SENATE, No. 1248
STATE OF NEW JERSEY
214th LEGISLATURE
INTRODUCED FEBRUARY 8, 2010

Sponsored by:
Senator RONALD L. RICE
District 28 (Essex)
Senator JENNIFER BECK
District 12 (Mercer and Monmouth)

SYNOPSIS
Requires local unit or authority to provide director of the Division of Local Government Services with report concerning law suits to which it is a party before budget is approved

CURRENT VERSION OF TEXT
As introduced.

(Sponsorship Updated As Of: 6/29/2010)
AN ACT concerning local unit and authority budgets and supplementing Title 40A of the New Jersey Statutes.

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

1. a. The director shall not approve a budget pursuant to N.J.S.40A:4-10 until the governing body has provided the director with a report outlining any lawsuits filed by or against the local unit. The report shall include, but not be limited to, the following information:

   The number of lawsuits filed by the local unit, with an explanation of the nature of each lawsuit, and, when appropriate, the dollar amount awarded to the local unit, unless the amount is rendered confidential by court order, during the reporting period;

   The number of lawsuits filed against the local unit, with an explanation of the nature of each lawsuit, and, when appropriate, the dollar amount awarded to the plaintiff, unless the amount is rendered confidential by court order, during the reporting period;

   The number of lawsuits that were settled out of court, with the dollar amounts of each settlement, during the reporting period;

   The number of pending lawsuits, with an explanation of the nature of each lawsuit, during the reporting period;

   The name of the attorney or law firm that represented the local unit in each lawsuit, and the dollar amount paid to the attorney or law firm for representation, during the reporting period;

   An explanation of the manner of billing used by the attorney or law firm representing the local unit in each lawsuit, indicating whether the attorney or law firm received a set fee per hour or arranged another manner of billing, during the reporting period;

   A summary of the local unit’s liability insurance plan, indicating whether the local unit is self-insured or contracts its liability out to an insurance provider, during the reporting period.

b. The director shall transmit a copy of each report to the Commissioner of Community Affairs, who shall render each report to the Governor and the Legislature pursuant to section 3 of P.L.1966, c.293 (C.52:27D-3).

c. For the purposes of this section, “reporting period” means the previous January 1 to December 31 for any local unit operating under a calendar fiscal year or the previous July 1 to June 30 for any local unit operating under a State fiscal year.

2. a. The director shall not approve a budget pursuant to N.J.S.40A:5A-10 until the authority has provided the director with a report outlining any lawsuits filed by or against the authority. The report shall include, but not be limited to, the following information:
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The number of lawsuits filed by the authority, with an explanation of the nature of each lawsuit, and, when appropriate, the dollar amount awarded to the authority, unless the amount is rendered confidential by court order, during the reporting period;

The number of lawsuits filed against the authority, with an explanation of the nature of each lawsuit, and, when appropriate, the dollar amount awarded to the plaintiff, unless the amount is rendered confidential by court order, during the reporting period;

The number of lawsuits that were settled out of court, with the dollar amounts of each settlement, during the reporting period;

The number of pending lawsuits, with an explanation of the nature of each lawsuit, during the reporting period;

The name of the attorney or law firm that represented the authority in each lawsuit, and the dollar amount paid to the attorney or law firm for representation, during the reporting period;

An explanation of the manner of billing used by the attorney or law firm representing the authority in each lawsuit, indicating whether the attorney or law firm received a set fee per hour or arranged another manner of billing, during the reporting period;

A summary of the authority’s liability insurance plan, indicating whether the local unit is self-insured or contracts its liability out to an insurance provider, during the reporting period.

b. The director shall transmit a copy of each report to the Commissioner of Community Affairs, who shall render each report to the Governor and the Legislature pursuant to section 3 of P.L.1966, c.293 (C.52:27D-3).

c. For the purposes of this section, “reporting period” means the previous January 1 to December 31 for any authority operating under a calendar fiscal year or the previous July 1 to June 30 for any authority operating under a State fiscal year.

3. This act shall take effect immediately.

STATEMENT
This bill provides that the Director of the Division of Local Government Services in the Department of Community Affairs shall not approve a budget pursuant to the "Local Budget Law," N.J.S.40A:4-1 et seq., or the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.), until the local unit or authority has provided the director with a report outlining any lawsuits to which it is a party. The report shall include, but not be limited to, the following information:

The number of lawsuits filed by the local unit or authority, with an explanation of the nature of each lawsuit, and, when appropriate, the dollar amount awarded to the local unit or authority, unless the
amount is rendered confidential by court order, during the reporting period;

The number of lawsuits filed against the local unit or authority, with an explanation of the nature of each lawsuit, and, when appropriate, the dollar amount awarded to the plaintiff, unless the amount is rendered confidential by court order, during the reporting period;

The number of lawsuits that were settled out of court, with the dollar amounts of each settlement, during the reporting period;

The number of pending lawsuits, with an explanation of the nature of each lawsuit, during the reporting period;

The name of the attorney or law firm that represented the local unit or authority in each lawsuit, and the dollar amount paid to the attorney or law firm for representation, during the reporting period;

An explanation of the manner of billing used by the attorney or law firm representing the local unit or authority in each lawsuit, indicating whether the attorney or law firm received a set fee per hour or arranged another manner of billing, during the reporting period;

A summary of the local unit or authority’s liability insurance plan, indicating whether the local unit or authority is self-insured or contracts its liability out to an insurance provider, during the reporting period.

The bill also provides that the Director of the Division of Local Government Services shall transmit a copy of each report to the Commissioner of Community Affairs, who shall render each report to the Governor and the Legislature pursuant to section 3 of P.L.1966, c.293 (C.52:27D-3).

For the purposes of this bill, “reporting period” means the previous January 1 to December 31 for any local unit or authority operating under a calendar fiscal year, or the previous July 1 to June 30 for any local unit or authority operating under a State fiscal year.