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[First Reprint]

ASSEMBLY, No. 1882

STATE OF NEW JERSEY
213th LEGISLATURE

INTRODUCED JANUARY 28, 2008

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Camden)

Assemblywoman CHARLOTTE VANDERVALK

District 39 (Bergen)

Co-Sponsored by:

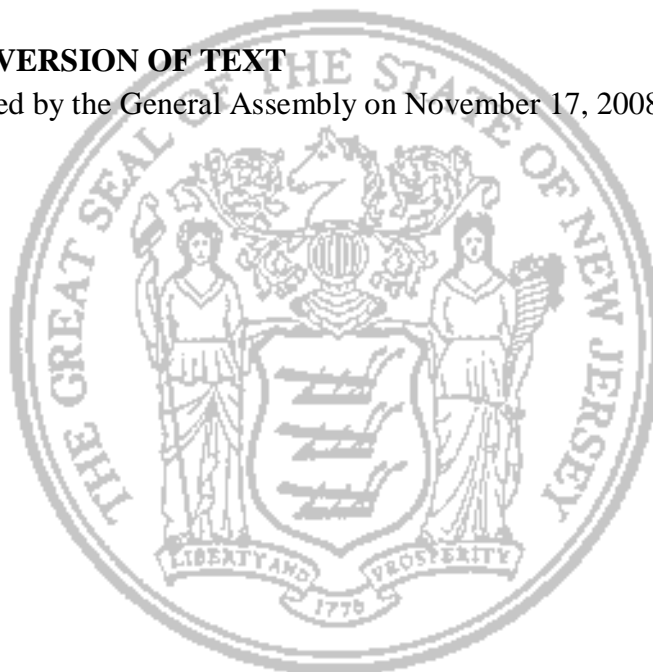
Assemblymen Connors, Chivukula, Senators Sarlo, Singer and Cardinale

SYNOPSIS

Permits three year payoff of accumulated deficits of municipal health insurance funds.

CURRENT VERSION OF TEXT

As amended by the General Assembly on November 17, 2008.



(Sponsorship Updated As Of: 1/12/2010)

1 member to determine what portion currently relates to the current
2 fund assessment and what portion relates to the funding of the
3 accumulated deficit. 'On behalf of members who require relief
4 from the adjusted tax levy provisions of section 10 of P.L.2007,
5 c.62 (C.40A:4-45.45) in order to meet their pro rata share of the
6 deficit assessment, the fund may file a single request for waiver for
7 all members who require such relief. The Local Finance Board
8 shall be authorized to approve such a consolidated waiver request.'
9
10 4. This act shall take effect immediately.

ASSEMBLY, No. 1882

STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED JANUARY 28, 2008

Sponsored by:

**Assemblywoman CHARLOTTE VANDERVALK
District 39 (Bergen)**

Co-Sponsored by:

Assemblyman Connors

SYNOPSIS

Permits three year payoff of accumulated deficits of municipal health insurance funds.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/23/2008)

A1882 VANDERVALK

2

1 AN ACT concerning county and municipal budgets and
2 supplementing chapter 4 of Title 40A of the New Jersey Statutes.

3

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

6

7 1. The commissioners of a municipal health insurance fund
8 established pursuant to N.J.S.40A:10-6 may adopt a resolution
9 declaring a special emergency for the purpose of funding
10 obligations to satisfy accumulated deficits of employee group
11 insurance programs administered by the fund. The resolution must
12 be adopted no later than 90 days after the fund year end. No
13 resolution adopted by the commissioners for the purpose of
14 authorizing special emergency appropriations for the insurance fund
15 shall take effect without the approval of the Local Finance Board
16 and the Commissioner of Banking and Insurance. The special
17 emergency shall be funded for three years pursuant to the
18 provisions of either section 3 of P.L.1961, c.22 (C.40A:4-55.3) or
19 section 4 of P.L.1961, c.22 (C.40A:4-55.4). The special emergency
20 appropriation shall not be subject to the provisions of section 10 of
21 P.L.2007, c.62 (C.40A:4-45.45) and section 11 of P.L.2007, c.62
22 (C.40A:4-45.46).

23

24 2. The municipal health insurance fund shall forward a
25 certified copy of the resolution to each fund member and the Local
26 Finance Board and the Commissioner of Banking and Insurance.
27 The fund shall submit a report to the Local Finance Board and the
28 Commissioner of Banking and Insurance setting forth the elements
29 of the accumulated deficit and provide a detailed plan that will
30 enable the fund to retire the accumulated deficit no later than the
31 last day of the third year following the date of the adoption of the
32 resolution authorizing special emergency appropriations.

33

34 3. The municipal health insurance fund shall provide notice to
35 each member that an ordinance authorizing special emergency
36 appropriations has been approved by the Local Finance Board and
37 the Commissioner of Banking and Insurance. The fund's annual
38 assessment shall provide sufficient detail to allow each fund
39 member to determine what portion currently relates to the current
40 fund assessment and what portion relates to the funding of the
41 accumulated deficit.

42

43 4. This act shall take effect immediately.

1 STATEMENT

2

3 This bill allows the commissioners of a municipal health
4 insurance fund to adopt a resolution declaring a special emergency
5 for the purpose of funding obligations to retire the accumulated debt
6 of the fund. The resolution would authorize three years of
7 appropriations for the purpose of retiring the accumulated debt of
8 the fund. The resolution must be adopted no later than 90 days after
9 the fund year end. The resolution authorizing the special
10 emergency appropriations must also be approved by the Local
11 Finance Board and the Commissioner of Banking and Insurance.
12 The fund must notify each fund member when the resolution is
13 approved by the Local Finance Board and Commissioner of
14 Banking and Insurance.

15 The fund would also be required to submit a report to the Local
16 Finance Board and Commissioner of Banking and Insurance that
17 contains a description of the elements of the accumulated deficit
18 and a plan that will enable the fund to retire the deficit not later than
19 the last day of the third year following the adoption of the
20 resolution authorizing special emergency appropriations. The
21 fund's annual assessment must detail what portion of the
22 assessment is being applied to the current fund assessment and what
23 portion is being applied to the funding of the accumulated deficit.

24 Funds appropriated for this purpose would be exempted from
25 being applied to the municipal cap on increases to the property tax
26 levy enacted by P.L.2007, c.62 (C.40A:4-45.45).

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1882

STATE OF NEW JERSEY

DATED: MAY 5, 2008

The Assembly Financial Institutions and Insurance Committee reports favorably Assembly Bill No. 1882.

This bill allows the commissioners of a municipal health insurance fund, established pursuant to N.J.S.40A:10-6, to adopt a resolution declaring a special emergency for the purpose of funding obligations to retire the accumulated debt of the fund. The resolution, which must be adopted no later than 90 days after the fund year end, would authorize three years of appropriations for the purpose of retiring the accumulated deficits of employee group insurance programs administered by the fund. The resolution authorizing the special emergency appropriations must also be approved by the Local Finance Board in the Division of Local Government in the Department of Community Affairs and the Commissioner of Banking and Insurance.

The bill provides that a special emergency appropriation is not subject to the municipal cap on increases to the property tax levy pursuant to section 10 of P.L.2007, c.62, (C.40A:4-45.45), and is not subject to the process allowing a request for a waiver from the municipal cap pursuant to section 11 of P.L.2007, c.62, (C.40A:4-45.46).

The bill requires the fund to submit to the Local Finance Board and to the commissioner a report that sets forth the elements of the fund's accumulated deficit and that provides a detailed plan that will enable the fund to retire the deficit not later than the last day of the third year following the adoption of the resolution authorizing special emergency appropriations.

The fund must notify each fund member when an ordinance authorizing special emergency appropriations is approved by the Local Finance Board and the commissioner. The fund's annual assessment must detail what portion of the assessment is being applied to the current fund assessment and what portion is being applied to the funding of the accumulated deficit.

SENATE COMMERCE COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 1882

STATE OF NEW JERSEY

DATED: DECEMBER 14, 2009

The Senate Commerce Committee reports favorably Assembly Bill No. 1882 (1R).

This bill allows the commissioners of a municipal health insurance fund, whenever its accumulated deficits exceed an amount equal to 10% of the current year's total assessments, to adopt a resolution declaring a special emergency for the purpose of funding obligations, for up to three years, to satisfy the accumulated deficits of the insurance programs administered by the fund. This resolution shall be adopted no later than 90 days after the fund year end, and shall only take effect with the additional approval of the Local Finance Board, located in the Division of Local Government in the Department of Community Affairs, and the Commissioner of Banking and Insurance.

The bill also requires the fund to submit to the Local Finance Board and the commissioner a report that sets forth the elements of the fund's accumulated deficits and that provides a detailed plan enabling the fund to retire the deficit not later than the last day of the third year following the adoption of the resolution authorizing special emergency appropriations.

After a resolution authorizing special emergency appropriations has been approved by the Local Finance Board and the commissioner, the fund shall provide notice to each fund member that the resolution was approved. Additionally, the fund's annual assessment shall provide sufficient detail to allow each fund member to determine what portion of the assessment currently relates to the current fund assessment, and what portion currently relates to the funding of the accumulated deficit.

The bill further provides that the fund may file a single request for a waiver for all fund members who require relief from the adjusted tax levy provisions under the statutory law relating to caps on local unit taxes, in order to meet their pro rata share of the deficit assessment; and in relation to this filing, the Local Finance Board is authorized to approve any such consolidated waiver request.

This bill is identical to Senate Bill No. 1807, as amended by the committee, which is also reported by the committee today.

STATEMENT TO
ASSEMBLY, No. 1882

with Assembly Floor Amendments
(Proposed By Assemblyman GREENWALD)

ADOPTED: NOVEMBER 17, 2008

These amendments allow the commissioners of a municipal health insurance fund, whenever its accumulated deficits exceed an amount equal to 10% of the current year's total assessments, to adopt a resolution declaring a special emergency for the purpose of funding obligations, for up to three years, to retire the accumulated debts of the fund. The amendments provide that the municipal health insurance fund shall provide notice to each member if its resolution to authorize special emergency appropriations is approved by the Local Finance Board and the Commissioner of Banking and Insurance.

The amendments also provide that the fund may file a single request for a waiver for all members who require relief from the adjusted tax levy provisions relating to caps on local unit taxes, in order to meet their pro rata share of the deficit assessment, and that the Local Finance Board is authorized to approve such a consolidated waiver request.

SENATE, No. 1807

STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED MAY 8, 2008

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen, Essex and Passaic)

Senator ROBERT W. SINGER

District 30 (Burlington, Mercer, Monmouth and Ocean)

Co-Sponsored by:

Senator Cardinale

SYNOPSIS

Permits three year payoff of accumulated deficits of municipal health insurance funds.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/14/2008)

1 AN ACT concerning county and municipal budgets and
2 supplementing chapter 4 of Title 40A of the New Jersey Statutes.

3

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

6

7 1. The commissioners of a municipal health insurance fund
8 established pursuant to N.J.S.40A:10-6 may adopt a resolution
9 declaring a special emergency for the purpose of funding
10 obligations to satisfy accumulated deficits of employee group
11 insurance programs administered by the fund. The resolution must
12 be adopted no later than 90 days after the fund year end. No
13 resolution adopted by the commissioners for the purpose of
14 authorizing special emergency appropriations for the insurance fund
15 shall take effect without the approval of the Local Finance Board
16 and the Commissioner of Banking and Insurance. The special
17 emergency shall be funded for three years pursuant to the
18 provisions of either section 3 of P.L.1961, c.22 (C.40A:4-55.3) or
19 section 4 of P.L.1961, c.22 (C.40A:4-55.4). The special emergency
20 appropriation shall not be subject to the provisions of section 10 of
21 P.L.2007, c.62 (C.40A:4-45.45) and section 11 of P.L.2007, c.62
22 (C.40A:4-45.46).

23

24 2. The municipal health insurance fund shall forward a
25 certified copy of the resolution to each fund member and the Local
26 Finance Board and the Commissioner of Banking and Insurance.
27 The fund shall submit a report to the Local Finance Board and the
28 Commissioner of Banking and Insurance setting forth the elements
29 of the accumulated deficit and provide a detailed plan that will
30 enable the fund to retire the accumulated deficit no later than the
31 last day of the third year following the date of the adoption of the
32 resolution authorizing special emergency appropriations.

33

34 3. The municipal health insurance fund shall provide notice to
35 each member that an ordinance authorizing special emergency
36 appropriations has been approved by the Local Finance Board and
37 the Commissioner of Banking and Insurance. The fund's annual
38 assessment shall provide sufficient detail to allow each fund
39 member to determine what portion currently relates to the current
40 fund assessment and what portion relates to the funding of the
41 accumulated deficit.

42

43 4. This act shall take effect immediately.

1 STATEMENT

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3 This bill allows the commissioners of a municipal health
4 insurance fund to adopt a resolution declaring a special emergency
5 for the purpose of funding obligations to retire the accumulated debt
6 of the fund. The resolution would authorize three years of
7 appropriations for the purpose of retiring the accumulated debt of
8 the fund. The resolution must be adopted no later than 90 days after
9 the fund year end. The resolution authorizing the special
10 emergency appropriations must also be approved by the Local
11 Finance Board and the Commissioner of Banking and Insurance.
12 The fund must notify each fund member when the resolution is
13 approved by the Local Finance Board and Commissioner of
14 Banking and Insurance.

15 The fund would also be required to submit a report to the Local
16 Finance Board and Commissioner of Banking and Insurance that
17 contains a description of the elements of the accumulated deficit
18 and a plan that will enable the fund to retire the deficit not later than
19 the last day of the third year following the adoption of the
20 resolution authorizing special emergency appropriations. The
21 fund's annual assessment must detail what portion of the
22 assessment is being applied to the current fund assessment and what
23 portion is being applied to the funding of the accumulated deficit.

24 Funds appropriated for this purpose would be exempted from
25 being applied to the municipal cap on increases to the property tax
26 levy enacted by P.L.2007, c.62 (C.40A:4-45.45).

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1807

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 14, 2009

The Senate Commerce Committee reports favorably, and with committee amendments, Senate Bill No. 1807.

This bill, as amended, allows the commissioners of a municipal health insurance fund, whenever its accumulated deficits exceed an amount equal to 10% of the current year's total assessments, to adopt a resolution declaring a special emergency for the purpose of funding obligations, for up to three years, to satisfy the accumulated deficits of the insurance programs administered by the fund. This resolution shall be adopted no later than 90 days after the fund year end, and shall only take effect with the additional approval of the Local Finance Board, located in the Division of Local Government in the Department of Community Affairs, and the Commissioner of Banking and Insurance.

The bill also requires the fund to submit to the Local Finance Board and the commissioner a report that sets forth the elements of the fund's accumulated deficits and that provides a detailed plan enabling the fund to retire the deficit not later than the last day of the third year following the adoption of the resolution authorizing special emergency appropriations.

After a resolution authorizing special emergency appropriations has been approved by the Local Finance Board and the commissioner, the fund shall provide notice to each fund member that the resolution was approved. Additionally, the fund's annual assessment shall provide sufficient detail to allow each fund member to determine what portion of the assessment currently relates to the current fund assessment, and what portion currently relates to the funding of the accumulated deficit.

The bill further provides that the fund may file a single request for a waiver for all fund members who require relief from the adjusted tax levy provisions under the statutory law relating to caps on local unit taxes, in order to meet their pro rata share of the deficit assessment; and in relation to this filing, the Local Finance Board is authorized to approve any such consolidated waiver request.

The committee amendments to the bill:

- allow municipal health insurance fund commissioners to seek adoption of a resolution declaring a special emergency to retire accumulated deficits of a fund only when such deficits exceed an amount equal to 10% of the fund's current year total assessments;

- permit the special emergency declared pursuant to a commissioners' resolution to be funded for up to three years in order to satisfy the accumulated deficits of a health insurance fund;

- clarify that after a resolution authorizing special emergency appropriations has been approved by the Local Finance Board and the Commissioner of Banking and Insurance, the fund shall provide notice to each fund member that the resolution was approved; and

- provide that the fund may file a single request for a waiver for all fund members who require relief from the adjusted tax levy provisions under the statutory law relating to caps on local unit taxes, in order to meet their pro rata share of a deficit assessment, and in relation to this filing, the Local Finance Board is authorized to approve any such consolidated waiver request.

This bill, as amended, is identical to Assembly Bill No. 1882 (1R), which is also reported by the committee today.