

**SYNOPSIS OF SYNOPSIS OF SPECIAL ADOPTED AMENDMENTS AND  
CONCURRENT PROPOSED AMENDMENTS TO N.J.A.C. 3:34  
GOVERNMENTAL UNIT DEPOSIT PROTECTION**

On May 4, 2018, Governor Murphy signed P.L. 2018, c. 11 (“the Act”), which authorizes a local governmental unit (defined as a municipality, county or school district) to establish charitable funds and related spillover funds. The Act amends the definitions of “governmental unit” and “public funds.” The Department of Banking and Insurance (“Department”) intends to amend definitions of those terms in N.J.A.C. 3:34, the subchapter governing collateral requirements for depositories that accept the deposits of local New Jersey governmental unit funds, to conform with the Act. The Department is providing advance notice of this rulemaking action and seeking your input on the contemplated special adopted amendments with proposed amendments.

The Governmental Unit Deposit Protection Act, N.J.S.A. 17:9-41 to -47 (“GUDPA”), establishes the collateral requirements for depositories that accept deposits of New Jersey governmental unit funds. The charitable funds established under the Act are to be used for specified public purposes.

Pursuant to section 7 of P.L. 2018, c. 11, codified at N.J.S.A. 54:4-66.12, the Commissioner of the Department may adopt immediately upon filing with the Office of Administrative Law such rules and regulations determined to be necessary to effectuate the purposes of the Act. In accordance with N.J.S.A. 54:4-66.12, the Department intends to adopt the amendments as described herein regarding governmental unit deposit protection. Concurrently, the provisions of these amendments will be proposed for re-adoption in accordance with normal rulemaking requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 to -31.

N.J.A.C. 3:34-1.2 sets forth definitions of terms used in that subchapter. In N.J.A.C. 3:34-1.2, the Department will propose to amend the definition of “governmental unit” to include charitable funds and spillover funds established pursuant to the Act. Additionally, the Department proposes to amend the definition of “public funds” to include moneys held by charitable funds, spillover funds, or local charitable donations established pursuant to the Act. The proposed amendments conform the definitions with those set forth in N.J.S.A. 17:9-41, as amended by the Act.

The full text of the existing rules may be accessed at [www.lexisnexis.com/hottopics/njcode/](http://www.lexisnexis.com/hottopics/njcode/).

Please provide any feedback you wish the Department to consider on the contemplated special adopted amendments with proposed amendments by e-mail to [AdvanceNotice@dobi.nj.gov](mailto:AdvanceNotice@dobi.nj.gov) by January 2, 2019. Thank you for your participation in this important component of the rulemaking process.

Jd GUDPA synopsis/regulations