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RWH 3/6/08

P.L. 2006, CHAPTER 50, *approved July 20, 2006*  
Senate, No. 1071 (*Second Reprint*)

1 AN ACT concerning bond coverage for certain local government  
2 officers and employees, and amending P.L.1967, c.283 <sup>2</sup>[and] <sup>2</sup>  
3 N.J.S.40A:5-36 <sup>2</sup>, N.J.S.40A:5-38, and N.J.S.40A:5-39<sup>2</sup>.  
4

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

8 1. Section 1 of P.L.1967, c.283 (C.40A:5-34.1) is amended to  
9 read as follows:

10 1. The board of chosen freeholders of any county or the  
11 governing body of any municipality, as the case may be, may  
12 provide by blanket bond for the bonding of certain county or  
13 municipal officers and employees for faithful performance and  
14 discharge of their duties. Blanket bond coverage may be by one or  
15 more blanket bonds issued by a surety company or companies or  
16 one or more underwriters or by a joint insurance fund established  
17 pursuant to P.L.1983, c.372 (C.40A:10-36 et seq.) of which the  
18 county or municipality is a member. <sup>2</sup>Blanket bond coverage may  
19 be provided by a surety company or companies or one or more  
20 underwriters in lieu of an individual bond as to any officer or  
21 employee required by law to be bonded, except treasurers and tax  
22 collectors, by whatever title known, and except municipal court  
23 judges and administrators, provided the blanket bond meets the  
24 requirements for the individual bond in amount, rights of  
25 cancellation, and the governmental agencies in whose favor it runs.<sup>2</sup>

26 Blanket bond coverage may be provided <sup>2</sup>by a joint insurance fund<sup>2</sup>  
27 in lieu of an individual bond as to any officer or employee required  
28 by law to be bonded, **[except]** including treasurers and tax  
29 collectors, by whatever title known, and municipal court judges and  
30 '[clerks] administrators'<sup>1</sup>, provided the blanket bond meets the  
31 requirements for the individual bond in amount, rights of  
32 cancellation, and the governmental agencies in whose favor it runs.

33 Whenever a copy of an individual bond is required by law to be  
34 filed with or supplied to specified officers, evidence of blanket  
35 bond coverage filed with or supplied to such officers by the board  
36 of chosen freeholders or governing body shall be compliance with  
37 such requirement.

38 (cf: P.L.1996, c.4, s.1)  
39

40 2. N.J.S.40A:5-36 is amended to read as follows:

41 40A:5-36. Every bond given by a municipal court judge or  
42 <sup>2</sup>**[clerk]** administrator<sup>2</sup> of a municipal court as hereinafter provided  
43 shall be for the protection of the State, the county and the

**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:

<sup>1</sup>Senate SCU committee amendments adopted March 2, 2006.

<sup>2</sup>Senate floor amendments adopted March 13, 2006.

1 municipality or, in the case of an intermunicipal court, the  
2 municipalities, and also for the protection of defendants, litigants,  
3 bondsmen and all other persons in interest. A bond pursuant to this  
4 section may be provided<sup>2</sup> by a joint insurance fund<sup>2</sup> through blanket  
5 bond coverage pursuant to section 1 of P.L.1967, c.283 (C.40A:5-  
6 34.1).

7 (cf: P.L.1977, c.396, s.4)

8

9 <sup>2</sup>3. N.J.S.40A:5-38 is amended to read as follows:

10 40A:5-38. The Local Finance Board may prescribe rules and  
11 regulations pertaining to the bonds of municipal court judges and  
12 municipal court **[clerks]** administrators consistent with the rules of  
13 administration applicable to the municipal courts. Notwithstanding  
14 any other provision of law, the Local Finance Board shall, in  
15 accordance with a classification system established by said board,  
16 determine and fix the minimum amount of any official bond which  
17 may be required of a municipal court judge or **[clerk]** administrator  
18 of a municipal court.<sup>2</sup>

19 (cf: P.L.1977, c.396, s.5)

20

21 <sup>2</sup>4. N.J.S.40A:5-39 is amended to read as follows:

22 40A:5-39. The governing body of any municipality authorized  
23 by law to fix the amount of any bond given by a municipal court  
24 judge or **[clerk]** administrator of a municipal court may fix such  
25 amount in excess of the minimum prescribed by the local finance  
26 board.<sup>2</sup>

27 (cf: P.L.1977, c.396, s.6)

28

29 <sup>2</sup>**[3.]** 5.<sup>2</sup> This act shall take effect immediately.

30

31

32

33

34 \_\_\_\_\_  
35 Allows joint insurance funds to include treasurers, tax collectors,  
36 and municipal court judges and administrators under blanket bond  
coverage.

# SENATE, No. 1071

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JANUARY 26, 2006

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

### **SYNOPSIS**

Allows blanket bond or joint insurance fund coverage for treasurers, tax collectors, and municipal court judges and clerks.

### **CURRENT VERSION OF TEXT**

As introduced.



S1071 ADLER

2

1 AN ACT concerning bond coverage for certain local government  
2 officers and employees, and amending P.L.1967, c.283 and  
3 N.J.S.40A:5-36.

4

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

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8 1. Section 1 of P.L.1967, c.283 (C.40A:5-34.1) is amended to  
9 read as follows:

10 1. The board of chosen freeholders of any county or the  
11 governing body of any municipality, as the case may be, may  
12 provide by blanket bond for the bonding of certain county or  
13 municipal officers and employees for faithful performance and  
14 discharge of their duties. Blanket bond coverage may be by one or  
15 more blanket bonds issued by a surety company or companies or  
16 one or more underwriters or by a joint insurance fund established  
17 pursuant to P.L.1983, c.372 (C.40A:10-36 et seq.) of which the  
18 county or municipality is a member. Blanket bond coverage may be  
19 provided in lieu of an individual bond as to any officer or employee  
20 required by law to be bonded, [except] including treasurers and tax  
21 collectors, by whatever title known, and municipal court judges and  
22 clerks, provided the blanket bond meets the requirements for the  
23 individual bond in amount, rights of cancellation, and the  
24 governmental agencies in whose favor it runs.

25 Whenever a copy of an individual bond is required by law to be  
26 filed with or supplied to specified officers, evidence of blanket  
27 bond coverage filed with or supplied to such officers by the board  
28 of chosen freeholders or governing body shall be compliance with  
29 such requirement.

30 (cf: P.L.1996, c.4, s.1)

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32 2. N.J.S.40A:5-36 is amended to read as follows:

33 40A:5-36. Every bond given by a municipal court judge or clerk  
34 of a municipal court as hereinafter provided shall be for the  
35 protection of the State, the county and the municipality or, in the  
36 case of an intermunicipal court, the municipalities, and also for the  
37 protection of defendants, litigants, bondsmen and all other persons  
38 in interest. A bond pursuant to this section may be provided  
39 through blanket bond coverage pursuant to section 1 of P.L.1967,  
40 c.283 (C.40A:5-34.1).

41 (cf: P.L.1977, c.396, s.4)

42

43 3. This act shall take effect immediately.

**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.**



# SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

## STATEMENT TO

### **SENATE, No. 1071**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: MARCH 2, 2006

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Senate Bill No. 1071.

As amended by the committee, this bill would allow local government treasurers, tax collectors, municipal court judges, and municipal court administrators to be covered by a blanket bond policy obtained by the local government unit or through a joint insurance fund of which the local government unit is a member. Under current law, these employees must be covered under individual bonds.

The committee amended the bill in order to clarify that the bill applies to municipal court administrators rather than to municipal court clerks.



STATEMENT TO  
[First Reprint]  
**SENATE, No. 1071**

with Senate Floor Amendments  
(Proposed By Senator ADLER)

ADOPTED: MARCH 13, 2006

These amendments clarify that the bill would authorize joint insurance funds to include treasurers, tax collectors, and municipal court judges and administrators under blanket bond coverage.

# ASSEMBLY, No. 2514

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED FEBRUARY 9, 2006

**Sponsored by:**

**Assemblyman NEIL M. COHEN**

**District 20 (Union)**

**Assemblyman CHRISTOPHER "KIP" BATEMAN**

**District 16 (Morris and Somerset)**

**Assemblyman PATRICK J. DIEGNAN, JR.**

**District 18 (Middlesex)**

**SYNOPSIS**

Allows blanket bond or joint insurance fund coverage for treasurers, tax collectors, and municipal court judges and clerks.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 3/7/2006)**

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2 officers and employees, and amending P.L.1967, c.283 and  
3 N.J.S.40A:5-36.

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16 one or more underwriters or by a joint insurance fund established  
17 pursuant to P.L.1983, c.372 (C.40A:10-36 et seq.) of which the  
18 county or municipality is a member. Blanket bond coverage may be  
19 provided in lieu of an individual bond as to any officer or employee  
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22 clerks, provided the blanket bond meets the requirements for the  
23 individual bond in amount, rights of cancellation, and the  
24 governmental agencies in whose favor it runs.

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34 of a municipal court as hereinafter provided shall be for the  
35 protection of the State, the county and the municipality or, in the  
36 case of an intermunicipal court, the municipalities, and also for the  
37 protection of defendants, litigants, bondsmen and all other persons  
38 in interest. A bond pursuant to this section may be provided  
39 through blanket bond coverage pursuant to section 1 of P.L.1967,  
40 c.283 (C.40A:5-34.1).

41 (cf: P.L.1977, c.396, s.4)

42

43 3. This act shall take effect immediately.

**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 STATEMENT

2

3 This bill would allow local government treasurers, tax collectors,  
4 and municipal court judges and clerks to be covered by a blanket  
5 bond policy or a joint insurance fund obtained by the local  
6 government unit, instead of requiring that these employees obtain  
7 individual bond coverage.

8 It is the sponsor's belief that allowing for blanket bond coverage  
9 for these employees would result in substantial savings to local  
10 government units.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 2514**

with committee amendments

**STATE OF NEW JERSEY**

DATED: MARCH 6, 2006

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 2514.

As amended, this bill allows local government treasurers, tax collectors, and municipal court judges and administrators to be covered by a blanket bond policy or joint insurance fund obtained by the local government unit, instead of requiring that these employees obtain individual bond coverage.

COMMITTEE AMENDMENTS

The committee amended the bill to change a reference from municipal court “clerks” to municipal court “administrators,” to achieve consistency with other current statutory provisions. The bill, as amended, is identical to its Senate counterpart, Senate Bill No. 1071(1R).

STATEMENT TO  
[First Reprint]  
**ASSEMBLY, No. 2514**

with Assembly Floor Amendments  
(Proposed By Assemblyman COHEN)

ADOPTED: MARCH 16, 2006

These amendments clarify that the bill would authorize joint insurance funds to include treasurers, tax collectors, and municipal court judges and administrators under blanket bond coverage.