

## CHAPTER 50

AN ACT concerning bond coverage for certain local government officers and employees, and amending P.L.1967, c.283, N.J.S.40A:5-36, N.J.S.40A:5-38, and N.J.S.40A:5-39.

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

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

C.40A:5-34.1 Blanket bond coverage provided for certain county, municipal officers, employees; evidence.

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

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

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

Protection to be afforded by bond.

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

3. N.J.S.40A:5-38 is amended to read as follows:

Rules and regulations.

40A:5-38. The Local Finance Board may prescribe rules and regulations pertaining to the bonds of municipal court judges and municipal court administrators consistent with the rules of administration applicable to the municipal courts. Notwithstanding any other provision of law, the Local Finance Board shall, in accordance with a classification system established by

said board, determine and fix the minimum amount of any official bond which may be required of a municipal court judge or administrator of a municipal court.

4. N.J.S.40A:5-39 is amended to read as follows:

Fixing of bond in excess of minimum amount.

40A:5-39. The governing body of any municipality authorized by law to fix the amount of any bond given by a municipal court judge or administrator of a municipal court may fix such amount in excess of the minimum prescribed by the local finance board.

5. This act shall take effect immediately.

Approved July 20, 2006.