

3B:15-17.1

6/8/87

LEGISLATIVE HISTORY CHECKLIST

NJSA: 3B:15-17.1 (Judgment proceeds-- distribution to persons under 21-- restrict)

CHAPTER 28

Laws Of: 1987

Bill No: A429

Sponsor(s): Doyle

Date Introduced: Pre-filed

Committee: Assembly: Judiciary

Senate: Judiciary

Amended during passage: Yes according to Governor's recommendations

Amendments denoted by asterisks

Date of Passage: Assembly:

June 16, 1986 Re-enacted 12-11-86

Senate:

September 29, 1986 Re-enacted 1-22-87

Date of Approval: January 27, 1987

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: Yes

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

1-27-87

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ASSEMBLY, No. 429

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1986 SESSION

By Assemblyman DOYLE

AN ACT concerning the estates of minors and supplementing chapter 15 of Title 3B of the New Jersey Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. ***[**Notwithstanding the provisions of section 1 of P. L. 1972,
2 c. 81 (C. 9:17B-1) or any other law to the contrary, where**]***
3 *Where* the estate of a minor consists of the proceeds of a judg-
4 ment recovered in favor of the minor in any court of this State
5 and the funds recovered are placed under the control of the county
6 surrogate, the funds shall be paid over to the person when the per-
7 son reaches the age of ***[21]*** *18* years, unless ***[sooner]***
8 ****[**otherwise* ordered by the court*, based on relevant circum-
9 stances, that the funds are to be distributed at a later age***]****
10 **the court finds the person incompetent**.

1 2. This act shall take effect immediately and be applicable to the
2 proceeds of judgments recovered in favor of minors on or after
3 the effective date.

PROPERTY

Provides that judgment proceeds shall be distributed to minors when they reach 18 years of age, unless otherwise ordered by the court.

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 printed in italics thus is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Assembly committee amendments adopted May 5, 1986.

**—Assembly amendment adopted in accordance with the Governors' recommendation November 10, 1986.

ASSEMBLY, No. 429

Introduced Pending Technical Review by Legislative Counsel
PRE-FILED FOR INTRODUCTION IN THE 1986 SESSION

By Assemblyman DOYLE

ASSEMBLY, No. 3862

STATE OF NEW JERSEY

INTRODUCED JUNE 27, 1985

By Assemblyman DOYLE and Assemblywoman FORD

AN ACT concerning the estates of minors and supplementing
chapter 15 of Title 3B of the New Jersey Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Notwithstanding the provisions of section 1 of P. L. 1972,
2 c. 81 (C. 9-17B-1) or any other law to the contrary, where the
3 estate of a minor consists of the proceeds of a judgment recovered
4 in favor of the minor in any court of this State and the funds
5 recovered are placed under the control of the county surrogate,
6 the funds shall be paid over to the person when the person reaches
7 the age of 21 years, unless sooner ordered by the court.

1 2. This act shall take effect immediately and be applicable to the
2 proceeds of judgments recovered in favor of minors on or after
3 the effective date.

STATEMENT

This bill prevents the distribution of judgment proceeds, held by county surrogates on behalf of minors, to persons reaching 18 years of age. Distribution would be made to persons upon reaching the age of 21, when they would be capable of more maturely handling the funds, unless sooner ordered by the court.

ASSEMBLY JUDICIARY COMMITTEE

STATEMENT TO

ASSEMBLY, No. 429

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MARCH 17, 1986

The Assembly Judiciary Committee reports favorably and with committee amendments Assembly Bill No. 429.

As amended, this bill allows judgment proceeds held by county surrogates on behalf of minors to be paid over to the person at the age of 18 unless ordered by the court that the funds are to be distributed at a later age.

This bill was pre-filed for introduction in the 1986 session pending technical review. As reported and amended, the bill includes the changes required by technical review which has been performed.

SENATE JUDICIARY COMMITTEE
STATEMENT TO
ASSEMBLY, No. 429

STATE OF NEW JERSEY

DATED: SEPTEMBER 8, 1986

The Senate Judiciary Committee reports favorably Assembly Bill No. 429.

This bill provides that in situations when the estate of a minor consists of the proceeds of a judgment recovered in the favor of the minor, those proceeds shall be paid to the minor when the minor reaches the age of 18 unless distribution at a later age is ordered by the court.

As originally drafted the bill would have required distribution when the person reached the age of 21. The Assembly Judiciary Committee, by amendment, changed age 21 to 18. As the age of majority is generally 18, distribution of judgment proceeds at that age was deemed appropriate.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

November 10, 1986

ASSEMBLY BILL NO. 429 (OCR)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the Constitution, I am returning Assembly Bill No. 429 (OCR) with my objections for reconsideration.

This bill codifies the circumstances under which the proceeds of a judgment, held in trust by a county surrogate for the benefit of a minor, will be distributed. There is currently no statutory law which specifically deals with the time for distribution of these judgment proceeds. Under current practice, these judgment proceeds are awarded to competent individuals at the age of 18, consistent with New Jersey law which recognizes 18 as the age of maturity.

This bill would authorize a court to withhold judgment proceeds from an individual, who has attained the age of 18, on the basis of some reason other than competency. The bill specifies that based on relevant circumstances, which are not defined in the bill, the funds may be ordered by the court to be distributed at an age later than 18. I believe this bill is inconsistent with the sound public policy of this State to recognize an individual's age of maturity as 18.

This bill would require courts to rule on the nebulous issue of an individual's maturity to manage money at age 18. New Jersey law already recognizes an individual at the age of 18 to be an adult capable of contracting and otherwise conducting his or her own affairs. Besides undercutting that public policy, this bill would burden the courts by requiring an assessment of an individual's maturity to receive proceeds of a judgment awarded during the period of his or her minority. The bill would require more court hearings than occur at present in these matters because hearings are now required only when there is an allegation of incompetency.

Current law, C.3B:12-9, already requires the balance of a minor's estate to be paid when the individual reaches the age of 18 without any assessment of an individual's maturity to manage such funds. I see no reason to differentiate judgment proceeds from proceeds payable to a minor from his or her estate. Accordingly, I recommend amendment of this bill so as to specify, consistent with current practice, that judgment proceeds shall be payable to an individual at the age of 18 except when the court finds such person to be incompetent.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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I herewith return Assembly Bill No. 429 (OCR) for reconsideration and recommend that it be amended as follows:

Page 1, Section 1, Line 7: After "sooner" insert "the court finds the person incompetent"

Page 1, Section 1, Lines 7-9: Delete "otherwise ordered by the court, based on relevant circumstances, that the funds are to be distributed at a later age"

Respectfully,

/s/ Thomas H. Kean

GOVERNOR

[seal]

Attest:

/s/ Michael R. Cole

Chief Counsel