Revised Statutes and amending
3 R.S.34:15-94.

4

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

7

8 1. R.S.34:15-94 is amended to read as follows:

9 34:15-94. a. (Deleted by amendment, P.L.1999, c.408).

10 b. Commencing January 1, 1989 and on the first day of each year
11 thereafter, the Commissioner of Labor shall levy an annual surcharge
12 upon all policyholders and self-insured employers for the purpose of
13 providing moneys to the Second Injury Fund. Each policyholder and
14 self-insured employer shall be liable for payment of the annual
15 surcharge in accordance with the provisions of this section and all
16 regulations promulgated pursuant hereto. The annual surcharge levied
17 under this section shall be applied to all workers' compensation and
18 employer's liability insurance policies providing coverage on or after
19 January 1, 1989 and, in the case of self-insured employers, to coverage
20 provided on or after January 1, 1989. Notwithstanding any law to the
21 contrary, the surcharge levied pursuant to this section shall not apply:
22 to any reinsurance or retrocessional transaction; to the State or any
23 political subdivision thereof which acts as a self-insured employer; or
24 to any workers' compensation endorsement required pursuant to
25 section 1 of P.L.1979, c.380 (C.17:36-5.29).

26 c. On or before July 31 of 1988 and of each year thereafter:

27 (1) Each insurer and self-insured employer shall submit to the
28 Commissioner of Labor, in a form and manner prescribed by the
29 Commissioner of Labor, a report of the total compensation payments
30 made by the insurer or self-insured employer during the 12-month
31 period ending on the immediately preceding June 30th;

32 (2) Each insurer shall submit to the Commissioner of Banking and
33 Insurance, in a form and manner prescribed by the Commissioner of
34 Banking and Insurance, a report of the total earned premiums
35 collected by the insurer on all workers' compensation or employer's
36 liability policies written on risks located in this State pursuant to the
37 provisions of R.S.17:17-1 et seq., during the 12-month period ending
38 on the immediately preceding June 30th;

39 (3) The Commissioner of Labor shall estimate the amount of
40 special adjustment and supplemental benefits payable by each insurer
41 writing workers' compensation or employer's liability insurance in the
42 State and by each self-insured employer pursuant to R.S.34:15-95
43 during the then current fiscal year;

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.

1 (4) The Commissioner of Labor shall make a determination of the
2 aggregate annual surcharge to be levied upon policyholders and
3 self-insured employers during the next following calendar year, which
4 shall be an amount equal to (a) 150%, in the case of any calendar year
5 commencing prior to January 1, 2000, and (b) 125%, in the case of
6 any calendar year commencing after December 31, 1999, of the
7 compensation and benefits estimated by the Commissioner of Labor to
8 be payable from the Second Injury Fund during the next following
9 calendar year plus 100% of the amount estimated by the Commissioner
10 of Labor to be necessary for the cost of administration of the Division
11 of Workers' Compensation in the Department of Labor, less the
12 estimated amount of net assets exceeding \$5,000,000.00 which will
13 remain in the Second Injury Fund on December 31st of the then
14 current calendar year, and the Commissioner of Labor shall submit an
15 informational copy to the Joint Budget Oversight Committee. For the
16 purpose of determining the annual surcharge to be levied upon
17 policyholders and self-insured employers as prescribed herein, any
18 amount transferred from the Second Injury Fund to the General Fund
19 pursuant to P.L.2001, c.130 shall be added back to the Second Injury
20 Fund for computational purposes only;

21 (5) The Commissioner of Labor shall apportion the aggregate
22 annual surcharge calculated pursuant to paragraph (4) of this
23 subsection among policyholders as a group and self-insured employers
24 as a separate group. Policyholders shall be liable to pay that portion of
25 the aggregate annual surcharge that is equal to the proportion that the
26 compensation payments made by all policyholders during the 12-month
27 period ending on the immediately preceding June 30th bear to the total
28 compensation payments made by all policyholders and self-insured
29 employers during the 12-month period ending on the immediately
30 preceding June 30th. Self-insured employers shall be liable to pay that
31 portion of the aggregate annual surcharge that is equal to the
32 proportion that the compensation payments made by all self-insured
33 employers during the 12-month period ending on the immediately
34 preceding June 30th bear to the total compensation payments made by
35 all policyholders and self-insured employers during the 12-month
36 period ending on the immediately preceding June 30th; and

37 (6) The Commissioner of Labor shall notify the Commissioner of
38 Banking and Insurance of the aggregate annual surcharge amount
39 applicable to policyholders during the next following calendar year.

40 d. On or before September 15 of 1988 and of each year thereafter:

41 (1) In consultation with the Commissioner of Labor, the
42 Commissioner of Banking and Insurance shall determine the annual
43 policyholder surcharge rate to be applied to each workers'
44 compensation and employer's liability policy during the next following
45 calendar year, and shall notify insurers of the annual policyholder
46 surcharge rate to be applied to policy premiums during the next

1 following calendar year. The annual policyholder surcharge rate shall
2 be established as a percentage, which shall be equal to the percentage
3 relationship that the annual surcharge amount which is applicable to all
4 policyholders bears to the total earned premiums for workers'
5 compensation and employer's liability coverage written on risks
6 located in this State for the 12-month period ending on the
7 immediately preceding June 30th.

8 (2) The Commissioner of Labor shall notify each self-insured
9 employer of the amount of the annual surcharge applicable to that
10 self-insured employer during the next following calendar year. The net
11 annual surcharge for each self-insured employer shall be established as
12 a pro rata portion of the annual surcharge applicable to all self-insured
13 employers, which shall be chargeable to the self-insured employer in
14 the proportion that the self-insured employer's compensation payments
15 during the 12-month period ending on the immediately preceding June
16 30th bear to the total compensation payments made by all self-insured
17 employers during the 12-month period ending on the immediately
18 preceding June 30th, less the estimated amount of special adjustment
19 and supplemental benefits payable by that self-insured employer
20 pursuant to R.S.34:15-95 during the then current fiscal year.

21 e. (1) Every insurer providing workers' compensation and
22 employer's liability insurance shall collect from each of its
23 policyholders, on behalf of the Commissioner of Labor and in
24 accordance with subsections b., c. and d. of this section, an amount
25 equal to the annual policyholder surcharge rate established by the
26 Commissioner of Banking and Insurance pursuant to subsection d. of
27 this section, multiplied by the amount of the policyholder's premium.
28 The surcharge to be collected from the policyholder shall be stated
29 separately on the policy or billing statement and be collected at the
30 same time and in the same manner that the premium or other charges
31 for the coverage are collected. On or before the 30th day after the end
32 of the calendar quarter commencing January 1, 1989, and on or before
33 the 30th day following the end of each calendar quarter thereafter,
34 each insurer shall report to the Commissioner of Labor, on forms as
35 the commissioner may require, the total amount of its workers'
36 compensation and employer's liability insurance earned premiums for
37 the preceding quarterly accounting period, and remit the surcharge
38 collected from policyholders on those premiums, less special
39 adjustment and supplemental benefits paid during the preceding
40 calendar quarter by the insurer pursuant to the workers' compensation
41 law, R.S.34:15-1 et seq. No insurer or its agent shall be entitled to
42 any portion of any surcharge imposed pursuant to this section as a fee
43 or commission for its collection nor shall that surcharge be subject to
44 any taxes, licenses or fees.

45 (2) On or before the 30th day after the end of each calendar
46 quarter commencing January 1, 1989, and on or before the 30th day

1 following the end of each calendar quarter thereafter, each self-insured
2 employer shall remit to the Commissioner of Labor an amount equal
3 to one-fourth of the effective net annual surcharge as established for
4 that self-insured employer during the then current calendar year
5 pursuant to subsection d. of this section, less special adjustment and
6 supplemental benefits paid during the preceding calendar quarter by
7 the self-insured employer pursuant to the workers' compensation law,
8 R.S.34:15-1 et seq.

9 f. The Commissioner of Labor shall promulgate within 180 days of
10 the effective date of this act and in accordance with the
11 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
12 seq.), any rules and regulations as may be necessary for the
13 apportionment and collection of annual surcharges from policyholders
14 and self-insured employers covered by this section.

15 g. The Commissioner of Banking and Insurance shall promulgate
16 within 180 days of the effective date of this act and in accordance with
17 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
18 seq.), any rules and regulations as may be necessary for the collection,
19 and provision to the Commissioner of Labor, of information with
20 respect to earned premiums of insurers and the establishment of the
21 annual surcharge rate for policyholders.

22 h. For each 30-day period or part thereof during which a
23 policyholder, self-insured employer, or insurer fails to make a payment
24 or transfer of payment as required by this section or regulations
25 promulgated pursuant hereto, a penalty of one-half of one percent
26 (0.5%) of the amount of delinquent payment or transfer of payment
27 shall be assessed against the delinquent policyholder, self-insured
28 employer or insurer. In no case of single failure, however, shall
29 penalties assessed under this section exceed five percent (5.0%) of the
30 amount of surcharge unpaid or untransferred. Penalties assessed under
31 this subsection shall be collected in a civil action by a summary
32 proceeding brought by the Commissioner of Labor pursuant to "The
33 Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et
34 seq.), and shall be deposited by the commissioner in the Second Injury
35 Fund.

36 i. For each 30-day period during which an insurer or self-insured
37 employer fails to file a report as required by this section, the
38 Commissioner of Labor shall assess a penalty of \$100.00 against the
39 insurer or self-insured employer and, upon collection thereof, shall
40 deposit those moneys in the "uninsured employer's fund." As a result
41 of any single failure, however, no such penalty shall exceed a total of
42 \$500.00. During the period of any such failure to file this report, the
43 estimate by the Department of Labor of the amounts of such
44 compensation payments or earned premiums shall be used for the
45 purposes cited in the workers' compensation law, R.S.34:15-1 et seq.

1 j. The Commissioner of Labor may, with the authorization of and
2 appropriation by the Legislature, transfer from the Second Injury Fund
3 an amount necessary for the cost of administration of the Division of
4 Workers' Compensation in the Department of Labor.

5 k. As used in this section, "policyholder" means a holder of a
6 policy of workers' compensation or employer's liability insurance
7 issued by an insurer. "Insurer" means a domestic, foreign or alien
8 mutual association or stock company writing workers' compensation
9 or employer's liability insurance on risks located in this State and
10 subject to premium taxes pursuant to P.L.1945, c.132 (C.54:18A-1 et
11 seq.). "Self-insured employer" means an employer which self-insures
12 for workers' compensation or employer's liability insurance pursuant
13 to the provisions of R.S.34:15-77.
14 (cf: P.L.1999, c. 408)

15

16 2. This act shall take effect immediately.

17

18

19

STATEMENT

20

21 This bill provides that any amount of funds transferred from the
22 Second Injury Fund to the General Fund pursuant to P.L.2001, c.130,
23 the annual appropriations act for the current fiscal year, shall be
24 regarded as not transferred to the General Fund for the purposes of
25 calculating the amount on the surcharge to be levied on employers and
26 insurers to support the fund.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2007

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 21, 2002

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2007 with committee amendments.

Assembly Bill No. 2007, as amended, provides that any amount of funds transferred from the Second Injury Fund to the General Fund pursuant to the companion legislation currently pending as Assembly Bill 2010 shall not be considered as transferred to the General Fund for the purposes of calculating the amount of the surcharge to be levied on employers and insurers to support the fund.

The Second Injury Fund, created in 1923, encourages employers to hire disabled workers by limiting, in the case of further injury their liability for compensation to amounts only applicable to the latest or second injury.

FISCAL IMPACT:

The amount to be transferred from the Second Injury Fund, which will occur under the provisions of Assembly Bill No. 2010, is \$20 million, as recommended by the Governor. This amount will have little to no impact on the security of the fund because of the amount of the reserve which exists in the fund, estimated to be, after the transfer, \$66 million at the end of FY 2002.

COMMITTEE AMENDMENTS:

The amendments change a technical reference to the amount that is not considered as transferred to the General Fund for the purposes of calculating the amount of the surcharge. The reference is changed from the amount transferred pursuant to the annual appropriations act for State fiscal year 2002 to the amount transferred pursuant to the companion supplemental appropriation legislation currently pending as Assembly Bill 2010.

LEGISLATIVE FISCAL ESTIMATE
[First Reprint]
ASSEMBLY, No. 2007
STATE OF NEW JERSEY
210th LEGISLATURE

DATED: MARCH 14, 2002

SUMMARY

Synopsis: Concerns calculation of Second Injury Fund surcharges.
Type of Impact: Potential reduction in future surcharges levied upon policyholders and self-insured employers to provide revenue.
Agencies Affected: Department of Labor

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Second Injury Fund	potential revenue reduction		

- ! The potential fiscal impact of this bill is the reduction of any future surcharges levied upon policyholders and self-insured employers to provide revenue to the Second Injury Fund (SIF). This results from the bill's provision that any amounts transferred from the SIF to the General Fund in FY 2002 be added back to the SIF for purposes of computing the annual surcharge that generates SIF revenue. This annual revenue reduction may not be commensurate with the amount transferred to the General Fund.
- ! This change should have little to no impact on the ability of the fund to meet its obligations given a substantial fund balance as of July 1, 2001.
- ! The Second Injury Fund is designed to maintain, through assessments and prior year balances, about 125 percent of the amount needed for benefits and other costs in the succeeding calendar year.
- ! In Fiscal Year 2001, the Second Injury Fund began with a fund balance of \$71.7 million, realized revenues and other resources of \$133.7 million, and spent \$122.2 million, leaving a balance of \$83.2 million. The current unexpended balance is \$60.1 million. Separate legislation proposes to shift \$20 million of this balance to the General Fund.

BILL DESCRIPTION

Assembly Bill No. 2007 (1R) of 2002 provides that any funds transferred from the Second Injury Fund to the General Fund under the provisions of Assembly Bill No. 2010 of 2002, will be added back to the Second Injury Fund for purposes of calculating the annual surcharges to be levied.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

Second Injury Fund revenues are raised from an assessment on self-insured employers and workers' compensation insurers. The Second Injury Fund is designed to maintain, through assessments and prior year balances, about 125 percent of the amount needed for benefit and other costs in the succeeding calendar year.

The FY 2000 Appropriations Act transferred \$30 million from this fund to the General Fund. Subsequently, P.L. 1999, c. 408 reduced the Second Injury Fund assessment from 150 percent to 125 percent of the succeeding year's needs. The calculation for the Second Injury Fund includes an assessment of 125 percent of benefits, plus 100 percent of the amount for administrative costs, reduced by the previous year's balance in excess of \$5 million. In Fiscal Year 2001, the Second Injury Fund began with a fund balance of \$71.7 million, realized revenues and other resources of \$133.7 million, and spent \$122.2 million, leaving a balance of \$83.2 million. The current unexpended balance in the fund is \$60.1 million. Separate legislation (Assembly Bill No. 2010 of 2002) is proposed which transfers \$20 million from the Second Injury Fund to the General Fund.

The potential fiscal impact of this bill is reduction of any future surcharges levied upon policyholders and self-insured employers to provide revenue to the Second Injury Fund. This results from the bill's provision that any amounts transferred from the SIF to the General Fund in Fiscal Year 2002 be added back to the SIF for purposes of computing the annual surcharge that generates SIF revenue. This annual revenue reduction may not be commensurate with the amount transferred to the General Fund. This change should have little to no impact on the ability of the fund to meet its obligations given a substantial fund balance as of July 1, 2001.

Section: *Commerce, Labor and Industry*

Analyst: *Sonya S. Hough*
Assistant Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

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

■ **Press Releases**

PO BOX 004
TRENTON, NJ 08625

Contact: Paul Aronsohn
609-777-2600

RELEASE: March 18, 2002

[Previous Screen](#)

McGreevey Signs into Law Six Budget Remedies for FY 2002 *Governor credits bipartisan spirit as key to passage*

(TRENTON)-Governor James E. McGreevey commended the bipartisan spirit of the Legislature today as he signed into law six pieces of legislation that constitute key components of his Fiscal Year 2002 budget proposal. McGreevey had outlined his proposal during an emergency address to the Legislature on February 11th.

"Today, I am proud to announce that a spirit of bipartisanship has prevailed," said McGreevey. "On February 11th, I announced a series of proposals requiring legislative approval to close the remainder of this year's \$3 billion shortfall. I urged the members of the Legislature to join me in setting aside partisan politics and in working together toward this common goal. Today, that goal was accomplished."

In February, McGreevey stood before a joint session of the Legislature and outlined his plan to balance the FY 2002 budget, which contained a deficit of nearly \$3 billion. In addition to announcing a broad range of executive actions to save the State approximately \$1 billion, McGreevey stated that in order to balance the remainder of the budget, legislative action on certain proposals would be necessary.

The six bills signed into law today will provide over \$287 million towards solving this year's \$3 billion problem. Four of these bills transfer money out of accounts in which it is not being used. The fifth bill extends by 15 days the deadline for distributing the Energy Tax Receipts Property Tax Relief Fund to municipalities operating on a calendar year budget. The sixth bill creates a tax amnesty program, which establishes a 60-day period for payment of any outstanding tax liability for returns due between January 1, 1996 and January 1, 2002.

These bills are:

- **NJ Housing and Mortgage Financing Authority Transfer:** Directs the NJHMFA to transfer funds from its reserves into the General Fund. This bill is expected to provide an additional \$25 million in revenues.

S-13 (Rice D-Essex)
A-2002 (Tucker D-Essex, Payne D-Essex, Union)

- Health Care Facilities Financing Authorities Transfer:** Provides for a transfer \$16.5 million of NJHCFFA reserves to the General Fund for the purposes of hospital charity care.

S-19 (Vitale D-Middlesex, Buono D-Middlesex)
A-2005 (Weinberg D-Bergen, Quigley D-Bergen, Hudson)
- Temporary Disability Insurance Fund Transfer:** Provides for a transfer of funds up to \$50 million from the State Temporary Disability Insurance Fund to the General Fund.

S-17 (Codey D-Essex)
A-2006 (Cohen D-Union, Wisniewski D-Middlesex)
- Second Injury Fund Surcharge Transfer:** Concerns the calculation of Second Injury Fund surcharges and would provide an additional \$20 million in revenues.

S-15 (Adler D-Camden)
A-2007 (Weinberg D-Bergen, Steele D-Bergen, Passaic)
- Energy Tax:** Extends by 15 days the time for distribution of a portion of the Energy Tax Receipts Property Tax Relief Fund aid to be paid to municipalities on a calendar year budget. This bill is expected to provide an additional \$26 million in revenues.

S-12 (Suliga, D-Middlesex, Somerset, Union)
A-2004 (Caraballo (D-Essex, Union; Impreveduto D-Bergen, Hudson)
- Tax Amnesty:** Establishes a 60-day tax amnesty period for the payment of any outstanding tax liability for returns due between January 1, 1996 and January 1, 2002. Any taxpayer who failed to pay State taxes during this period has until June 10, 2002 to pay the due taxes without penalty. This bill is expected to raise an additional \$150 million in revenues.

S-16/ S-404 (Buono D-Middlesex; Kavanaugh R-Morris, Somerset; Lance R-Warren, Hunterdon)
A-2001 (Greenwald D-Camden; Pou D-Bergen, Passaic)

On March 26th, McGreevey will again address the Legislature on how he plans to close the \$6 billion budget gap facing the State in the next fiscal year. He said he will work to forge the same bipartisan spirit as his Administration works with the Legislature to provide a fiscally responsible budget.

"I am confident that the same spirit of cooperation that has led to the passage of these bills will continue to guide us as we complete this year's budget and work together to address the \$6 billion challenge that lies ahead for next year," said McGreevey.

[contact us](#) | [privacy notice](#) | [legal statement](#) 

State of New Jersey Governor's Office

statewide: [nihome](#) | [my new jersey](#) | [people](#) | [business](#) | [government](#) | [departments](#) | [search](#)
Copyright © State of New Jersey, 2002