

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 2047

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 8, 1997

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 2047.

This bill, as amended by the committee, establishes the "Uninsured Motorist Identification Database Program" in the Division of Motor Vehicles to compare, by computer matching, the motor vehicles registered in this State with the motor vehicles insured in this State. Insurers are required to provide the insurance information every month to the division for this comparison. The committee amended the bill to provide that this insurance information is to be confidential and proprietary and shall not be a public record subject to disclosure. The division is required to fine an insurer \$250 for each day during the first 10 days that an insurer fails to comply and \$2,500 for each day thereafter that such failure continues. The division must excuse the fine if the insurer shows that the failure to comply was inadvertent, accidental or the result of excusable neglect.

If the comparison shows that a motor vehicle is not insured, the division must notify the owner that he has 30 days to provide proof of liability insurance or proof of exemption from the requirement. If the owner fails to provide that proof within that time, the division shall impound the uninsured motor vehicle. If, within 45 days of the impoundment, the proof of liability insurance or exemption therefrom is not presented and all outstanding warrants against the vehicle, the reasonable costs of removal and storage of the motor vehicle, and a \$500 administrative fee for the division are not paid, the bill provides that the vehicle shall be sold at public auction. The owner and the holder of any security interest in the vehicle shall be notified of the pending sale and a notice of the sale must be published in one or more newspapers published in this State and circulating in the municipality and county in which the vehicle was impounded. At any time prior to the sale, the owner of the motor vehicle may reclaim the motor vehicle by presenting proof of liability insurance or exemption therefrom and paying the foregoing expenses, fines and costs. After the amount of any lien and the foregoing expenses, fines and costs are deducted, the remaining proceeds from the sale of the motor vehicle shall be deposited in the Uninsured Motorist Prevention Fund.

In addition to the remaining proceeds from the sale of motor vehicles, this program is funded by a \$1 fee collected each time a motor vehicle is registered.

The bill will become effective on the 360th day following enactment, except that the section concerning fees will become effective immediately.