

SENATE, No. 400

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Establishes that payment plan for motor vehicle surcharges is mandatory upon request; extends payment period.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning the payment of motor vehicle surcharges and
2 amending P.L.1983, c.65.

3

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

6

7 1. Section 6 of P.L.1983, c.65 (C.17:29A-35) is amended to
8 read as follows:

9 6. a. (Deleted by amendment, P.L.1997, c.151.)

10 b. There is created a Motor Vehicle Violations Surcharge
11 System which shall apply to all drivers and shall include, but not be
12 limited to, the following provisions:

13 (1) (a) Surcharges shall be levied, beginning on or after January
14 1, 1984, by the New Jersey Motor Vehicle Commission (hereinafter
15 the "commission") established by section 4 of P.L.2003,
16 c.13 (C.39:2A-4) on any driver who, in the preceding 36-month
17 period, has accumulated six or more motor vehicle points, as
18 provided in Title 39 of the Revised Statutes; except that the
19 allowance for a reduction of points in Title 39 of the Revised
20 Statutes shall not apply for the purpose of determining surcharges
21 under this paragraph. The accumulation of points shall be
22 calculated as of the date the point violation is posted to the driver
23 history record and shall be levied pursuant to rules promulgated by
24 the commission. Surcharges assessed pursuant to this paragraph
25 shall be ~~[\$150.00]~~ \$150 for six points, and ~~[\$25.00]~~ \$25 for each
26 additional point. No offense shall be selected for billing which
27 occurred prior to February 10, 1983. No offense shall be considered
28 for billing in more than three annual assessments.

29 (b) (Deleted by amendment, P.L.1984, c.1.)

30 (2) (a) Surcharges shall be levied pursuant to subsection f. of
31 section 1 of P.L.2000, c.75 (C.39:4-97.2) for each offense of unsafe
32 driving under subsection a. of that section.

33 (b) Surcharges shall be levied for convictions (i) under
34 R.S.39:4-50 for violations occurring on or after February 10, 1983,
35 and (ii) under section 2 of P.L.1981, c.512 (C.39:4-50.4a), or for
36 offenses committed in other jurisdictions of a substantially similar
37 nature to those under R.S.39:4-50 or section 2 of P.L.1981,
38 c.512 (C.39:4-50.4a), for violations occurring on or after January
39 26, 1984. Except as hereinafter provided, surcharges under this
40 subparagraph (b) shall be levied annually for a three-year period,
41 and shall be ~~[\$1,000.00]~~ \$1000 per year for each of the first two
42 convictions, for a total surcharge of \$3,000 for each conviction, and
43 ~~[\$1,500.00]~~ \$1500 per year for the third conviction occurring
44 within a three-year period, for a total surcharge of \$4,500 for the
45 third conviction. If a driver is convicted under both R.S.39:4-50 and

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 section 2 of P.L.1981, c.512 (C.39:4-50.4a) for offenses arising out
2 of the same incident, the driver shall be assessed only one surcharge
3 for the two offenses.

4 If, upon written notification from the commission or its designee,
5 mailed to the last address of record with the commission, a driver
6 fails to pay a surcharge levied under this section and collectible by
7 the commission, the driving privilege of the driver shall be
8 suspended forthwith until at least five percent of each outstanding
9 surcharge assessment that has resulted in suspension is paid to the
10 commission; except that upon the written request of a driver the
11 commission **【may】** shall authorize payment of the surcharge on an
12 installment basis over a period of **【12】** 48 months for assessments
13 under \$2,300 or **【24】** 72 months for assessments of \$2,300 or more.
14 The commission **【,** for good cause, may authorize payment of any
15 surcharge on an installment basis over a period not to exceed 36
16 months**】** shall not reject any request made by a driver to enter into a
17 monthly installment plan to pay outstanding surcharges. If a driver
18 fails to pay the surcharge or any installments on the surcharge, the
19 total surcharge shall become due immediately, except as otherwise
20 prescribed by rule of the commission.

21 The commission may authorize any person to pay the surcharge
22 levied under this section and collectible by the commission by use
23 of a credit card, debit card or other electronic payment device, and
24 the chief administrator is authorized to require the person to pay all
25 costs incurred by the commission in connection with the acceptance
26 of the credit card, debit card or other electronic payment device. If
27 a surcharge or related administrative fee is paid by credit or debit
28 cards or any other electronic payment device and the amount is
29 subsequently reversed by the credit card company or bank, the
30 driving privilege of the surcharged driver shall be suspended and
31 the driver shall be subject to the fee imposed for dishonored checks
32 pursuant to section 31 of P.L.1994, c.60 (C.39:5-36.1).

33 In addition to any other remedy provided by law, the commission
34 is authorized to utilize the provisions of the SOIL (Set off of
35 Individual Liability) program established pursuant to P.L.1981,
36 c.239 (C.54A:9-8.1 et seq.) to collect any surcharge levied under
37 this section and collectible by the commission that is unpaid on or
38 after the effective date of this act. As an additional remedy, the
39 commission may issue a certificate to the Clerk of the Superior
40 Court stating that the person identified in the certificate is indebted
41 under this surcharge law in such amount as shall be stated in the
42 certificate. The certificate shall reference the statute under which
43 the indebtedness arises. Thereupon the clerk to whom such
44 certificate shall have been issued shall immediately enter upon the
45 record of docketed judgments the name of such person as debtor;
46 the State as creditor; the address of such person, if shown in the
47 certificate; the amount of the debt so certified; a reference to the

1 statute under which the surcharge is assessed, and the date of
2 making such entries. The docketing of the entries shall have the
3 same force and effect as a civil judgment docketed in the Superior
4 Court, and the commission shall have all the remedies and may take
5 all of the proceedings for the collection thereof which may be had
6 or taken upon the recovery of a judgment in an action, but without
7 prejudice to any right of appeal. Upon entry by the clerk of the
8 certificate in the record of docketed judgments in accordance with
9 this provision, interest in the amount specified by the court rules for
10 post-judgment interest shall accrue from the date of the docketing
11 of the certificate, however payment of the interest may be waived
12 by the commission or its designee. In the event that the surcharge
13 remains unpaid following the issuance of the certificate of debt and
14 the commission takes any further collection action including
15 referral of the matter to the Attorney General or his designee, the
16 fee imposed, in lieu of the actual cost of collection, may be 20
17 percent of surcharges of \$1,000 or more. The chief administrator or
18 his designee may establish a sliding scale, not to exceed a maximum
19 amount of \$200, for surcharge principal amounts of less than \$1,000
20 at the time the certificate of debt is forwarded to the Superior Court
21 for filing. The commission shall provide written notification to a
22 driver of the proposed filing of the certificate of debt at least 10
23 days prior to the proposed filing; such notice shall be mailed to the
24 driver's last address of record with the commission. Upon the filing
25 of a certificate of debt with the Clerk of the Superior Court, the
26 surcharged driver shall not be eligible for the restoration of his
27 driving privilege until at least five percent of each outstanding
28 surcharge assessment that has resulted in the suspension, including
29 interest and costs, if any, is paid to the commission. If a certificate
30 of debt is satisfied following a credit card payment, debit card
31 payment or payment by other electronic payment device and that
32 payment is reversed, a new certificate of debt shall be filed against
33 the surcharged driver unless the original is reinstated.

34 If the chief administrator or his designee approves a special
35 payment plan, of such duration as the chief administrator or his
36 designee deems appropriate, for repayment of the certificate of debt,
37 and the driver is complying with the approved plan, the plan may be
38 continued for any new surcharge not part of the certificate of debt.

39 All moneys collectible by the commission under subparagraph
40 (b) of paragraph (2) of this subsection b. shall be billed and
41 collected by the commission except as provided in P.L.1997,
42 c.280 (C.2B:19-10 et al.) for the collection of unpaid surcharges.
43 Commencing on September 1, 1996, or such earlier time as the
44 Commissioner of Banking and Insurance shall certify to the State
45 Treasurer that amounts on deposit in the New Jersey Automobile
46 Insurance Guaranty Fund are sufficient to satisfy the current and
47 anticipated financial obligations of the New Jersey Automobile Full
48 Insurance Underwriting Association, all surcharges collected by the

1 commission under subparagraph (b) of paragraph (2) of this
2 subsection b. shall be remitted to the Division of Motor Vehicles
3 Surcharge Fund:

4 (i) for transfer to the Market Transition Facility Revenue Fund,
5 as provided in section 12 of P.L.1994, c.57 (C.34:1B-21.12), for the
6 purposes of section 4 of P.L.1994, c.57 (C.34:1B-21.4) until such a
7 time as all the Market Transition Facility bonds, notes and
8 obligations and all Motor Vehicle Commission bonds, notes and
9 obligations issued pursuant to that section 4 of P.L.1994,
10 c.57 (C.34:1B-21.4) and the costs thereof are discharged and no
11 longer outstanding; and

12 (ii) from and after the date of certification by the Commissioner
13 of Banking and Insurance that the moneys collectible under
14 subparagraph (b) of paragraph (2) of this subsection b. are no longer
15 needed to fund the association or at such time as all Market
16 Transition Facility bonds, notes and obligations and all Motor
17 Vehicle Commission bonds, notes and obligations issued pursuant
18 to section 4 of P.L.1994, c.57 (C.34:1B-21.4) and the costs thereof
19 are discharged and no longer outstanding, for transfer to the Motor
20 Vehicle Surcharges Revenue Fund established pursuant to section 6
21 of the "Motor Vehicle Surcharges Securitization Act of 2004,"
22 P.L.2004, c.70 (C.34:1B-21.28) to be applied as set forth in section
23 6 of that act. From and after such time as all bonds issued under
24 section 4 of the "Motor Vehicle Surcharges Securitization Act of
25 2004," P.L.2004, c.70 (C.34:1B-21.26) and the costs thereof are
26 discharged and no longer outstanding, all surcharges collected by
27 the commission under subparagraph (b) of paragraph (2) of this
28 subsection b. shall, subject to appropriation, be remitted to the New
29 Jersey Property-Liability Insurance Guaranty Association created
30 pursuant to section 6 of P.L.1974, c.17 (C.17:30A-6) to be used for
31 payment of any loans made by that association to the New Jersey
32 Automobile Insurance Guaranty Fund pursuant to paragraph (10) of
33 subsection a. of section 8 of P.L.1974, c.17 (C.17:30A-8); provided
34 that all such payments shall be subject to and dependent upon
35 appropriation by the State Legislature.

36 All surcharges collected by the courts pursuant to subparagraph
37 (a) of paragraph (2) of this subsection b. shall be forwarded not less
38 frequently than monthly to the Division of Revenue. The Division
39 of Revenue shall transfer: all such surcharges received prior to July
40 1, 2006, to the General Fund, and commencing July 1, 2006, all
41 such surcharges to the Unsafe Driving Surcharge Revenue Fund
42 established pursuant to section 5 of the "Motor Vehicle Surcharges
43 Securitization Act of 2004," P.L.2004, c.70 (C.34:1B-21.27) to be
44 applied as set forth in section 5 of that act. From and after such
45 time as all bonds (including refunding bonds), notes and other
46 obligations issued under section 4 of the "Motor Vehicle Surcharges
47 Securitization Act of 2004," P.L.2004, c.70 (C.34:1B-21.26), and
48 the costs thereof are discharged and no longer outstanding, all such

1 surcharges collected by the courts pursuant to subparagraph (a) of
2 paragraph (2) of this subsection b. and forwarded to the Division of
3 Revenue shall be transferred to the General Fund.

4 Upon request, the Administrative Office of the Courts shall
5 provide a monthly report to the Division of Revenue containing
6 information on the number of convictions for the offense of unsafe
7 driving pursuant to section 1 of P.L.2000, c.75 (C.39:4-97.2) that
8 were entered during such month, the amount of the surcharges that
9 were assessed by the courts pursuant to subsection f. of section 1 of
10 P.L.2000, c.75 (C.39:4-97.2) for such month, and the amount of the
11 surcharges collected by the courts pursuant to subsection f. of
12 section 1 of P.L.2000, c.75 (C.39:4-97.2) during such month.

13 (3) In addition to any other authority provided in P.L.1983,
14 c.65 (C.17:29A-33 et al.), the commissioner, after consultation with
15 the commission, is specifically authorized (a) (Deleted by
16 amendment, P.L.1994, c.64), (b) to impose, in accordance with
17 subparagraph (a) of paragraph (1) of this subsection b., surcharges
18 for motor vehicle violations or convictions for which motor vehicle
19 points are not assessed under Title 39 of the Revised Statutes, or (c)
20 to reduce the number of points for which surcharges may be
21 assessed below the level provided in subparagraph (a) of paragraph
22 (1) of this subsection b., except that the dollar amount of all
23 surcharges levied under the Motor Vehicle Violations Surcharge
24 System shall be uniform on a Statewide basis for each filer, without
25 regard to classification or territory. Surcharges adopted by the
26 commissioner on or after January 1, 1984 for motor vehicle
27 violations or convictions for which motor vehicle points are not
28 assessable under Title 39 of the Revised Statutes shall not be
29 retroactively applied but shall take effect on the date of the New
30 Jersey Register in which notice of adoption appears or the effective
31 date set forth in that notice, whichever is later.

32 c. No motor vehicle violation surcharges shall be levied on an
33 automobile insurance policy issued or renewed on or after January
34 1, 1984, except in accordance with the Motor Vehicle Violations
35 Surcharge System, and all surcharges levied thereunder shall be
36 assessed, collected and distributed in accordance with subsection b.
37 of this section.

38 d. (Deleted by amendment, P.L.1990, c.8.)

39 e. The Commissioner of Banking and Insurance and the
40 commission as may be appropriate, shall adopt any rules and
41 regulations necessary or appropriate to effectuate the purposes of
42 this section.

43 (cf: P.L.2007, c.282, s.1)

44
45 2. This act shall take effect immediately.

1 STATEMENT

2

3 This bill requires that the Motor Vehicle Commission (MVC)
4 enter into a monthly installment plan for paying motor vehicle
5 surcharges upon the written request of a driver with outstanding
6 surcharges.

7 Currently, the MVC has the discretion to authorize payment of
8 surcharges on an installment basis for a period not to exceed one
9 year for assessments under \$2,300, or not to exceed two years for
10 assessments of \$2,300 or more. The MVC may, for good cause,
11 authorize installment payments for a period not to exceed three
12 years irrespective of the surcharge assessment.

13 Under this bill, upon the written request of a driver, the MVC is
14 required to authorize the payment of surcharges on a monthly basis.
15 The bill prohibits the MVC from denying any request to enter into a
16 monthly installment plan.

17 In addition, this bill extends the time period for monthly
18 installment payments. Under the bill, a driver is authorized to pay
19 assessments on an installment basis for a period not to exceed four
20 years for assessments under \$2,300, or not to exceed six years for
21 assessments of \$2,300 or more.