

SENATE, No. 2047

STATE OF NEW JERSEY

INTRODUCED MAY 8, 1997

By Senators **CARDINALE, LITTELL, Kyrillos, Ciesla, Kosco, Palaia, Cafiero, Ewing, Bubba, Bryant, Casey, Lesniak, Girgenti, Lipman, LaRossa, Inverso, Connors, Bark, Gormley, Singer, Zane, O'Connor, Sacco, Lynch and McGreevey**

1 AN ACT concerning uninsured motorists, amending P.L.1983, c.141,
2 supplementing Title 39 of the Revised Statutes, and repealing
3 section 50 of P.L.1990, c.8.

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

7
8 1. (New section) Sections 1 through 6 of this act shall be known
9 and may be cited as the "Uninsured Motorist Identification Database
10 Program Act."

11
12 2. (New section) As used in sections 2 through 6 of this act:
13 "Fund" means the Uninsured Motorist Prevention Fund established
14 in section 2 of P.L.1983, c.141 (C.39:6B-3).

15 "Database" means the Uninsured Motorist Identification Database
16 established pursuant to section 3 of this act.

17 "Division of Motor Vehicles" or "Division" means the Division of
18 Motor Vehicles in the Department of Transportation.

19
20 3. (New section) a. There is created in the division the Uninsured
21 Motorist Database Program to establish an Uninsured Motorist
22 Identification Database to verify compliance of owners and registrants
23 of motor vehicles with the motor vehicle liability insurance
24 requirements of section 1 of P.L.1972, c.197 (C.39:6B-1).

25 b. The division shall develop and maintain a computer database
26 containing the following:

27 (1) information supplied by insurers pursuant to section 4 of this
28 act;

29 (2) the name, date of birth, address and driver's license number of
30 all persons with current driver's licenses in this State; and

31 (3) all current motor vehicle registrations.

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 c. The division shall, at least monthly:

2 (1) update the database with the motor vehicle insurance
3 information provided by the insurers in accordance with section 4 of
4 this act; and

5 (2) compare all current motor vehicle registrations against the
6 database.

7 d. The database shall be developed and maintained so that State
8 and local law enforcement agencies can efficiently access the database.

9

10 4. (New section) a. (1) Each insurer that issues a policy that
11 includes motor vehicle liability coverage shall, before the seventh day
12 of each calendar month, provide to the division a record of each motor
13 vehicle insurance policy in effect as of the previous month that was
14 issued by the insurer.

15 (2) This subsection does not preclude more frequent reporting.

16 b. The record shall include:

17 (1) the name, year, and driver's license number of each insured
18 owner or operator, and the address of the named insured;

19 (2) the make, year and vehicle identification number of each
20 insured vehicle; and

21 (3) the policy number, effective date and expiration date of each
22 policy.

23 c. Each insurer shall provide this information on magnetic tape or
24 in another form the division agrees to accept.

25 d. The division shall fine an insurer \$250 for each day during the
26 first 10 days that the insurer fails to comply with the provisions of this
27 section and \$2,500 for each day thereafter that such failure continues.
28 If an insurer shows that the failure to comply with the provisions of
29 this section was inadvertent, accidental or the result of excusable
30 neglect, the division shall excuse the fine.

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32 5. (New section) a. If the comparison under section 3 of this act
33 shows that a motor vehicle is registered but not insured, the division
34 shall notify the owner of the motor vehicle that the owner has 30 days
35 to provide:

36 (1) proof of meeting the requirements of section 1 of P.L.1972,
37 c.197 (C.39:6B-1) with a policy that is fully paid for at least six
38 months; or

39 (2) proof of exemption from the requirements of section 1 of
40 P.L.1972, c.197 (C.39:6B-1).

41 b. If the owner of a motor vehicle fails to provide satisfactory
42 proof of compliance pursuant to subsection a. of this section within the
43 time allowed, the division shall impound the uninsured motor vehicle.

44 c. (1) If, within 45 days of the impoundment of the motor vehicle,
45 proof of compliance with, or exemption from, the provisions of section
46 1 of P.L.1972, c.197 (C.39:6B-1) is not presented, and all outstanding

1 warrants against the vehicle, the reasonable costs of removal and
2 storage of the motor vehicle, and a \$500 administrative fee for the
3 division are not paid, the motor vehicle shall be sold by the division at
4 public auction. The division shall give notice of the sale by certified
5 mail to the owner and to the holder of any security interest filed with
6 the division, and by publication in a form to be prescribed by the
7 director by one insertion, at least five days before the date of the sale,
8 in one or more newspapers published in this State and circulating in
9 the municipality and county from which the motor vehicle was
10 impounded.

11 (2) At any time prior to the sale, the owner of the motor vehicle or
12 other person entitled to the motor vehicle may reclaim possession of
13 the motor vehicle by presenting proof of compliance with, or
14 exemption from, the requirements of section 1 of P.L.1972, c.197
15 (C.39:6B-1) and upon payment of all outstanding warrants against the
16 vehicle, the reasonable costs of removal and storage of the motor
17 vehicle, and a \$500 administrative fee for the division. Prior to the
18 sale of the motor vehicle, title to the impounded motor vehicle shall
19 vest in the division.

20 (3) Any proceeds obtained from the sale of a vehicle at public
21 auction pursuant to paragraph (2) of this subsection in excess of the
22 amount owed to the lien holder and the division for the payment of all
23 outstanding warrants on the vehicle, the reasonable costs of removal
24 and storage of the motor vehicle, and a \$500 administrative fee for the
25 division, shall be deposited in the fund.

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27 6. (New section) At the time application is made for registration
28 or renewal of registration of a motor vehicle pursuant to Article 2 of
29 chapter 3 of Title 39 of the Revised Statutes, the division shall impose
30 and collect an uninsured motorist identification fee of \$1 on each
31 motor vehicle. The revenue generated shall be deposited in the fund.

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33 7. Section 2 of P.L.1983, c.141 (C.39:6B-3) is amended to read as
34 follows:

35 2. The Uninsured Motorist Prevention Fund (hereinafter referred
36 to as the "fund") is established as a nonlapsing, revolving fund into
37 which shall be deposited; all revenues from the fines imposed pursuant
38 to section 2 of P.L.1972, c.197 (C.39:6B-2); administrative fees and
39 excess proceeds from the sale of motor vehicles pursuant to subsection
40 c. of section 5 of P.L. , c. (C.)(now before the Legislature
41 as this bill); and uninsured motorist identification fees imposed and
42 collected pursuant to section 6 of P.L. , c. (C.)(now before
43 the Legislature as this bill). Interest received on moneys in the fund
44 shall be credited to the fund. The fund shall be administered by the
45 Division of Motor Vehicles in the Department of [Law and Public
46 Safety] Transportation. Moneys in the fund shall be allocated and

1 used for the purpose of the administrative expenses of the fund [and];
2 enforcement of the compulsory motor vehicle insurance law, P.L.1972,
3 c.197 (C.39:6B-1 et seq.) by the Division of Motor Vehicles; and the
4 implementation of the Uninsured Motorist Identification Database
5 Program created pursuant to P.L. , c. (C.)(now before the
6 Legislature as this bill).

7 (cf: P.L.1983, c.141, s.2)

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9 8. Section 50 of P.L.1990, c.8 (C.17:33B-41) is repealed.

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11 9. This act shall take effect on the 360th day following enactment,
12 except that sections 6 and 7 shall take effect immediately.

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STATEMENT

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17 This bill establishes the "Uninsured Motorist Identification Database
18 Program" in the Division of Motor Vehicles to compare, by computer
19 matching, the motor vehicles registered in this State with the motor
20 vehicles insured in this State. Insurers are required to provide the
21 insurance information every month to the division for this comparison.

22 If the comparison shows that a motor vehicle is not insured, the
23 division must notify the owner that he has 30 days to provide proof of
24 liability insurance. If the owner fails to provide that proof within that
25 time, the division shall impound the uninsured motor vehicle. If,
26 within 45 days of the impoundment, the proof of liability insurance is
27 not presented and all outstanding warrants against the vehicle, the
28 reasonable costs of removal and storage of the motor vehicle, and a
29 \$500 administrative fee for the division are not paid, the vehicle shall
30 be sold at public auction. The owner and the holder of any security
31 interest in the vehicle shall be notified of the pending sale and a notice
32 of the sale must be published in a newspaper circulating in the
33 municipality and county in which the vehicle was impounded. After
34 the amount of any lien and the foregoing expenses, fines and costs are
35 deducted, the proceeds from the sale of the motor vehicle shall be
36 deposited in Uninsured Motorist Prevention Fund.

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41 "Uninsured Motorist Identification Database Program Act."