

# ASSEMBLY, No. 2267

## STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

**Sponsored by:**

**Assemblywoman YVONNE LOPEZ**

**District 19 (Middlesex)**

**SYNOPSIS**

Permits for-profit affordable housing entities to join with non-profit entities and housing authorities in joint insurance funds under certain circumstances.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT permitting certain for-profit affordable housing entities to  
2 join certain non-profit entities and housing authorities for  
3 insurance purposes, and amending P.L.2004, c.146.  
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.2004, c.146 (C.40A:10-36.3) is amended to  
9 read as follows:

10 1. a. For the purposes of P.L.2004, c.146 (C.40A:10-36.3) **[a**  
11 "non-profit"] :

12 "Non-profit housing entity" means an organization that provides  
13 housing meeting the low and moderate income limits established by  
14 the United States Department of Housing and Urban Development,  
15 if that organization is organized as a not-for-profit entity or as a  
16 limited partnership, in a low or moderate income housing project  
17 that has as its general partner a not-for-profit entity that has as its  
18 primary purpose the construction, rehabilitation or management of  
19 housing projects for occupancy by persons of low and moderate  
20 income.

21 "For-profit affordable housing entity" means a corporation,  
22 partnership, or other organization, created for the purpose of  
23 providing one or more:

24 (1) 100 percent low and moderate income housing development  
25 in association with P.L.1985, c.222 (C.52:27D-301 et al.),  
26 constructed through the direction of a municipal fair share plan, or a  
27 court order to enforce the construction; or

28 (2) project-based federal rental developments, authorized  
29 pursuant to section 8 of the United States Housing Act of 1937 (42  
30 U.S.C. s.1437f), including but not limited to housing constructed  
31 for this purpose, and housing converted for this purpose through the  
32 federal Rental Assistance Demonstration Program.

33 b. A non-profit housing entity, or a for-profit affordable housing  
34 entity, shall be deemed a local unit for the purposes of P.L.1983,  
35 c.372 (C.40A:10-36 et seq.) if it chooses to establish or join a joint  
36 insurance fund, pursuant to P.L.1983, c.372 (C.40A:10-36 et seq.),  
37 that is comprised of either non-profit housing entities **[or]** , housing  
38 authorities, for-profit affordable housing entities, or a combination  
39 thereof. Such joint insurance funds shall not have as its members  
40 local units that are municipalities, counties, boards of education, or  
41 fire districts.

42 c. Notwithstanding any provision of law to the contrary, a joint  
43 insurance fund established pursuant to P.L.1983, c.372 (C.40A:10-  
44 36 et seq.) that includes non-profit housing entities, or for-profit  
45 affordable housing entities, or both, as members shall not join

**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 together with other local units, as otherwise provided in section 1 of  
2 P.L.1983, c.372 (C.40A:10-36), for the purpose of providing  
3 contributory or non-contributory group health insurance or group  
4 term life insurance, or both, to employees or their dependents or  
5 both.

6 d. Notwithstanding any provision of law to the contrary, a joint  
7 insurance fund established pursuant to P.L.1983, c.372 (C.40A:10-  
8 36 et seq.) that includes non-profit housing entities, or for-profit  
9 affordable housing entities, or both, as members may participate in  
10 joint insurance funds:

11 (1) where the membership is exclusively comprised of other  
12 joint insurance funds and whose purpose is to provide excess levels  
13 of coverage;

14 (2) where the membership is exclusively comprised of other  
15 joint insurance funds and whose purpose is to accept the transfer of  
16 residual claims liabilities; or

17 (3) whose purpose is to provide environmental impairment  
18 liability insurance.

19 e. A joint insurance fund that has as its members non-profit  
20 housing entities, or for-profit affordable housing entities, or both,  
21 shall operate pursuant to the provisions of P.L.1983, c.372  
22 (C.40A:10-36 et seq.).

23 (cf: P.L.2004, c.146, s.1)

24  
25 2. This act shall take effect immediately.

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STATEMENT

29

30 This bill would authorize for-profit affordable housing entities to  
31 establish or join joint insurance funds that are comprised of either  
32 other for-profit affordable housing entities, non-profit housing  
33 entities, housing authorities, or a combination thereof. For-profit  
34 affordable housing entities, however, would be precluded from  
35 joining joint insurance funds that have as their members local units  
36 that are municipalities, counties, boards of education, or fire  
37 districts.

38 The bill defines a “for-profit affordable housing entity” as an  
39 organization created for the purpose of providing either one or  
40 more: (1) 100 percent low and moderate income developments in  
41 association with the “Fair Housing Act,” N.J.S.A.52:27D-301 et al.,  
42 constructed through the direction of a municipal fair share plan, or a  
43 court order to enforce the construction, or (2) project-based federal  
44 rental developments, authorized pursuant to the federal Section 8  
45 Program, including but not limited to housing constructed for this  
46 purpose, and housing converted for this purpose through the federal  
47 Rental Assistance Demonstration Program.

1       The bill provides that joint insurance funds that include for-profit  
2 affordable housing entities as members may not provide  
3 contributory or non-contributory group health insurance or group  
4 term life insurance, or both, to employees or their dependents, or  
5 both.

6       The bill provides that a joint insurance fund that includes for-  
7 profit affordable housing entities as members may participate in  
8 joint insurance funds:

9       (1) where the membership is exclusively comprised of other  
10 joint insurance funds and whose purpose is to provide excess levels  
11 of coverage;

12       (2) where the membership is exclusively comprised of other  
13 joint insurance funds and whose purpose is to accept the transfer of  
14 residual claims liabilities; or

15       (3) whose purpose is to provide environmental impairment  
16 liability insurance.

17       Otherwise, a joint insurance fund that has as its members non-  
18 profit housing entities, or for-profit affordable housing entities,  
19 would operate pursuant to the provisions of P.L.1983, c.372  
20 (N.J.S.A.40A:10-36 et seq.), the provision of law governing joint  
21 insurance funds.