

SENATE, No. 1415

STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

Senator BRIAN P. STACK

District 33 (Hudson)

Co-Sponsored by:

Senator Pou

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.



(Sponsorship Updated As Of: 1/25/2024)

S1415 SINGLETON, STACK

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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
30 (42 U.S.C. s.1437f), including but not limited to housing
31 constructed for this purpose, and housing converted for this purpose
32 through the 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
44 (C.40A:10-36 et seq.) that includes non-profit housing entities, or
45 for-profit affordable housing entities, or both, as members shall not
46 join together with other local units, as otherwise provided in section

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 1 of P.L.1983, c.372 (C.40A:10-36), for the purpose of providing
2 contributory or non-contributory group health insurance or group
3 term life insurance, or both, to employees or their dependents or
4 both.

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

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

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

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

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

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

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24 2. This act shall take effect immediately.

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STATEMENT

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

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

47 The bill provides that joint insurance funds that include for-profit
48 affordable housing entities as members may not provide

1 contributory or non-contributory group health insurance or group
2 term life insurance, or both, to employees or their dependents, or
3 both.

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

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

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

13 (3) whose purpose is to provide environmental impairment
14 liability insurance.

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