

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 1415

STATE OF NEW JERSEY

DATED: JANUARY 25, 2024

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 1415.

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

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

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

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

- (1) where the membership is exclusively comprised of other joint insurance funds and whose purpose is to provide excess levels of coverage;
- (2) where the membership is exclusively comprised of other joint insurance funds and whose purpose is to accept the transfer of residual claims liabilities; or
- (3) whose purpose is to provide environmental impairment liability insurance.

Otherwise, a joint insurance fund that has as its members non-

profit housing entities, or for-profit affordable housing entities, would operate pursuant to the provisions of P.L.1983, c.372 (N.J.S.A.40A:10-36 et seq.), the provision of law governing joint insurance funds.

This bill was pre-filed for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.