

ASSEMBLY, No. 1192

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman DALTON

1 AN ACT concerning certain surcharges on certain motor vehicle points
2 and amending P.L.1983, c. 65.

3

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

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

9 6. a. A merit rating accident surcharge system for private
10 passenger automobiles may be used in the voluntary market[, by the
11 New Jersey Automobile Full Insurance Underwriting Association
12 created pursuant to section 16 of P.L.1983, c.65 (C.17:30E-4), by the
13 Market Transition Facility created pursuant to section 88 of P.L.1990,
14 c.8 (C.17:33B-11),]and by any insurance plan established to provide
15 private passenger automobile insurance pursuant to section 1 of
16 P.L.1970, c.215 (C.17:29D-1). No surcharges shall be imposed on or
17 after the operative date of this act, unless there is an at-fault accident
18 within a three-year period immediately preceding the effective date of
19 coverage which results in payment by the insurer of at least a \$300.00
20 claim. All moneys collected under this subsection shall be retained by
21 the insurer assessing the surcharge. Accident surcharges shall be
22 imposed for a three-year period and shall, for each filer, be uniform on
23 a Statewide basis without regard to classification or territory.

24 b. There is created a New Jersey Merit Rating Plan which shall
25 apply to all drivers and shall include, but not be limited to, the
26 following provisions:

27 (1) (a) Plan surcharges shall be levied[, beginning on or after
28 January 1, 1984,]by the Division of Motor Vehicles on any driver who
29 has accumulated, within the immediately preceding three-year period,
30 [beginning on or after February 10, 1983, six] nine or more motor
31 vehicle points, as provided in Title 39 of the Revised Statutes,
32 exclusive of any points for convictions for which surcharges are levied

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 under paragraph (2) of this subsection; except that the allowance for
2 a reduction of points in Title 39 of the Revised Statutes shall not apply
3 for the purpose of determining surcharges under this paragraph.
4 Surcharges shall be levied for each year in which the driver possesses
5 six or more points. Surcharges assessed pursuant to this paragraph
6 shall be \$100.00 for ~~[six]~~ nine points, and \$25.00 for each additional
7 point.

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

9 (2) Plan surcharges shall be levied for convictions (a) under
10 R.S.39:4-50 for violations occurring on or after February 10, 1983,
11 and (b) under section 2 of P.L.1981, c.512 (C.39:4-50.4a), or for
12 offenses committed in other jurisdictions of a substantially similar
13 nature to those under R.S.39:4-50 or section 2 of P.L.1981, c.512
14 (C.39:4-50.4a), for violations occurring on or after January 26, 1984.
15 Except as hereinafter provided, surcharges under this paragraph shall
16 be levied annually for a three-year period, and shall be \$1,000.00 per
17 year for each of the first two convictions, for a total surcharge of
18 \$3,000 for each conviction, and \$1,500.00 per year for the third
19 conviction occurring within a three-year period, for a total surcharge
20 of \$4,500 for the third conviction. If a driver is convicted under both
21 R.S.39:4-50 and section 2 of P.L.1981, c.512 (C.39:4-50.4a) for
22 offenses arising out of the same incident, the driver shall be assessed
23 only one surcharge for the two offenses.

24 If, upon written notification from the Division of Motor Vehicles,
25 mailed to the last address of record with the division, a driver fails to
26 pay a surcharge levied under this subsection, the license of the driver
27 shall be suspended forthwith until the surcharge is paid to the Division
28 of Motor Vehicles; except that the Division of Motor Vehicles may
29 authorize payment of the surcharge on an installment basis over a
30 period not to exceed 12 months. If a driver fails to pay the surcharge
31 or any installments on the surcharge, the total surcharge shall become
32 due immediately.

33 The director may authorize any person to pay the surcharge levied
34 under this section by use of a credit card, and the director is
35 authorized to require the person to pay all costs incurred by the
36 division in connection with the acceptance of the credit card.

37 In addition to any other remedy provided by law, the director is
38 authorized to utilize the provisions of the SOIL (Setoff of Individual
39 Liability) program established pursuant to P.L.1981, c.239
40 (C.54A:9-8.1 et seq.) to collect any surcharge levied under this section
41 that is unpaid on or after ~~[the effective date of this act]~~ June 30, 1994.
42 As an additional remedy, the director may issue a certificate to the
43 Clerk of the Superior Court stating that the person identified in the
44 certificate is indebted under this surcharge law in such amount as shall
45 be stated in the certificate. The certificate shall reference the statute
46 under which the indebtedness arises. Thereupon the clerk to whom

1 such certificate shall have been issued shall immediately enter upon the
2 record of docketed judgments the name of such person as debtor; the
3 State as creditor; the address of such person, if shown in the
4 certificate; the amount of the debt so certified; a reference to the
5 statute under which the surcharge is assessed, and the date of making
6 such entries. The docketing of the entries shall have the same force
7 and effect as a civil judgment docketed in the Superior Court, and the
8 director shall have all the remedies and may take all of the proceedings
9 for the collection thereof which may be had or taken upon the
10 recovery of a judgment in an action, but without prejudice to any right
11 of appeal. Upon entry by the clerk of the certificate in the record of
12 docketed judgments in accordance with this provision, interest in the
13 amount specified by the court rules for post-judgment interest shall
14 accrue from the date of the docketing of the certificate, however
15 payment of the interest may be waived by the director. In the event
16 that the surcharge remains unpaid following the issuance of the
17 certificate of debt and the director takes any further collection action
18 including referral of the matter to the Attorney General or his
19 designee, the fee imposed, in lieu of the actual cost of collection, may
20 be 20 percent of the surcharge or \$200, whichever is greater. The
21 director shall provide written notification to a driver of the proposed
22 filing of the certificate of debt 10 days prior to the proposed filing;
23 such notice shall be mailed to the driver's last address of record with
24 the division.

25 All moneys collectible under this subsection b. shall be billed and
26 collected by the Division of Motor Vehicles. Of the moneys collected:
27 10%, or the actual cost of administering the collection of the
28 surcharge, whichever is less, shall be retained by the Division of Motor
29 Vehicles until August 31, 1996; five percent, or the actual cost of
30 administering the cancellation notification system established pursuant
31 to section 50 of P.L.1990, c.8 (C.17:33B-41), whichever is less, shall
32 be retained by the Division of Motor Vehicles until August 31, 1996;
33 and prior to October 1, 1991, the remainder shall be remitted to the
34 New Jersey Automobile Full Insurance Underwriting Association and
35 on or after October 1, 1991 until August 31, 1996, the remainder shall
36 be remitted to the New Jersey Automobile Insurance Guaranty Fund
37 created pursuant to section 23 of P.L.1990, c.8 (C.17:33B-5).
38 Commencing on September 1, 1996, or such earlier time as the
39 Commissioner of Insurance shall certify to the State Treasurer that
40 amounts on deposit in the New Jersey Automobile Insurance Guaranty
41 Fund are sufficient to satisfy the current and anticipated financial
42 obligations of the New Jersey Automobile Full Insurance Underwriting
43 Association, all plan surcharges collected by the Division of Motor
44 Vehicles under this subsection b. shall be remitted to the Division of
45 Motor Vehicles Surcharge Fund for transfer to the Market Transition
46 Facility Revenue Fund, as provided in section 12 of P.L.1994, c.57

1 (C.34:1B-21.12), for the purposes of section 4 of P.L.1994, c.57
2 (C.34:1B-21.4) until such a time as all the Market Transition Facility
3 bonds, notes and obligations issued pursuant to that section 4 of that
4 act and the costs thereof are discharged and no longer outstanding.
5 From the date of certification by the Commissioner of Insurance that
6 the moneys collectible under this subsection are no longer needed to
7 fund the association or at such a time as all Market Transition Facility
8 bonds, notes and obligations issued pursuant to section 4 of P.L.1994,
9 c.57 (C.34:1B-21.4) and the costs thereof are discharged and no
10 longer outstanding, moneys collectible under this subsection shall,
11 subject to appropriation, be remitted to the New Jersey
12 Property-Liability Insurance Guaranty Association created pursuant to
13 section 6 of P.L.1974, c.17 (C.17:30A-6) to be used for payment of
14 any loans made by that association to the New Jersey Automobile
15 Insurance Guaranty Fund pursuant to paragraph (10) of subsection a.
16 of section 8 of P.L.1974, c.17 (C.17:30A-8); provided that all such
17 payments shall be subject to and dependent upon appropriation by the
18 State Legislature.

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

37 c. No motor vehicle violation surcharges shall be levied on an
38 automobile insurance policy issued or renewed on or after January 1,
39 1984, except in accordance with the New Jersey Merit Rating Plan,
40 and all surcharges levied thereunder shall be assessed, collected and
41 distributed in accordance with subsection b. of this section.

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

43 e. The Commissioner of Insurance and the Director of the Division
44 of Motor Vehicles as may be appropriate, shall adopt any rules and
45 regulations necessary or appropriate to effectuate the purposes of this

1 section.
2 (cf: P.L.1994, c.64, s.1)

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4 2. This act shall take effect immediately.

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STATEMENT

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9 Currently the Division of Motor Vehicles surcharges any driver who
10 has accumulated, within the immediately preceding three year period,
11 six or more motor vehicle violation points. This bill raises the number
12 of points necessary for such a surcharge from six to nine points.

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17 _____
18 Raises from six to nine the number of motor vehicle points necessary
for DMV surcharge.