

39: 6-35 to 39:6-37; 39:6-39

39: 6-35 to 37, and 39

LEGISLATIVE HISTORY CHECKLIST

(MV Security Responsibility Law-  
Eliminate proof of financial  
responsibility provisions)

WJSA 39:6-35 - 39:6-37; 39:6-39

LAWS OF 1979

CHAPTER 169

Bill No. S488

Sponsor(s) Maressa and Hirkala

Date Introduced Pre-filed

Committee: Assembly Judiciary, Law, Public Safety & Defense

Senate Law, Public Safety and Defense

Amended during passage XXX No

Date of Passage: Assembly July 16, 1979

Senate April 17, 1978

Date of approval August 9, 1979

Following statements are attached if available:

Sponsor statement Yes XX

Committee Statement: Assembly XXX No

Senate Yes XX

Fiscal Note XXX No

Veto message XXX No

Message on signing XXX No

Following were printed:

Reports XXX No

Hearings XXX No

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SENATE, No. 488

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1978 SESSION

By Senators MARESSA and HIRKALA

AN ACT to amend the "Motor Vehicle Security-Responsibility Law," approved May 10, 1952 (P. L. 1952, c. 173) and repealing sections 9 through 12, 18 and 19 and 21 through 25 thereof.

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

1 1. Section 13 of P. L. 1952, c. 173 (C. 39:6-35) is amended to  
2 read as follows:

3 13. If a person fails to pay and satisfy every judgment rendered  
4 against him for damages because of personal injury or death, or  
5 damage to property in excess of \$100.00, resulting from the owner-  
6 ship, maintenance, use or operation of a motor vehicle and every  
7 judgment based on an agreement or contract made in settlement  
8 of damages arising out of a motor vehicle accident, within 60 days  
9 after its entry, or if an appeal is taken therefrom within that time,  
10 within 60 days after the judgment as entered or modified becomes  
11 final, the operator's license and all registration certificates of any  
12 such person, other than a chauffeur or operator employed by the  
13 owner of a motor vehicle and so acting at the time of the damage,  
14 injuries or death resulting in the judgment, shall, upon receiving  
15 a certified copy of a transcript of the final judgment from the court  
16 in which it was rendered showing it to have been still unsatisfied  
17 more than 60 days after it became final, be forthwith suspended by  
18 the director.

19 If the director is satisfied that a judgment debtor or his insurance  
20 carrier was, within the said 60-day period, ready, willing and able to  
21 pay the said judgment but was prevented from so doing by reason  
22 of the refusal or legal inability of the judgment creditor to accept  
23 payment, or that the failure to pay said judgment within the said  
24 60-day period was due to the act or neglect of the judgment debtor's  
25 insurance carrier and not to any fault of the judgment debtor then

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

26 the director may, in his discretion, extend the 60-day limitation  
27 herein prescribed for any reasonable time necessary to complete  
28 the formality of payment of the judgment and shall not suspend  
29 the judgment debtor's driver's license, operating privilege or cer-  
30 tificate of registration.

31 The judgment herein mentioned shall be a judgment of a court  
32 of competent jurisdiction of this State or any other state or of a  
33 District Court of the United States.

34 The license and registration certificates shall remain so  
35 suspended and shall not be renewed, nor shall a motor vehicle be  
36 thereafter registered in the name of that person while the judgment  
37 remains unstayed, unsatisfied, subsisting and until every such  
38 judgment is satisfied or discharged, [and until he gives proof of his  
39 ability to respond in damages, as required in this act, for future  
40 accidents,] except that in event that the judgment debtor shall be  
41 relieved of liability for payment of said judgment by an adjudica-  
42 tion of the court in which the same was entered, or if the right to  
43 enforce said judgment by docketing and revival, or by revival, or  
44 by bringing an action thereon, shall have expired without such  
45 revival or the bringing of any such action thereon, the judgment  
46 debtor's license shall be restored to him, and one or more motor  
47 vehicles may be registered in his name, upon application to the  
48 Division of Motor Vehicles [and upon his giving proof of ability to  
49 respond in damages, as required in this act, for future accidents].

50 A discharge in bankruptcy shall relieve the judgment debtor  
51 from any of the requirements of this act, provided that the under-  
52 lying judgment was not based on a willful or malicious tort.

53 The clerk of the court in which the judgment is rendered, or the  
54 court where it has no clerk, shall forward to the director, at the  
55 request of the judgment creditor or his attorney, after the expira-  
56 tion of the 60 days a certified copy of the judgment or a transcript  
57 thereof, as aforesaid.

58 Upon the filing with the court of proof of satisfaction or dis-  
59 charge of a judgment, the nonpayment of which has been previously  
60 certified to the director, the clerk of the court, or the court where  
61 it has no clerk shall immediately forward notice of such satisfaction  
62 or discharge to the director.

63 If the defendant is a nonresident the director shall transmit to  
64 the officer in charge of the issuance of driver licenses and registra-  
65 tion certificates of the State of which the defendant is a resident a  
66 certified copy of the judgment.

67 If after proof is given, another such judgment is recovered  
68 against that person for an accident occurring before the proof was  
69 given, the license and certificate shall again be and remain sus-

70 pended, and no other license or certificate shall be issued to him  
71 while the judgment so remains unsatisfied and subsisting.

1 2. Section 14 of P. L. 1952, c. 173 (C. 39:6-36) is amended to  
2 read as follows:

3 14. While a final judgment against a nonresident motor vehicle  
4 owner or operator is so unstayed, unsatisfied and subsisting for  
5 more than 60 days, his privilege of operating a motor vehicle,  
6 whether owned by him or not, in this State, shall be withdrawn  
7 and shall not be renewed. No operator's or chauffeur's license shall  
8 be issued to him nor shall a motor vehicle be registered in his name  
9 until every such judgment is stayed, satisfied or discharged as  
10 herein provided [and until he has given proof of his ability to  
11 respond in damages for future accidents, as required in this act].

1 3. Section 15 of P. L. 1952, c. 173 (C. 39:6-37) is amended to  
2 read as follows:

3 15. Whenever it appears to the satisfaction of the director that;  
4 at the time of a motor vehicle accident resulting in the death of or  
5 injury to any person, or damage to property to the extent of \$100.00,  
6 the judgment debtor, against whom a judgment has been obtained  
7 as a result of such accident, was insured in an insurance company,  
8 authorized to do business in this State, against public liability for  
9 injuries or death to one person to the extent of \$15,000.00 and  
10 for injuries or death to more than one person to the extent of  
11 \$30,000.00 and for damage to property to the extent of \$5,000.00  
12 arising out of a single motor vehicle accident and with respect to  
13 an automobile, as defined in P. L. 1972, c. 70, registered or princi-  
14 pally garaged in New Jersey; personal injury protection coverage  
15 as provided in the "New Jersey Automobile Reparation Reform  
16 Act," P. L. 1972, c. 70, and that the judgment has not been paid  
17 or the personal injury protection benefits have not been paid be-  
18 cause, subsequent to the date of such accident, such insurance  
19 company has become insolvent or bankrupt, or the Commissioner  
20 of Insurance has undertaken control hereof for the purpose of  
21 liquidation, he shall not suspend the operator's license and the  
22 registration certificates of such judgment debtor[, if such judg-  
23 ment debtor files proof of his ability to respond in damages for  
24 future accidents as required by this act].

1 4. Section 17 of P. L. 1952, c. 173 (C. 39:6-39) is amended to  
2 read as follows:

3 17. A judgment debtor to whom this chapter applies may, for  
4 the sole purpose of giving authority to the director to authorize  
5 the judgment debtor to operate a motor vehicle thereafter, on due

6 notice to the judgment creditor, apply to the court in which the  
 7 trial judgment was obtained for the privilege of paying the judg-  
 8 ment in installments. The court, in its discretion and without preju-  
 9 dice to any other legal remedies which the judgment creditor may  
 10 have, may so order, fixing the amounts and times of payment of  
 11 the installments. The director may, in his discretion, while the  
 12 judgment debtor is not in default in paying the installments [and  
 13 upon his giving proof of ability to respond in damages for future  
 14 accidents, as hereinafter provided], restore, or refrain from sus-  
 15 pending his license or registration certificate or certificates, or  
 16 either or both of them. The license or certificate or certificates, or  
 17 either or both or all of them, shall be suspended as hereinbefore  
 18 provided when the director is satisfied that the judgment debtor  
 19 has failed to comply with the terms of the court order.

1 5. Sections 9 through 12 (C. 39:6-31 to 39:6-34), 18 and 19  
 2 (C. 39:6-40 and 39:6-41) and 21 through 25 (C. 39:6-43 to 39:6-47)  
 3 of P. L. 1952, c. 173 are repealed.

1 6. This act shall take effect immediately.

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#### STATEMENT

This bill eliminates the proof of financial responsibility provisions from the Motor Vehicle Security-Responsibility Law (N. J. S. A. 39:6-23 et seq.).

The security-responsibility law requires the filing of proof of financial responsibility for the future as a condition precedent to the restoration of driving and registration privileges in the following categories:

1. Following court suspension because of conviction for driving under the influence of intoxicating liquor or drugs, reckless driving, leaving the scene of an accident and homicide arising out of operation of a motor vehicle.
2. Following a suspension imposed for failure to satisfy a judgment for damages arising out of a motor vehicle accident.
3. Following a suspension imposed for failure to maintain proof of financial responsibility while paying a judgment in installments.

Proof filed with the Division of Motor Vehicles may be a surety bond, a cash deposit or a motor vehicle liability insurance policy as evidenced by an SR-22 Certificate of Insurance. In nearly all cases where proof is required, the motorist requests his insurance company to file an SR-22 certificate, usually at a premium surcharge to the insured.

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SENATE LAW, PUBLIC SAFETY AND  
DEFENSE COMMITTEE

STATEMENT TO  
SENATE, No. 488

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STATE OF NEW JERSEY

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DATED: MARCH 17, 1978

This bill would eliminate the provisions of law requiring proof of financial responsibility which are contained in the Motor Vehicle Security Responsibility Law N. J. S. A. § 39:6-23 et seq. A portion of the statement accompanying the bill, reprinted below outlines the areas of law affected by these provisions.

The security-responsibility law requires the filing of proof of financial responsibility for the future as a condition precedent to the restoration of driving and registration privileges in the following categories:

1. Following court suspension because of conviction for driving under the influence of intoxicating liquor or drugs, reckless driving, leaving the scene of an accident and homicide arising out of operation of a motor vehicle.
2. Following a suspension imposed for failure to satisfy a judgment for damages arising out of a motor vehicle accident.
3. Following a suspension imposed for failure to maintain proof of financial responsibility while paying a judgment in installments.

Proof filed with the Division of Motor Vehicles may be a surety bond, a cash deposit or a motor vehicle liability insurance policy as evidenced by an SR-22 Certificate of Insurance. In nearly all cases where proof is required, the motorist requests his insurance company to file an SR-22 certificate, usually at a premium surcharge to the insured.

The purpose of this law is to eliminate these requirements because they are no longer necessary under the system of compulsory automobile insurance pursuant to the no fault law and the compulsory insurance law *See*, N. J. S. A. §§ 39:6A-1 et seq. and 39:6B-1 et seq.

Continuation of this system, according to the Division of Motor Vehicles, requires unnecessary administrative paperwork and in some cases unnecessary delay. In cases where suspensions may be for a short period of time (e.g., 60 days) compliance with the submission of a Security Responsibility 22 form can run past the suspension period.

FROM THE OFFICE OF THE GOVERNOR

AUGUST 10, 1979

FOR FURTHER INFORMATION

FOR IMMEDIATE RELEASE

PAT SWEENEY

Governor Brendan Byrne has signed into law the following bills:

S-410, sponsored by Senator Garrett W. Hagedorn (R-Bergen) which amends the County Police Pension Act to increase from \$1,000 to \$2,000 the maximum pension payable to widows and other survivors of retired county police officers. It applies only to one plan established for county police in Bergen County. That plan is not state-administered or state-funded.

S-488, sponsored by Senator Joseph A. Maressa (D-Camden) which amends the "Motor Vehicle Security-Responsibility Law" to eliminate the proof of financial responsibility provisions. Under prior law, a driver whose driving and registration privileges were suspended had to file proof of financial responsibility.

Under the New Jersey Automobile Reparation Reform Act, all registered owners of automobiles are required to carry insurance coverage. Because of this requirement, S-488 repeals the financial responsibility provisions of the "Motor Vehicle Security-Responsibility Law" as unnecessary.

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