

Do Not Circulate. 396B/COPY 5

396B-1 et seq

LEGISLATIVE HISTORY OF 39:6B-1 et seq.
(Compulsory motor vehicle insurance; liability insurance coverage; penalties)

L. 1972, C. 197 §1 - A802
Raymond and six others
Committee on Insurance

- July 6 - Passed Assembly under emergency resolution, amended (55-4)
- July 17 - Passed Senate under emergency resolution (33-0)
- November 16 - Returned by governor with recommended amendments (enclosed)
- November 16 - Amended as recommended.
- November 20 - Re-enacted in Assembly (63-0)
- November 27 - Re-enacted in Senate (35-0)
- December 26 - Approved.

Statement

All versions of the bill are enclosed.

Public hearings were held pursuant to Joint Resolution No. 4 of 1970. SJR 20 There was not, however, a public hearing on A802 specifically.

974.90 Public Hearing before the NJ Commission to Study Certain
A939 Automobile Insurance Matters, Including a "No-Fault" Auto
1971 Accident Insurance Plan.
(4 vols.)

The following work may be useful as background.

J368.5 Center for Analysis of Public Issues.
C397 Automobile Insurance in New Jersey. (1970)

V.F.- N.J. - Insurance, Auto - No Fault (Beg. 1970)

JRM/ks

Do Not Remove From Library
DEPOSITORY COPY

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 802

STATE OF NEW JERSEY

INTRODUCED MARCH 6, 1972

By Assemblymen RAYMOND, DEVERIN, BORNHEIMER,
FROUDE, HAMILTON, KLEIN and EWING

Referred to Committee on Insurance

AN ACT providing for compulsory motor vehicle insurance coverage ***and supplementing Title 39 of the Revised Statutes***.

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

1 1. Every owner or registered owner of a motor vehicle registered
2 or principally garaged in this State shall maintain motor vehicle
3 liability insurance coverage, under provisions approved by the
4 Commissioner of Insurance, insuring against loss resulting from
5 liability imposed by law for bodily injury, death and property
6 damage sustained by any person arising out of the ****[owenr-**
7 **ship]**** ***ownership***, maintenance, operation or use of a motor
8 vehicle wherein such coverage shall be at least in: a. an amount or
9 limit of \$15,000.00, exclusive of interest and costs, on account of in-
10 jury to, or death of, one person, in any one accident; and b. an
11 amount or limit, subject to such limit for any one person so injured
12 or killed, of \$30,000.00, exclusive of interest and costs, on account of
13 injury to or death of, more than one person, in any one accident;
14 and c. an amount or limit of \$5,000.00, exclusive of interest and
15 costs, for damage to property in any one accident.

1 2. Any owner, ****[operator]**** or ****[rgeistrant]**** **registrant** of a
2 motor vehicle registered or principally garaged in this
3 State who operates or causes to be operated a motor
4 vehicle upon any public road or highway in this State
4A ****[knowingly]**** without motor vehicle **liability** insurance
5 coverage ***required by this act***, ***and any operator who operates*
6 *or causes a motor vehicle to be operated and who knows or should*
7 *know from the attendant circumstances that the motor vehicle is*
8 *without motor vehicle liability insurance coverage required by this*

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

9 *act shall be subject, for the first offense, to a fine of not less than*
10 *\$50.00 nor more than \$200.00 or imprisonment for a term of not*
11 *less than 30 days nor more than 3 months or both, in the discretion*
12 *of the municipal judge, and shall forthwith forfeit his right to*
13 *operate a motor vehicle over the highways of this State for a period*
14 *of 6 months from the date of conviction. Upon subsequent conviction,*
15 *he shall be imprisoned for a term of 3 months and shall forfeit*
16 *his right to operate a motor vehicle for a period of 2 years from*
17 *the date of his conviction, and, after the expiration of said period,*
18 *he may make application to the Director of the Division of Motor*
19 *Vehicles for a license to operate a motor vehicle, which application*
20 *may be granted at the discretion of the director. The director's*
21 *discretion shall be based upon an assessment of the likelihood that*
22 *the individual will operate or cause a motor vehicle to be operated*
23 *in the future without the insurance coverage required by this act.*
24 *A complaint for violation of this act may be made to a municipal*
25 *court at any time within 6 months after the date of the alleged*
26 *offense.** ***[may upon conviction be fined not more than \$500.00,
27 or imprisoned for not more than 6 months or both, as a disorderly
28 person, and shall forfeit his right to operate a motor vehicle over
29 the roads and highways of this State for a period of 1 year from
30 the date of such conviction, and after the expiration of said period
31 he may make application to the Director of the Division of Motor
32 Vehicles for a license to operate a motor vehicle which application
33 may be granted at the discretion of the director. *Upon the expira-
34 tion, cancellation, lapse or termination of a policy of motor vehicle
35 liability insurance, covering any vehicle registered in this State,
36 the failure to renew or reinstate said policy or the failure to replace
37 said policy with another motor vehicle liability policy, within 7
38 consecutive days after such expiration, cancellation, lapse or termi-
39 nation shall create a presumption that said owner, operator or
40 registrant had knowledge of the expiration, cancellation, lapse or
41 termination.* For a subsequent violation the motor vehicle in
42 question may be subject to confiscation and may be seized by the
43 Director of the Division of Motor Vehicles or his agents or em-
44 ployees or by any peace officer of the State when directed by the
45 director, his agents or employees to do so, without a warrant. The
46 director shall immediately thereafter institute a proceeding for the
47 confiscation thereof in the County Court, county district court or
48 the municipal court within the jurisdiction in which the seizure is
49 made. The court may proceed in summary manner and may direct
50 confiscation to the director; provided, however, that any person
51 claiming to be the holder of a mortgage, conditional sales contract,

52 or other security interest in any such motor vehicle, the disposition
53 of which is provided for above, may present his petition so alleging
54 and be heard, and in the event it appears to the court that the
55 motor vehicle in question was being operated in violation of section
56 1 of this act without the knowledge of the claimant and if such
57 claimant acquired his security interest in good faith, the court shall
58 either waive forfeiture in favor of such claimant and order the
59 motor vehicle returned or delivered to such, or if it is found that
60 the value thereof exceeds the amount of the claim, the court shall
61 order payment of the amount of the claim out of the proceeds of
62 the sale.】**

1 3. This act shall take effect January 1, 1973.

ASSEMBLY, No. 802

STATE OF NEW JERSEY

INTRODUCED MARCH 6, 1972

By Assemblymen RAYMOND, DEVERIN, BORNHEIMER,
FROUDE, HAMILTON, KLEIN and EWING

Referred to Committee on Insurance

AN ACT providing for compulsory motor vehicle insurance
coverage.

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

1 1. Every owner or registered owner of a motor vehicle registered
2 or principally garaged in this State shall maintain motor vehicle
3 liability insurance coverage, under provisions approved by the
4 Commissioner of Insurance, insuring against loss resulting from
5 liability imposed by law for bodily injury, death and property
6 damage sustained by any person arising out of the ownership,
7 maintenance, operation or use of a motor vehicle wherein such
8 coverage shall be at least in: a. an amount or limit of \$15,000.00,
9 exclusive of interest and costs, on account of injury to, or death
10 of, one person, in any one accident; and b. an amount or limit,
11 subject to such limit for any one person so injured or killed, of
12 \$30,000.00, exclusive of interest and costs, on account of injury to
13 or death of, more than one person, in any one accident; and c. an
14 amount or limit of \$5,000.00, exclusive of interest and costs, for
15 damage to property in any one accident.

1 2. Any owner, operator or registrant of a motor vehicle
2 registered or principally garaged in this State who operates or
3 causes to be operated a motor vehicle upon any public road or
4 highway in this State knowingly without motor vehicle insurance
5 coverage, may upon conviction be fined not more than \$500.00, or
6 imprisoned for not more than 6 months or both, as a disorderly
7 person, and shall forfeit his right to operate a motor
8 vehicle over the roads and highways of this State for a period of
9 1 year from the date of such conviction, and after the expiration of
10 said period he may make application to the Director of the
11 Division of Motor Vehicles for a license to operate a motor vehicle

12 which application may be granted at the discretion of the director.
13 For a subsequent violation the motor vehicle in question may be
14 subject to confiscation and may be seized by the Director of the
15 Division of Motor Vehicles or his agents or employees or by any
16 peace officer of the State when directed by the director, his agents
17 or employees to do so, without a warrant. The director shall im-
18 mediately thereafter institute a proceeding for the confiscation
19 thereof in the County Court, county district court or the municipal
20 court within the jurisdiction in which the seizure is made. The
21 court may proceed in summary manner and may direct confisca-
22 tion to the director; provided, however, that any person claiming
23 to be the holder of a mortgage, conditional sales contract, or other
24 security interest in any such motor vehicle, the disposition of which
25 is provided for above, may present his petition so alleging and be
26 heard, and in the event it appears to the court that the motor
27 vehicle in question was being operated in violation of section 1
28 of this act without the knowledge of the claimant and if such
29 claimant acquired his security interest in good faith, the court shall
30 either waive forfeiture in favor of such claimant and order the
31 motor vehicle returned or delivered to such, or if it is found that
32 the value thereof exceeds the amount of the claim, the court shall
33 order payment of the amount of the claim out of the proceeds of
34 the sale.

1 3. This act shall take effect January 1, 1973.

STATEMENT

Assembly, No. 667 provides for compulsory automobile insurance coverage for private passenger automobiles designed and used for the transportation of passengers, other than omnibuses and school buses as defined in R. S. 39:1-1. This bill would make insurance coverage compulsory for all motor vehicles and create uniformity of enforcement for the Division of Motor Vehicles.

[OFFICIAL COPY REPRINT]
ASSEMBLY, No. 802

STATE OF NEW JERSEY

INTRODUCED MARCH 6, 1972

By Assemblymen RAYMOND, DEVERIN, BORNHEIMER,
FROUDE, HAMILTON, KLEIN and EWING

Referred to Committee on Insurance

AN ACT providing for compulsory motor vehicle insurance
coverage.

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

1 1. Every owner or registered owner of a motor vehicle registered
2 or principally garaged in this State shall maintain motor vehicle
3 liability insurance coverage, under provisions approved by the
4 Commissioner of Insurance, insuring against loss resulting from
5 liability imposed by law for bodily injury, death and property
6 damage sustained by any person arising out of the ownership,
7 maintenance, operation or use of a motor vehicle wherein such
8 coverage shall be at least in: a. an amount or limit of \$15,000.00,
9 exclusive of interest and costs, on account of injury to, or death
10 of, one person, in any one accident; and b. an amount or limit,
11 subject to such limit for any one person so injured or killed, of
12 \$30,000.00, exclusive of interest and costs, on account of injury to
13 or death of, more than one person, in any one accident; and c. an
14 amount or limit of \$5,000.00, exclusive of interest and costs, for
15 damage to property in any one accident.

1 2. Any owner, operator or ***[rgeistrant]*** **registrant** of a
2 motor vehicle registered or principally garaged in this
3 State who operates or causes to be operated a motor
4 vehicle upon any public road or highway in this State
4A ***[knowingly]*** without motor vehicle **liability** insurance
5 coverage, may upon conviction be fined not more than \$500.00, or
6 imprisoned for not more than 6 months or both, as a disorderly
7 person, and shall forfeit his right to operate a motor
8 vehicle over the roads and highways of this State for a period of
9 1 year from the date of such conviction, and after the expiration of

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

10 said period he may make application to the Director of the
11 Division of Motor Vehicles for a license to operate a motor vehicle
12 which application may be granted at the discretion of the director.
12A **Upon the expiration, cancellation, lapse or termination of a policy*
12B *of motor vehicle liability insurance, covering any vehicle registered*
12C *in this State, the failure to renew or reinstate said policy or the*
12D *failure to replace said policy with another motor vehicle liability*
12E *policy, within 7 consecutive days after such expiration, cancellation,*
12F *lapse or termination shall create a presumption that said owner,*
12G *operator or registrant had knowledge of the expiration,*
12H *cancellation, lapse or termination.** For a subsequent
13 violation the motor vehicle in question may be subject
14 to confiscation and may be seized by the Director of the
15 Division of Motor Vehicles or his agents or employees or by any
16 peace officer of the State when directed by the director, his agents
17 or employees to do so, without a warrant. The director shall im-
18 mediately thereafter institute a proceeding for the confiscation
19 thereof in the County Court, county district court or the municipal
20 court within the jurisdiction in which the seizure is made. The
21 court may proceed in summary manner and may direct confisca-
22 tion to the director; provided, however, that any person claiming
23 to be the holder of a mortgage, conditional sales contract, or other
24 security interest in any such motor vehicle, the disposition of which
25 is provided for above, may present his petition so alleging and be
26 heard, and in the event it appears to the court that the motor
27 vehicle in question was being operated in violation of section 1
28 of this act without the knowledge of the claimant and if such
29 claimant acquired his security interest in good faith, the court shall
30 either waive forfeiture in favor of such claimant and order the
31 motor vehicle returned or delivered to such, or if it is found that
32 the value thereof exceeds the amount of the claim, the court shall
33 order payment of the amount of the claim out of the proceeds of
34 the sale.

1 3. This act shall take effect January 1, 1973.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL NO. 802 (OCR)

November 16, 1972

To the General Assembly:

Pursuant to Article V, Section 1, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 802 (OCR) with my objections, for reconsideration.

This bill makes it a disorderly persons violation for an individual to operate or cause a motor vehicle to be operated in this State without the requisite liability insurance coverage. While I am in wholehearted agreement with the concept of compulsory insurance, I am of the opinion that it is more appropriate to treat this offense as a violation of Title 39 of the Revised Statutes. In that way, this offense will be handled in a similar manner to other serious violations of the motor vehicle laws such as reckless driving and driving under the influence of alcoholic beverages. In addition, the sanctions imposed should be amended to conform generally with other violations of Title 39 of the Revised Statutes. I further recommend that a provision be added to allow a complaint to be filed with the municipal court for a violation of this act at any time up to 6 months after the alleged offense.

These changes will make this law easier to administer for the Division of Motor Vehicles, other law enforcement agencies and the courts.

I also agree that the requirement of knowledge is an unnecessary burden upon law enforcement agencies with respect to owners and registrants, because they have it within their control to determine whether insurance coverage is in effect for their vehicle. However, the non-owner operator in many circumstances cannot readily make such a determination. Thus, Assembly Bill No. 802 (OCR) should be amended to require knowledge as element of the offense of operating without insurance in the case of a non-owner operator.

Furthermore, I previously signed into law P.L. 1972, C.70, the "New Jersey Automobile Reparation Reform Act" which contains a section imposing criminal penalties for operating an automobile without the insurance coverage required by that act. Since Assembly Bill No. 802 (OCR) is broader in scope, covering all motor vehicles not just automobiles, that act should be amended to delete Section 15(b) which will no longer be necessary if the amendments

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL NO. 802 (OCR)

-2-

contained in this message are acted upon favorably. In a similar vein, Section 15(c) of that act should also be deleted since the Director has the power to revoke or suspend for any violation of Title 39 of the Revised Statutes.

For the foregoing reasons, I herewith return Assembly Bill No. 802 (OCR) for reconsideration and recommend that it be amended as follows:

Page 1, Title, Line 2: After "coverage" before "." insert "and supplementing Title 39 of the Revised Statutes".

Page 1, Section 1, Line 6: Delete "owenrship" and insert in lieu thereof "ownership".

Page 1, Section 2, Line 1: Delete "operator".

Page 1, Section 2, Line 5: After "coverage" and before "," insert "required by this act".

After "," insert "and any operator who operates or causes a motor vehicle to be operated and who knows or should know from the attendant circumstances that the motor vehicle is without motor vehicle liability insurance coverage required by this act shall be subject, for the first offense, to a fine of not less than \$50.00 nor more than \$200.00 or imprisonment for a term of not less than 30 days nor more than 3 months or both, in the discretion of the municipal judge, and shall forthwith forfeit his right to operate a motor vehicle over the highways of this State for a period of 6 months from the date of conviction. Upon subsequent conviction, he shall be imprisoned for a term of 3 months and shall forfeit his right to operate a motor vehicle for a period of 2 years from the date of his conviction, and, after the expiration of said period, he may make application to the Director of the Division of Motor Vehicles for a license to operate a motor vehicle, which application may be granted at the discretion of the Director. The Director's discretion shall be based upon an assessment of the likelihood that the individual will operate or cause a motor vehicle to be operated in the future without the insurance coverage required by this act.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL NO. 802

-3-

A complaint for violation of this act may be made to a municipal court at any time within 6 months after the date of the alleged offense."

Page 1, Section 2, Line 5: Delete "may upon conviction be fined not more than \$500.00, or".

Page 1, Section 2, Line 6: Delete Lines 6 through 9.

Page 2, Section 2, Line 10: Delete lines 10 through 34.

Respectfully,

/s/ William T. Cahill

GOVERNOR

[seal]

Attest:

/s/ Jean E. Mulford

Acting Secretary to the Governor

DECEMBER 26, 1972

FOR RELEASE:
IMMEDIATE

Governor William T. Cahill signed into law today seven bills to supplement provisions of the new no-fault automobile insurance which goes into effect in New Jersey on January 1st. The Governor, who actively supported the no-fault package of legislation from its inception, commended the members of the Automobile Insurance Study Commission, Commissioner of Insurance Richard C. McDonough and the Legislature for their cooperation in passing this most important legislation.

The principal bill, sponsored by Assemblyman Eugene Raymond (R., Camden), amends the No-Fault Act to clarify certain questions that arose since its passage. The bill changes make it clear that medically indigent individuals who receive free or low cost medical care may include reasonable value of those services in calculating the \$200 "threshold" amount to determine if they have the right to sue for damages. They broaden the personal injury protection benefits provided. They make it clear that camper-type vehicles are covered by no-fault insurance, and allow senior citizens to receive "income producer" benefits beyond age 65 under certain circumstances if they are injured in an automobile accident.

In addition, the bill gives the Commissioner of Insurance the necessary power to promulgate rules and regulations to implement and enforce the act and sets up a time limit during which individuals must claim personal injury protection benefits.

Bill A-802, also sponsored by Assemblyman Raymond, makes motor vehicle liability insurance coverage compulsory. Under this bill, any individual convicted of operating a motor vehicle in New Jersey without the minimum coverage can be punished by the courts as a disorderly person.

Another Raymond-sponsored measure, A-1007, requires all operators of motor vehicles in this State to carry an insurance identification card which demonstrates they have the required insurance coverage.