

SENATE, No. 1277

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 10, 2020

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Increases from six to 10 the number of motor vehicle penalty points necessary to incur surcharges.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning motor vehicle surcharges and amending
2 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
14 January 1, 1984, by the New Jersey Motor Vehicle Commission
15 (hereinafter the "commission") established by section 4 of
16 P.L.2003, c.13 (C.39:2A-4) on any driver who, in the preceding 36-
17 month period, has accumulated **[six]** 10 or more motor vehicle
18 points, as provided in Title 39 of the Revised Statutes; except that
19 the 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]** 10 points, and **[\$25.00]** \$25 for
26 each 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, c.512
38 (C.39:4-50.4a), for violations occurring on or after January 26,
39 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]** \$1,000 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]** \$1,500 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 The commission, for good cause, may authorize payment of any
5 surcharge on an installment basis over a period not to exceed 36
6 months. If a driver fails to pay the surcharge or any installments on
7 the surcharge, the total surcharge shall become due immediately,
8 except as otherwise prescribed by rule of the commission.

9 The commission may authorize any person to pay the surcharge
10 levied under this section and collectible by the commission by use
11 of a credit card, debit card or other electronic payment device, and
12 the administrator is authorized to require the person to pay all costs
13 incurred by the commission in connection with the acceptance of
14 the credit card, debit card or other electronic payment device. If a
15 surcharge or related administrative fee is paid by credit or debit
16 cards or any other electronic payment device and the amount is
17 subsequently reversed by the credit card company or bank, the
18 driver shall be subject to the fee imposed for dishonored checks
19 pursuant to section 31 of P.L.1994, c.60 (C.39:5-36.1).

20 In addition to any other remedy provided by law, the commission
21 is authorized to utilize the provisions of the SOIL (Set off of
22 Individual Liability) program established pursuant to P.L.1981,
23 c.239 (C.54A:9-8.1 et seq.) to collect any surcharge levied under
24 this section and collectible by the commission that is unpaid on or
25 after the effective date of this act. As an additional remedy, the
26 commission may issue a certificate to the Clerk of the Superior
27 Court stating that the person identified in the certificate is indebted
28 under this surcharge law in **[such]** an amount as shall be stated in
29 the certificate. The certificate shall reference the statute under
30 which the indebtedness arises. Thereupon the clerk to whom
31 **[such]** the certificate shall have been issued shall immediately
32 enter upon the record of docketed judgments the name of **[such]**
33 the person as debtor; the State as creditor; the address of **[such]** the
34 person, if shown in the certificate; the amount of the debt so
35 certified; a reference to the statute under which the surcharge is
36 assessed, and the date of making **[such]** the entries. The docketing
37 of the entries shall have the same force and effect as a civil
38 judgment docketed in the Superior Court, and the commission shall
39 have all the remedies and may take all of the proceedings for the
40 collection thereof which may be had or taken upon the recovery of a
41 judgment in an action, but without prejudice to any right of appeal.
42 Upon entry by the clerk of the certificate in the record of docketed
43 judgments in accordance with this provision, interest in the amount
44 specified by the court rules for post-judgment interest shall accrue
45 from the date of the docketing of the certificate, however payment
46 of the interest may be waived by the commission or its designee. In
47 the event that the surcharge remains unpaid following the issuance

1 of the certificate of debt and the commission takes any further
2 collection action including referral of the matter to the Attorney
3 General or his designee, the fee imposed, in lieu of the actual cost
4 of collection, may be 20 percent of surcharges of \$1,000 or more.
5 The administrator or his designee may establish a sliding scale, not
6 to exceed a maximum amount of \$200, for surcharge principal
7 amounts of less than \$1,000 at the time the certificate of debt is
8 forwarded to the Superior Court for filing. The commission shall
9 provide written notification to a driver of the proposed filing of the
10 certificate of debt at least 10 days prior to the proposed filing;
11 **[such]** the notice shall be mailed to the driver's last address of
12 record with the commission. Upon the filing of a certificate of debt
13 with the Clerk of the Superior Court, the surcharged driver shall not
14 be eligible for the restoration of his driving privilege until at least
15 five percent of each outstanding surcharge assessment that has
16 resulted in the suspension, including interest and costs, if any, is
17 paid to the commission. If a certificate of debt is satisfied
18 following a credit card payment, debit card payment or payment by
19 other electronic payment device and that payment is reversed, a new
20 certificate of debt shall be filed against the surcharged driver unless
21 the original is reinstated.

22 If the administrator or his designee approves a special payment
23 plan, of **[such]** a duration **[as]** the administrator or his designee
24 deems appropriate, for repayment of the certificate of debt, and the
25 driver is complying with the approved plan, the plan may be
26 continued for any new surcharge not part of the certificate of debt.

27 All moneys collectible by the commission under subparagraph
28 (b) of paragraph (2) of **[this]** subsection b. of this section shall be
29 billed and collected by the commission except as provided in
30 P.L.1997, c.280 (C.2B:19-10 et al.) for the collection of unpaid
31 surcharges. Commencing on September 1, 1996, or **[such]** an
32 earlier time as the Commissioner of Banking and Insurance shall
33 certify to the State Treasurer that amounts on deposit in the New
34 Jersey Automobile Insurance Guaranty Fund are sufficient to satisfy
35 the current and anticipated financial obligations of the New Jersey
36 Automobile Full Insurance Underwriting Association, all
37 surcharges collected by the commission under subparagraph (b) of
38 paragraph (2) of **[this]** subsection b. of this section shall be
39 remitted to the Division of Motor Vehicles Surcharge Fund:

40 (i) for transfer to the Market Transition Facility Revenue Fund,
41 as provided in section 12 of P.L.1994, c.57 (C.34:1B-21.12), for the
42 purposes of section 4 of P.L.1994, c.57 (C.34:1B-21.4) until **[such]**
43 a time as **]** all the Market Transition Facility bonds, notes and
44 obligations and all Motor Vehicle Commission bonds, notes and
45 obligations issued pursuant to that section 4 of P.L.1994, c.57
46 (C.34:1B-21.4) and the costs thereof are discharged and no longer
47 outstanding; and

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

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

Upon request, the Administrative Office of the Courts shall provide a monthly report to the Division of Revenue containing information on the number of convictions for the offense of unsafe driving pursuant to section 1 of P.L.2000, c.75 (C.39:4-97.2) that were entered during **[such]** the month, the amount of the

1 surcharges that were assessed by the courts pursuant to subsection f.
2 of section 1 of P.L.2000, c.75 (C.39:4-97.2) for **【such】** the month,
3 and the amount of the surcharges collected by the courts pursuant to
4 subsection f. of section 1 of P.L.2000, c.75 (C.39:4-97.2) during
5 **【such】** the month.

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

25 c. No motor vehicle violation surcharges shall be levied on an
26 automobile insurance policy issued or renewed on or after January
27 1, 1984, except in accordance with the Motor Vehicle Violations
28 Surcharge System, and all surcharges levied thereunder shall be
29 assessed, collected and distributed in accordance with subsection b.
30 of this section.

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

32 e. The Commissioner of Banking and Insurance and the
33 commission as may be appropriate, shall adopt any rules and
34 regulations necessary or appropriate to effectuate the purposes of
35 this section.

36 (cf: P.L.2019, c.276, s.11)
37

38 2. This act shall take effect immediately.
39
40

41 STATEMENT

42
43 This bill increases from six to 10 the number of motor vehicle
44 penalty points that a driver may accrue before being subject to
45 motor vehicle surcharges.

46 Motor vehicle surcharges are fines imposed on drivers who have
47 accumulated six or more penalty points in less than three years for
48 traffic violations or have been convicted in court for a specific

S1277 TURNER

7

1 offense. A person who accumulates six or more points within three
2 years from his or her last posted violation is subject to a \$150
3 surcharge plus \$25 for each additional point. Failure to pay
4 surcharges may result in a driver's license suspension.
5 In order to reduce the number of driver's licenses suspended for
6 failure to pay surcharges, this bill increases the number of penalty
7 points a person may accrue before surcharges are assessed. Under
8 the bill, a person who accrues 10 or more penalty points within
9 three years from his or her last posted conviction is subject to motor
10 vehicle surcharges.