

[First Reprint]  
SENATE, No. 1464

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 19, 1996

By Senator BYRANT

1 AN ACT concerning child support judgements, supplementing Title 2A  
2 of the New Jersey Statutes and repealing P.L.1995, c.334.

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

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7 1. a. A judgement for child support entered pursuant to P.L.1988,  
8 c.111 (C.2A:17-56.23a) and docketed with the Clerk of the Superior  
9 Court shall be a lien against the net proceeds of any settlement  
10 negotiated prior or subsequent to the filing of a lawsuit, civil  
11 judgement, civil arbitration award or worker's compensation award  
12 and shall have priority over all other civil judgements unless otherwise  
13 provided by law. The lien shall stay the distribution of the net  
14 proceeds to the prevailing party until the child support judgement is  
15 satisfied. As used in this act "net proceeds" means any amount of  
16 money, in excess of \$2,000, payable to the prevailing party after  
17 attorney fees, witness fees, court costs, fees for health care providers  
18 and other costs related to the lawsuit or settlement are deducted from  
19 the award and "prevailing party" shall not include a partnership,  
20 corporation, government entity or minor child.

21 b. Before distributing any net proceeds of a settlement, judgement  
22 or award to the prevailing party; <sup>1</sup>(1) the prevailing party shall provide  
23 the attorney or insurance company responsible for the final distribution  
24 of such funds with a certification that includes the prevailing party's  
25 full name, mailing address, date of birth and social security number;  
26 and (2)<sup>1</sup> the attorney representing the prevailing party shall initiate a  
27 search of child support judgements, through a private judgement  
28 search company that maintains information on child support  
29 judgements, to determine if the prevailing party is a child support  
30 judgement debtor. If the prevailing party is not represented by an  
31 attorney, the judgement search shall be initiated by the opposing

**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.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Senate SWF committee amendments adopted November 18, 1996.

1 attorney or an insurance company before the proceeds are distributed  
2 to the prevailing party. <sup>1</sup>In a worker's compensation action, the  
3 insurance company shall initiate the judgement search.<sup>1</sup> The  
4 judgement search company shall provide a certification to the attorney,  
5 insurance company or party initiating the lawsuit identifying whether  
6 or not the prevailing party is a child support judgement debtor.

7 If there are no attorneys representing either party in a civil lawsuit,  
8 the party bringing the lawsuit shall initiate the judgement search and  
9 shall be required to file the certification with the court at least 10  
10 working days prior to the trial or with the stipulation that the  
11 certification shall be filed at the time of the settlement or dismissal of  
12 the lawsuit.

13 For monies deposited with the court, no distribution of funds shall  
14 be made until the attorney or prevailing party provides the Clerk of  
15 the Superior Court with a copy of the certification showing that the  
16 prevailing party is not a child support judgement debtor.

17 The fee for a judgement search is chargeable against the net  
18 proceeds as a cost of the settlement, judgement or award.

19 c. If the certification shows that the prevailing party is not a child  
20 support judgement debtor, the net proceeds may be paid to the  
21 prevailing party immediately. If the certification shows that the  
22 prevailing party is a child support judgement debtor, the attorney or  
23 insurance company that initiated the search shall contact the Probation  
24 Division of the Superior Court to arrange for the satisfaction of the  
25 child support judgement. The attorney or insurance company shall  
26 notify the prevailing party of the intent to satisfy the child support  
27 judgement prior to the disbursement of any funds to the prevailing  
28 party. Upon receipt of a Warrant of Satisfaction for the child support  
29 judgement, the attorney or insurance company shall pay the balance of  
30 the settlement, judgement or award to the prevailing party. If the net  
31 proceeds are less than the amount of the child support judgement, the  
32 entire amount of the net proceeds shall be paid to the Probation  
33 Division as partial satisfaction of the judgement.

34 If there are no attorneys representing either party in a civil lawsuit  
35 and the certification filed with the court shows that the prevailing  
36 party is a child support judgement debtor, the court shall order that  
37 the opposing party pay the amount of the child support judgement to  
38 the Probation Division before any funds are paid to the prevailing  
39 party. The opposing party shall also insure that any judgement related  
40 to the lawsuit docketed with the Clerk of the Superior Court reflect  
41 the Probation Division's superior claim to such funds.

42 d. <sup>1</sup>An attorney or insurance company shall not be liable for  
43 distributing net proceeds to the prevailing party based on the results  
44 of a judgement certification showing the prevailing party is not the  
45 debtor of a child support judgement, if it is later shown that the  
46 prevailing party provided inaccurate personal information on the initial

1 certification to the attorney or the insurer.<sup>1</sup>

2 <sup>1</sup>[d.]e.<sup>1</sup> An attorney who, in accordance with this act, satisfies a  
3 child support judgement from the net proceeds of a settlement,  
4 judgement or award, shall not be liable for payments which otherwise  
5 would have been made pursuant to subsection a. of this section which  
6 were not so identified to the attorney at the time of satisfaction.

7 <sup>1</sup>[e.]f.<sup>1</sup> An attorney who, or insurance company that, in  
8 accordance with this act, satisfies a child support judgement from the  
9 net proceeds of a settlement, judgement or award, shall not be liable  
10 to the prevailing party or to the prevailing party's creditors.

11 <sup>1</sup>[f.]g.<sup>1</sup> An attorney shall not be required to challenge a child  
12 support judgement unless retained by the prevailing party to do so.

13 <sup>1</sup>h. A private judgement search company is prohibited from using  
14 any information provided by an attorney or insurance company in  
15 accordance with this act for any purpose other than: (1) determining  
16 if the prevailing party is the debtor of a child support judgement; and  
17 (2) preparing a certification as required pursuant to subsection b. of  
18 this section.<sup>1</sup>

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20 2. The Supreme Court may promulgate rules to effectuate the  
21 purposes of this act.

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23 3. P.L.1995, c.334 (C.2A:17-56.37 et seq.) is repealed.

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25 4. This act shall take effect immediately.

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30 Provides for the establishment of liens on net proceeds of settlements,  
31 judgements or awards to pay for child support judgements.