

3A:6-32.1

LEGISLATIVE HISTORY CHECKLIST

NJSA 3A:6-32.1 (Minor's estate--prohibit using funds for child's support in most cases)

LAWS 1981 CHAPTER 3

Bill No. A1667

Sponsor(s) Burstein

Date Introduced May 5, 1980

Committee: Assembly Judiciary, Law, Public Safety and Defense

Senate Judiciary

Amended during passage ~~Yes~~ No

Date of Passage: Assembly July 28, 1980

Senate Nov. 24, 1980

Date of approval Jan. 23, 1981

Following statements are attached if available:

Sponsor statement Yes ~~No~~

Committee Statement: Assembly Yes ~~No~~

Senate Yes ~~No~~

Fiscal Note ~~Yes~~ No

Veto Message ~~Yes~~ No

Message on signing ~~Yes~~ No

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

LEGISLATIVE HISTORY

ASSEMBLY, No. 1667

STATE OF NEW JERSEY

INTRODUCED MAY 5, 1980

By Assemblyman BURSTEIN

Referred to Committee on Judiciary, Law, Public Safety and Defense

AN ACT to amend "An act concerning the estates of certain minors, supplementing Title 3A of the New Jersey Statutes and repealing N. J. S. 3A:6-31 and 3A:6-32," approved February 27, 1980 (P. L. 1979, c. 494).

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

1 1. Section 1 of P. L. 1979, c. 494 (C. 3A:6-32.1) is amended to
2 read as follows:

3 1. Any person under a duty to pay or deliver money or personal
4 property to a minor may perform this duty, in amounts not
5 exceeding \$5,000.00 per annum, by paying or delivering the money
6 or property to, (a) the minor, if he is married; (b) a parent or
7 parents of the minor; (c) any person having the care and custody
8 of the minor with whom the minor resides; (d) a guardian of the
9 person of the minor; or (e) a financial institution incident to a
10 deposit in a Federally-insured savings account in the sole name of
11 the minor and giving notice of the deposit to the minor. This act
12 does not apply if the person making payment or delivery has actual
13 knowledge that a guardian of the estate of the minor has been ap-
14 pointed or that an action for the appointment of a guardian of the
15 estate of the minor is pending. The persons, other than the minor
16 or any financial institution under (e) above, receiving money or
17 property for a minor, are obligated to apply so much or all of the
18 money or the income or proceeds of the property for the support,
19 maintenance, education, general use and benefit of the minor in the
20 manner, at the time or times and to the extent that such persons, in
21 an exercise of reasonable discretion, deem suitable and proper, with
22 or without court order, with **[or without]** *due* regard to the duty
23 **[or]** *and* ability of themselves or of any other person to support

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

24 the minor, and with or without regard to any other funds, income
25 or property which may be available for any such purpose. But
26 such persons may not pay themselves except by way of reimburse-
27 ment for out-of-pocket expenses for goods and services necessary
28 for the minor's support. Any excess sums shall be preserved for
29 future support of the minor and any balance not so used and any
30 property received for the minor must be turned over to the minor
31 when he attains 18 years of age. Persons who pay or deliver in
32 accordance with provisions of this act are not responsible for the
33 proper application thereof.

1 2. This act shall take effect immediately.

STATEMENT

This amendment will maintain the long standing rule in New Jersey that a minor's funds cannot be used for his support unless his parents or those obligated to provide for his support are unable to do so. Without the changes made by this bill, the statute could be interpreted as changing that rule. This was not the intent of its supporters. If a minor's funds are used for his support when his parents or guardians are able to do so, his funds will indirectly benefit his parents or those obligated to furnish his support and may give him little advantage.

24 the minor, and with or without regard to any other funds, income
25 or property which may be available for any such purpose. But
26 such persons may not pay themselves except by way of reimburse-
27 ment for out-of-pocket expenses for goods and services necessary
28 for the minor's support. Any excess sums shall be preserved for
29 future support of the minor and any balance not so used and any
30 property received for the minor must be turned over to the minor
31 when he attains 18 years of age. Persons who pay or deliver in
32 accordance with provisions of this act are not responsible for the
33 proper application thereof.

1 2. This act shall take effect immediately.

STATEMENT

This amendment will maintain the long standing rule in New Jersey that a minor's funds cannot be used for his support unless his parents or those obligated to provide for his support are unable to do so. Without the changes made by this bill, the statute could be interpreted as changing that rule. This was not the intent of its supporters. If a minor's funds are used for his support when his parents or guardians are able to do so, his funds will indirectly benefit his parents or those obligated to furnish his support and may give him little advantage.

A 1667 (1981)

ASSEMBLY JUDICIARY, LAW, PUBLIC SAFETY AND
DEFENSE COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1667

—•—
STATE OF NEW JERSEY
—•—

DATED: JUNE 16, 1980

This amendment will maintain the long standing rule in New Jersey that a minor's funds cannot be used for his support unless his parents or those obligated to provide for his support are unable to do so. Without the changes made by this bill, the statute could be interpreted as changing that rule. This was not the intent of its supporters. If a minor's funds are used for his support when his parents or guardians are able to do so, his funds will indirectly benefit his parents or those obligated to furnish his support and may give him little advantage.

This bill is a technical amendment to the recently enacted package of probate bills.

SENATE JUDICIARY COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1667

STATE OF NEW JERSEY

DATED: OCTOBER 20, 1980

Assembly Bill No. 1667 amends the so-called "facility of payment" statute (N. J. S. 3A:6-32.1) which permits persons having a duty to pay money in amounts of up to \$5,000.00 to minors to do so without the requirement that a guardian for the minor be appointed. This avoids legal costs and surety premiums. The "facility of payment" statute is most frequently used when money resulting from the settlement of an accident claim is deposited with the court.

As presently worded 3A:6-32.1 could be interpreted as charging the long standing rule in New Jersey that a minor's funds cannot be used for his support unless his parents or those obligated to provide for his support are unable. Assembly Bill No. 1667 clarifies that it was not the intent of the Legislature to change this rule of law and that money paid to a minor under the "facility of payment" statute is for his benefit.

A question was raised by the committee as to whether Assembly Bill No. 1667 would have any effect on the use of "educational trusts." The sponsor and the Division of Law Revision indicate that the "facility of payment" statute in general and Assembly Bill No. 1667 in particular have no effect on any type of trust arrangement.

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

JANUARY 23, 1981

PATRICK SWEENEY

Governor Brendan Byrne today signed the following bills:

A-1472, sponsored by Assemblyman Vincent Ozzie Pellecchia (D-Bergen), which amends the "Local Public Contracts Law."

The Local Public Contracts Law requires that all contracts be for a period of one year or less, subject to certain exceptions. The exceptions include such things as insurance contracts, data processing and food service contracts, which may be for up to three years, fuel contracts up to two years and garbage collection and disposal contracts up to five years.

To that list of exceptions, this bill adds contracts for on-site inspections undertaken by private agencies pursuant to the State Uniform Construction Code Act. These contracts can be for any time not to exceed three years.

A-1667, sponsored by Assemblyman Albert Burstein (D-Bergen), which prohibits the use of funds from a minor's estate for his support unless his parents, or those obligated to provide for his support, are unable to do so.

This bill is an amendment to one of the probate bills passed last year (A-6, now P.L. 1979, C.494,S1).

A-1786, also sponsored by Assemblyman Burstein, which is designated "The State Bank Parity Act," designed to permit state banking institutions, savings and loan associations and credit unions to have the "most-favored lender" status enjoyed by federal banks.

The bill is a response to a ruling by the Comptroller of Currency enabling national banks to charge interest at the rate made by any licensed lender in the state for a similar type of loan. Thus, the rate will depend on the type of loan involved rather than the nature of the lender.

1 3. This act shall take effect immediately.

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