

# 34:1B-21.23

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2004 **CHAPTER:** 70

**NJSA:** 34:1B-21.23 ("Motor Vehicle Surcharges Securitization Act of 2004")

**BILL NO:** A3109 (Substituted for S1780)

**SPONSOR(S)** Cohen

**DATE INTRODUCED:** June 21, 2004

**COMMITTEE:** **ASSEMBLY:** Budget  
**SENATE**

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:** **ASSEMBLY:** June 24, 2004

**SENATE:** June 24, 2004

**DATE OF APPROVAL:** June 30, 2004

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

[FINAL TEXT OF BILL](#) Original version of bill enacted

### A3109

[SPONSOR'S STATEMENT:](#) (Begins on page 16 of original bill) [Yes](#)

**COMMITTEE STATEMENT:** **ASSEMBLY:** [Yes](#)

**SENATE:** No

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

### S1780

[SPONSOR'S STATEMENT:](#) (Begins on page 16 of original bill) [Yes](#)

Bill and Sponsors Statement identical to A3109

**COMMITTEE STATEMENT:** **ASSEMBLY:** No

**SENATE:** [Yes](#)

Identical to Assembly Statement to A3109

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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**REPORTS:**

No

**HEARINGS:**

No

**NEWSPAPER ARTICLES:**

No

P.L. 2004, CHAPTER 70, *approved June 30, 2004*  
Assembly, No. 3109

1 **AN ACT** authorizing the issuance of motor vehicle surcharges  
2 securitization bonds, notes or other obligations by the New Jersey  
3 Economic Development Authority for the purposes of providing  
4 revenue to meet appropriations in any State fiscal year commencing  
5 on or after July 1, 2004, providing a source of payment and security  
6 for such bonds, notes or other obligations, supplementing P.L.1974,  
7 c.80 (C.34:1B-1 et seq.) and amending P.L.1994, c.57 and  
8 P.L.1983, c.65.

9  
10 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
11 *of New Jersey:*

12  
13 1. (New section) This act shall be known and may be cited as the  
14 "Motor Vehicle Surcharges Securitization Act of 2004."

15  
16 2. (New section) The following words or terms as used in this act  
17 shall have the following meanings unless a different meaning clearly  
18 appears from the context:

19 "Authority" means the New Jersey Economic Development  
20 Authority created pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.);

21 "Bonds" means any bonds, notes or other obligations issued or  
22 entered into by the authority pursuant to this act;

23 "Dedicated Motor Vehicle Surcharge Revenues" means:

24 a. on and after July 1, 2006, moneys required to be transferred to  
25 the Motor Vehicle Surcharges Revenue Fund from the Facility  
26 Revenue Fund pursuant to subsection b. of section 7 of P.L.1994, c.57  
27 (C.34:1B-21.7),

28 b. on and after July 1, 2006, all Unsafe Driving Surcharges  
29 required to be transferred to the Motor Vehicle Surcharges Revenue  
30 Fund from the Unsafe Driving Surcharges Fund pursuant to section 5  
31 of this act, and

32 c. after such time as all Market Transition Facility bonds, notes and  
33 obligations and all New Jersey Motor Vehicle Commission bonds,  
34 notes and obligations issued pursuant to section 4 of P.L.1994, c.57  
35 (C.34:1B-21.4), and the costs thereof are discharged and no longer  
36 outstanding, all other plan surcharges collected by the commission  
37 pursuant to subsection b. of section 6 of P.L.1983, c.65  
38 (C.17:29A-35) and required to be transferred to the Motor Vehicle  
39 Surcharges Revenue Fund from the DMV Surcharge Fund pursuant to

**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 underlined thus is new matter.**

1 section 12 of P.L.1994, c.57 (C.34:1B-21.12);

2 "Division of Motor Vehicles Surcharge Fund" or "DMV Surcharge  
3 Fund" means the fund created pursuant to section 12 of P.L.1994, c.57  
4 (C.34:1B-21.12);

5 "Market Transition Facility Revenue Fund" or "Facility Revenue  
6 Fund" means the fund created pursuant to section 7 of P.L.1994, c.57  
7 (C.34:1B-21.7);

8 "Motor Vehicle Surcharges Revenue Fund" means the fund within  
9 the authority created and established pursuant to section 6 of this act;

10 "Motor Vehicle Surcharges Securitization Proceeds Fund" means  
11 the fund created and established pursuant to section 3 of this act;

12 "Refunding Bonds" means any bonds, notes or other obligations  
13 issued by the authority to refinance bonds, notes or other obligations  
14 previously issued by the authority pursuant to this act;

15 "Unsafe Driving Surcharges Fund" means the fund within the  
16 Department of the Treasury created and established pursuant to  
17 section 5 of this act; and

18 "Unsafe Driving Surcharges" means the revenues received by the  
19 State resulting from the plan surcharges established as such pursuant  
20 to subparagraph (a) of paragraph (2) of subsection b. of section 6 of  
21 P.L.1983, c.65 (C.17:29A-35) and assessed and collected pursuant to  
22 subsection f. of section 1 of P.L.2000, c.75 (C.39:4-97.2) for  
23 convictions for unsafe driving pursuant to that section.

24

25 3. (New section) a. The authority shall establish and maintain a  
26 special nonlapsing fund to be known as the "Motor Vehicle Surcharges  
27 Securitization Proceeds Fund" into which shall be deposited the  
28 following moneys:

29 (1) the proceeds from the sale of all bonds (other than refunding  
30 bonds) issued by the authority pursuant to this act which are remaining  
31 after any required deposit to any reserve or other fund established for  
32 such bonds or refunding bonds in accordance with subsection a. of  
33 section 4 of this act and after the payment of all costs, fees and other  
34 expenses related to, or incurred by the authority or the State in  
35 connection with, the issuance of such bonds or refunding bonds;

36 (2) any amounts which shall be appropriated by the State  
37 Legislature for the purposes of such fund; and

38 (3) any other amounts or funds which the authority shall determine  
39 to deposit into such fund. Moneys on deposit in the Motor Vehicle  
40 Surcharges Securitization Proceeds Fund shall be invested in such  
41 obligations as the authority may determine or as shall otherwise be  
42 provided in any contract between the authority and the State Treasurer  
43 authorized and entered into pursuant to section 7 of this act, and  
44 interest or other earnings on any such investments shall be credited to  
45 such fund.

46 b. Amounts on deposit in the Motor Vehicle Surcharges

1 Securitization Proceeds Fund shall be withdrawn by the authority from  
2 time to time, upon written request of the State Treasurer or as  
3 otherwise provided in any contract between the authority and the State  
4 Treasurer authorized and entered into pursuant to section 7 of this act,  
5 and paid to the State Treasurer for deposit either into the General  
6 Fund of the State or into the Motor Vehicle Surcharges Securitization  
7 Fund, as determined by the State Treasurer, and used for any lawful  
8 purpose of the State for which moneys on deposit in the General Fund  
9 may be used. All amounts withdrawn from the Motor Vehicle  
10 Surcharges Securitization Proceeds Fund and deposited into the  
11 General Fund of the State as provided in this paragraph shall represent  
12 financial resources and revenues of the State upon deposit into the  
13 General Fund. Notwithstanding any provision of this subparagraph to  
14 the contrary, the State Treasurer shall not request the authority to pay,  
15 and the authority shall not pay, to the State Treasurer during any State  
16 fiscal year for deposit into the General Fund of the State, amounts on  
17 deposit in the Motor Vehicle Surcharges Securitization Proceeds Fund  
18 which are in excess of the amounts anticipated as revenues from that  
19 fund as certified by the Governor pursuant to Article VIII, Section II,  
20 paragraph 2 of the State Constitution for the State annual  
21 appropriation act for such State fiscal year, and as may be applicable  
22 for such annual appropriation act as may be amended and  
23 supplemented from time to time.

24

25 4. Notwithstanding the provisions of any law, rule, regulation or  
26 order to the contrary:

27 a. The authority shall have the power, pursuant to and in  
28 accordance with the provisions of this act and P.L.1974, c.80  
29 (C.34:1B-1 et seq.), to issue bonds and refunding bonds, incur  
30 indebtedness and borrow money secured, in whole or in part, by  
31 money received pursuant to this act for the purpose of providing  
32 funds:

33 (1) for deposit into the Motor Vehicle Surcharges Securitization  
34 Proceeds Fund;

35 (2) in the case of refunding bonds, to apply to the refunding,  
36 purchase or payment of any bonds issued pursuant to this act;

37 (3) to fund any capitalized interest on such bonds or refunding  
38 bonds;

39 (4) to fund any reserve or other fund as may be established by the  
40 authority for such bonds or refunding bonds and to further secure such  
41 bonds and refunding bonds as may be determined by the authority; and

42 (5) to pay all costs, fees and other expenses related to, or incurred  
43 by the authority or the State in connection with, the issuance of such  
44 bonds or refunding bonds.

45 b. The authority may, in any resolution authorizing the issuance of  
46 bonds or refunding bonds issued by the authority pursuant to this act,

1 or the execution and delivery of any agreement authorized pursuant to  
2 subsection c. of this section, pledge the amounts from time to time on  
3 deposit in the Motor Vehicle Surcharges Revenue Fund and any  
4 contract entered into with the State Treasurer pursuant to section 7 of  
5 this act, or any part thereof, to secure the payment, purchase or  
6 redemption of the bonds or refunding bonds issued pursuant to this act  
7 or any obligations of the authority under any agreement entered into  
8 pursuant to subsection c. of this section, and covenant as to the use  
9 and disposition of money on deposit in the Motor Vehicle Surcharges  
10 Revenue Fund for payments of bonds and refunding bonds. All costs,  
11 fees and other expenses related to, or incurred by the authority or the  
12 State in connection with, the issuance of bonds or refunding bonds by  
13 the authority for the purposes set forth in this act may be paid by the  
14 authority from amounts it receives from the proceeds of the bonds or  
15 refunding bonds and from amounts it receives pursuant to sections 5  
16 and 7 of this act, section 7 of P.L.1994, c.57 (C.34:1B-21.7) and  
17 section 12 of P.L.1994, c.57 (C.34:1B-21.12), which costs, fees and  
18 other expenses may include, but are not limited to, any initial or annual  
19 administrative costs and fees of the authority attributable to any bonds  
20 or refunding bonds issued pursuant to this act, all legal, accounting,  
21 trustee or other professional fees, costs and expenses, all other costs,  
22 fees and expenses (including, but not limited to, termination payments)  
23 attributable to any agreement, contract or other commitment described  
24 in subsection c. of this section and any required rebate or other  
25 payment to the United States of America. The bonds or refunding  
26 bonds shall be authorized by resolution adopted by the authority,  
27 which shall stipulate the manner of execution and form of the bonds,  
28 whether the bonds or refunding bonds are to be issued in one or more  
29 series, the date or dates of issue, time or times of maturity, which shall  
30 not exceed 40 years, the rate or rates of interest payable on the bonds,  
31 which may be at fixed rates or variable rates, and which interest may  
32 be current interest or may accrue, the denomination or denominations  
33 in which the bonds are issued, conversion or registration privileges,  
34 the sources and medium of payment and place or places of payment,  
35 terms of redemption, privileges of exchangeability or  
36 interchangeability, and entitlement to priorities of payment or security  
37 in the amounts to be received by the authority pursuant to sections 5  
38 and 6 of this act. The bonds may be sold at a public or private sale at  
39 a price or prices determined by the authority. The authority is  
40 authorized to enter into any agreements necessary or desirable to  
41 effectuate the purposes of this section, including agreements to sell  
42 bonds or refunding bonds to any person and to comply with the laws  
43 of any jurisdiction relating thereto.

44 c. In connection with any bonds or refunding bonds issued or to be  
45 issued pursuant to this act, the authority may also enter into any  
46 revolving credit agreement, agreement establishing a line of credit or

1 letter of credit, reimbursement agreement, interest rate exchange  
2 agreement, currency exchange agreement, interest rate floor or cap,  
3 options, puts or calls to hedge payment, currency, rate, spread or  
4 similar exposure, or similar agreements, float agreements, forward  
5 agreements, insurance contract, surety bond, commitment to purchase  
6 or sell bonds, purchase or sale agreement, or commitments or other  
7 contracts or agreements and other security agreements approved by  
8 the authority.

9 d. No resolution adopted by the authority authorizing the issuance  
10 of bonds or refunding bonds pursuant to this act shall be adopted or  
11 otherwise made effective without the approval in writing of the State  
12 Treasurer. Except as provided by subsection i. of section 4 of  
13 P.L.1974, c.80 (C.34:1B-4), bonds or refunding bonds may be issued  
14 without obtaining the consent of any department, division,  
15 commission, board, bureau or agency of the State, other than the  
16 approval as required by this subsection, and without any other  
17 proceedings or the occurrence of any other conditions or other things  
18 other than those proceedings, conditions or things which are  
19 specifically required by this act.

20 e. Bonds and refunding bonds issued by the authority pursuant to  
21 this act shall be special and limited obligations of the authority payable  
22 from, and secured by, such funds and moneys determined by the  
23 authority in accordance with this section. Neither the members of the  
24 authority nor any other person executing the bonds or refunding bonds  
25 shall be personally liable with respect to payment of interest and  
26 principal on these bonds or refunding bonds. Bonds or refunding  
27 bonds issued pursuant to the provisions of this act shall not be a debt  
28 or liability of the State or any agency or instrumentality thereof, other  
29 than a special and limited obligation of the authority, either legal,  
30 moral or otherwise, and nothing contained in this act shall be  
31 construed to authorize the authority to incur any indebtedness on  
32 behalf of or in any way to obligate the State or any political  
33 subdivision thereof, other than the authority, and all bonds and  
34 refunding bonds issued by the authority shall contain a statement to  
35 that effect on their face.

36 f. The authority is authorized to engage, subject to the approval of  
37 the State Treasurer and in such manner as the State Treasurer shall  
38 determine, the services of bond counsel, financial advisors and experts,  
39 placement agents, underwriters, trustees, verification agents,  
40 remarketing agents, auction agents, broker-dealers, appraisers, and  
41 such other advisors, consultants and agents as may be necessary to  
42 effectuate the purposes of this act.

43 g. All bonds or refunding bonds issued by the authority pursuant  
44 to this act are deemed to be issued by a body corporate and politic of  
45 the State for an essential governmental purpose, and the interest  
46 thereon and the income derived from all funds, revenues, incomes and

1 other moneys received for or to be received by the authority and  
2 pledged and available to pay or secure the payment of bonds or  
3 refunding bonds and the interest thereon, shall be exempt from all  
4 taxes levied pursuant to the provisions of Title 54 of the Revised  
5 Statutes or Title 54A of the New Jersey Statutes, except for transfer  
6 inheritance and estate taxes levied pursuant to Subtitle 5 of Title 54 of  
7 the Revised Statutes.

8 h. The State hereby pledges and covenants with the holders of any  
9 bonds or refunding bonds issued pursuant to the provisions of this act,  
10 that it will not limit or alter the rights or powers vested in the  
11 authority by this act, nor limit or alter the rights or powers of the State  
12 Treasurer in any manner which would jeopardize the interest of the  
13 holders or any trustee of such holders, or inhibit or prevent  
14 performance or fulfillment by the authority or the State Treasurer with  
15 respect to the terms of any agreement made with the holders of these  
16 bonds or refunding bonds or agreements made pursuant to subsection  
17 c. of this section, except that the failure of the State Legislature to  
18 appropriate moneys for any purpose of this act shall not be deemed a  
19 violation of this section.

20 i. Notwithstanding any restriction contained in any other law, rule,  
21 regulation or order to the contrary, the State and all political  
22 subdivisions of this State, their officers, boards, commissioners,  
23 departments or other agencies, all banks, bankers, trust companies,  
24 savings banks and institutions, building and loan associations, saving  
25 and loan associations, investment companies and other persons  
26 carrying on a banking or investment business, all insurance companies,  
27 insurance associations and other persons carrying on an insurance  
28 business, and all executors, administrators, guardians, trustees and  
29 other fiduciaries, and all other persons whatsoever who now are or  
30 may hereafter be authorized to invest in bonds or other obligations of  
31 the State, may properly and legally invest any sinking funds, moneys  
32 or other funds, including capital, belonging to them or within their  
33 control, in any bonds or refunding bonds issued by the authority under  
34 the provisions of this act; and said bonds and refunding bonds are  
35 hereby made securities which may properly and legally be deposited  
36 with, and received by any State or municipal officers or agency of the  
37 State, for any purpose for which the deposit of bonds or other  
38 obligations of the State is now, or may hereafter be, authorized by law.  
39

40 5. There is hereby established in the Department of the Treasury a  
41 special nonlapsing fund to be known as the "Unsafe Driving  
42 Surcharges Fund" which, beginning July 1, 2006, shall be comprised  
43 of all unsafe driving surcharges and any interest or other income  
44 earned thereon. Moneys in the Unsafe Driving Surcharges Fund shall  
45 be managed and invested by the Division of Investment in the  
46 Department of the Treasury. All moneys in the Unsafe Driving



1 Surcharges Fund shall be disbursed not less frequently than monthly  
2 by the State Treasurer, upon appropriation, to the Motor Vehicle  
3 Surcharges Revenue Fund until all bonds and refunding bonds issued  
4 or entered into pursuant to section 4 of this act and the costs thereof  
5 have been paid in full.

6

7 6. a. There is created within the authority a special nonlapsing  
8 fund, to be known as the "Motor Vehicle Surcharges Revenue Fund."  
9 The Motor Vehicle Surcharges Revenue Fund shall consist of:

10 (1) such moneys as may be appropriated to the Motor Vehicle  
11 Surcharges Revenue Fund by the Legislature and paid to the authority  
12 by the State Treasurer from Dedicated Motor Vehicle Surcharges  
13 Revenues;

14 (2) interest or other income derived from the investment of moneys  
15 in the Motor Vehicle Surcharges Revenue Fund; and

16 (3) any other moneys as may be deposited from time to time,  
17 except that such moneys shall not be appropriated from the General  
18 Fund.

19 b. In each State fiscal year during which the authority has  
20 outstanding bonds or refunding bonds which have been issued  
21 pursuant to this act, moneys in the Motor Vehicle Surcharges Revenue  
22 Fund may be used by the authority, in accordance with the provisions  
23 of any bond resolutions authorizing the issuance of bonds or refunding  
24 bonds pursuant to this act and any contract between the authority and  
25 the State Treasurer authorized and entered into pursuant to section 7  
26 of this act, to pay debt service payable on the authority's then  
27 outstanding bonds or refunding bonds issued pursuant to this act and  
28 any amounts due in connection with any agreements entered into  
29 pursuant to subsection c. of section 4 of this act due in such fiscal  
30 year, to replenish any reserve or other fund established for such bonds  
31 or refunding bonds issued in accordance with subsection a. of section  
32 4 of this act, and to pay any and all other additional amounts as shall  
33 be authorized by this act and required to be paid by the authority  
34 during such fiscal year, provided however, that the payment of all such  
35 amounts to the authority by the State Treasurer shall be subject to and  
36 dependent upon appropriations being made from time to time by the  
37 Legislature of the amounts thereof for the purposes of this act.  
38 Notwithstanding any other provision of any law, rule, regulation or  
39 order to the contrary, the authority shall be paid only such amounts as  
40 shall be required by the provisions of any contract between the  
41 authority and the State Treasurer authorized and entered into pursuant  
42 to section 7 of this act and the incurrence of any obligation of the  
43 State under any such contract, including any payments to be made  
44 thereunder, shall be subject to and dependent upon appropriations  
45 being made from time to time by the Legislature for the purposes of  
46 this act.

1 c. In each fiscal year beginning on or after July 1, 2006, all  
2 amounts on deposit in the Motor Vehicle Surcharges Revenue Fund in  
3 excess of the amount necessary to pay any amounts required to be paid  
4 by the authority pursuant to any bond resolutions authorizing the  
5 issuance of bonds or refunding bonds pursuant to this act or pursuant  
6 to any contract between the authority and the State Treasurer  
7 authorized or entered into pursuant to section 7 of this act and payable  
8 during such fiscal year shall be transferred to the General Fund,  
9 provided that the first \$7,500,000 of such moneys so transferred in  
10 each fiscal year shall be remitted to the "Alcohol Treatment Programs  
11 Fund" created in section 2 of P.L.2001, c.48 (C.26:2B-9.2).

12  
13 7. The State Treasurer and the authority are authorized to enter  
14 into one or more contracts to implement the payment arrangement that  
15 is provided for in section 5 of this act. The contract or contracts shall  
16 provide for payment by the State Treasurer of the dedicated motor  
17 vehicle surcharge revenues and shall set forth the procedure for the  
18 transfer of moneys for the purpose of paying such amounts. The  
19 contract or contracts shall contain such terms and conditions as are  
20 determined by the authority and the State Treasurer, and shall include,  
21 but not be limited to, terms and conditions necessary and desirable to  
22 secure any bonds or refunding bonds of the authority issued under and  
23 pursuant to this act and the obligations of the authority under any  
24 agreement entered into pursuant to subsection c. of section 4 of this  
25 act; provided however, that notwithstanding any other provision of  
26 any law, rule, regulation or order to the contrary, the authority shall  
27 be paid only such amounts as shall be required by the provisions of any  
28 contract or contracts, and the incurrence of any obligation of the State  
29 under any such contract or contracts, including any payments to be  
30 made thereunder from the dedicated motor vehicle surcharge revenues,  
31 shall be subject to and dependent upon appropriations being made  
32 from time to time by the Legislature for the purposes of this act.

33  
34 8. Section 7 of P.L.1994, c.57 (C.34:1B-21.7) is amended to read  
35 as follows:

36 7. There is created within the authority a special nonlapsing fund,  
37 to be known as the "Market Transition Facility Revenue Fund." The  
38 Facility Revenue Fund shall consist of:

39 a. Such moneys as may be transferred to the Facility Revenue Fund  
40 by the State Treasurer, upon appropriation by the Legislature,  
41 pursuant to section 14 of [this act] P.L.1994, c.57 (C.34:1B-21.14);

42 b. Such moneys as may be appropriated to the Facility Revenue  
43 Fund by the Legislature from surcharges levied pursuant to the  
44 provisions of subsection b. of section 6 of P.L.1983, c.65  
45 (C.17:29A-35), except that any such moneys in excess of the amounts  
46 required to be used by the authority pursuant to any bond resolutions

1 authorizing the issuance of Market Transition Facility bonds and notes,  
2 the authority's agreement with the State Treasurer authorized by  
3 section 13 of [this act] P.L.1994, c.57 (C.34:1B-21.13) and any bond  
4 resolutions authorizing the issuance of Motor Vehicle Commission  
5 bonds and notes shall be at least annually remitted

6 (1) in each fiscal year commencing prior to July 1, 2006, to the  
7 General Fund provided that the first \$7,500,000 of such moneys so  
8 transferred in each such fiscal year shall be remitted to the "Alcohol  
9 Treatment Programs Fund" created in section 2 of P.L.2001, c.48  
10 (C.26:2B-9.2); and

11 (2) in each fiscal year commencing on or after July 1, 2006, to the  
12 Motor Vehicle Surcharges Revenue Fund established pursuant to  
13 section 6 of the "Motor Vehicle Surcharges Securitization Act of  
14 2004," P.L.2004, c. (C. ) (now pending before the Legislature  
15 as this bill), to be applied as set forth therein, until such time as all  
16 bonds, notes and other obligations issued or entered into pursuant to  
17 section 4 of P.L.2004, c. (C. ) (now pending before the  
18 Legislature as this bill) and the costs thereof are discharged and no  
19 longer outstanding;

20 c. Interest or other income derived from the investment of moneys  
21 in the Facility Revenue Fund; and

22 d. Any other moneys as may be deposited from time to time,  
23 except that such moneys shall not be appropriated from the General  
24 Fund.

25 Moneys in the Facility Revenue Fund shall be managed and invested  
26 by the Division of Investment in the Department of the Treasury.

27 (cf: P.L.2003, c.13, s.114)

28  
29 9. Section 12 of P.L.1994, c.57 (C.34:1B-21.12) is amended to  
30 read as follows:

31 12. There is created within the Department of the Treasury a  
32 special nonlapsing fund to be known as the "Division of Motor  
33 Vehicles Surcharge Fund," which, beginning September 1, 1996 or  
34 earlier as provided pursuant to this section, shall be comprised of  
35 moneys transferred to the DMV Surcharge Fund from the Market  
36 Transition Facility which, notwithstanding the provisions of this  
37 section to the contrary, may be appropriated, immediately upon receipt  
38 from the Market Transition Facility, by the Legislature to the Facility  
39 Revenue Fund and all moneys collected pursuant to subsection b. of  
40 section 6 of P.L.1983, c.65 (C.17:29A-35) and any interest or other  
41 income earned thereon. Moneys in the DMV Surcharge Fund shall be  
42 managed and invested by the Division of Investment in the Department  
43 of the Treasury. Commencing September 1, 1996, or at such earlier  
44 time as may be certified by the commissioner that moneys on deposit  
45 in the New Jersey Automobile Insurance Guaranty Fund created  
46 pursuant to section 23 of P.L.1990, c.8 (C.17:33B-5) are sufficient to

1 satisfy the current and anticipated financial obligations of the New  
2 Jersey Automobile Full Insurance Underwriting Association, the  
3 moneys in the DMV Surcharge Fund shall be disbursed from time to  
4 time by the State Treasurer, upon appropriation by the Legislature, to  
5 the Market Transition Facility Revenue Fund, for payment of principal,  
6 interest and premium on the Market Transition Facility bonds or notes  
7 and New Jersey Motor Vehicle Commission bonds or notes issued by  
8 the authority pursuant to section 4 of P.L.1994, c.57 (C.34:1B-21.4).  
9 [From the amounts remaining in the fund after these payments are  
10 fully defrayed, there shall be remitted to the fund created in section 2  
11 of P.L.2001, c.48 (C.26:2B-9.2), \$ 1.5 million in Fiscal Year 2002, \$  
12 3 million in Fiscal Year 2003, \$ 4.5 million in Fiscal Year 2004, \$ 6  
13 million in Fiscal Year 2005, and \$ 7.5 million in Fiscal Year 2006 and  
14 each fiscal year thereafter.] From and after such time as all Market  
15 Transition Facility bonds, notes and obligations and all New Jersey  
16 Motor Vehicle Commission bonds, notes and obligations issued  
17 pursuant to section 4 of P.L.1994, c.57 (C.34:1B-21.4) and the costs  
18 thereof are discharged and no longer outstanding, all amounts on  
19 deposit in the DMV Surcharge Fund shall be disbursed from time to  
20 time by the State Treasurer, upon appropriation by the Legislature, to  
21 the Motor Vehicle Surcharges Revenue Fund established pursuant to  
22 section 6 of the "Motor Vehicle Surcharges Securitization Act of  
23 2004," P.L.2004, c. (C. ) (now pending before the Legislature as  
24 this bill) to be applied as set forth in section 6 of P.L.2004, c.  
25 (C. ) (now pending before the Legislature as this bill) until such  
26 time as all bonds (including refunding bonds), notes and other  
27 obligations issued or entered into pursuant to section 4 of P.L.2004,  
28 c. (C. ) (now pending before the Legislature as this bill) and the  
29 costs thereof are discharged and no longer outstanding.  
30 (cf: P.L.2003, c.13, s.118)

31

32 10. Section 6 of P.L.1983, c.65 (C.17:29A-35) is amended to read  
33 as follows:

34 6. a. (Deleted by amendment, P.L.1997, c.151.)

35 b. There is created a New Jersey Merit Rating Plan which shall  
36 apply to all drivers and shall include, but not be limited to, the  
37 following provisions

38 (1) (a) Plan surcharges shall be levied, beginning on or after  
39 January 1, 1984, by the New Jersey Motor Vehicle Commission  
40 (hereafter the "commission") established by section 4 of P.L.2003,  
41 c.13 (C.39:2A-4) on any driver who, in the preceding 36-month  
42 period, has accumulated six or more motor vehicle points, as provided  
43 in Title 39 of the Revised Statutes; except that the allowance for a  
44 reduction of points in Title 39 of the Revised Statutes shall not apply  
45 for the purpose of determining surcharges under this paragraph. The  
46 accumulation of points shall be calculated as of the date the point

1 violation is posted to the driver history record and shall be levied  
2 pursuant to rules promulgated by the commission. Surcharges  
3 assessed pursuant to this paragraph shall be ~~[\$100.00]~~ \$150.00 for six  
4 points, and \$25.00 for each additional point. No offense shall be  
5 selected for billing which occurred prior to February 10, 1983. No  
6 offense shall be considered for billing in more than three annual  
7 assessments.

8 (b) (Deleted by amendment, P.L.1984, c.1.)

9 (2) (a) Plan surcharges shall be levied pursuant to subsection f. of  
10 section 1 of P.L.2000, c.75 (C.39:4-97.2) for each offense of unsafe  
11 driving under subsection a. of that section.

12 (b) Plan surcharges shall be levied for convictions ~~[(a)]~~ (i) under  
13 R.S.39:4-50 for violations occurring on or after February 10, 1983,  
14 and ~~[(b)]~~ (ii) under section 2 of P.L.1981, c.512 (C.39:4-50.4a), or  
15 for offenses committed in other jurisdictions of a substantially similar  
16 nature to those under R.S.39:4-50 or section 2 of P.L.1981, c.512  
17 (C.39:4-50.4a), for violations occurring on or after January 26, 1984.  
18 Except as hereinafter provided, surcharges under this ~~[paragraph]~~  
19 subparagraph (b) shall be levied annually for a three-year period, and  
20 shall be \$1,000.00 per year for each of the first two convictions, for  
21 a total surcharge of \$3,000 for each conviction, and \$1,500.00 per  
22 year for the third conviction occurring within a three-year period, for  
23 a total surcharge of \$4,500 for the third conviction. If a driver is  
24 convicted under both R.S.39:4-50 and section 2 of P.L.1981, c.512  
25 (C.39:4-50.4a) for offenses arising out of the same incident, the driver  
26 shall be assessed only one surcharge for the two offenses.

27 If, upon written notification from the commission or its designee,  
28 mailed to the last address of record with the commission, a driver fails  
29 to pay a surcharge levied under subparagraph (b) of paragraph (2) this  
30 subsection b., the driving privilege of the driver shall be suspended  
31 forthwith until the minimum payment requirement as set forth by rule  
32 by the commission is paid to the commission; except that the  
33 commission may authorize payment of the surcharge on an installment  
34 basis over a period not to exceed 12 months for assessments under  
35 \$2,300 or 24 months for assessments of \$2,300 or more. If a driver  
36 fails to pay the surcharge or any installments on the surcharge, the  
37 total surcharge shall become due immediately, except as otherwise  
38 prescribed by rule of the commission.

39 The commission may authorize any person to pay the surcharge  
40 levied under this section and collectible by the commission by use of  
41 a credit card, debit card or other electronic payment device, and the  
42 administrator is authorized to require the person to pay all costs  
43 incurred by the commission in connection with the acceptance of the  
44 credit card, debit card or other electronic payment device. If a  
45 surcharge or related administrative fee is paid by credit or debit cards  
46 or any other electronic payment device and the amount is subsequently

1 reversed by the credit card company or bank, the driving privilege of  
2 the surcharged driver shall be suspended and the driver shall be subject  
3 to the fee imposed for dishonored checks pursuant to section 31 of  
4 P.L.1994, c.60 (C.39:5-36.1).

5 In addition to any other remedy provided by law, the commission  
6 is authorized to utilize the provisions of the SOIL (Set off of  
7 Individual Liability) program established pursuant to P.L.1981, c.239  
8 (C.54A:9-8.1 et seq.) to collect any surcharge levied under this section  
9 that and collectible by the commission is unpaid on or after the  
10 effective date of this act. As an additional remedy, the commission  
11 may issue a certificate to the Clerk of the Superior Court stating that  
12 the person identified in the certificate is indebted under this surcharge  
13 law in such amount as shall be stated in the certificate. The certificate  
14 shall reference the statute under which the indebtedness arises.  
15 Thereupon the clerk to whom such certificate shall have been issued  
16 shall immediately enter upon the record of docketed judgments the  
17 name of such person as debtor; the State as creditor; the address of  
18 such person, if shown in the certificate; the amount of the debt so  
19 certified; a reference to the statute under which the surcharge is  
20 assessed, and the date of making such entries. The docketing of the  
21 entries shall have the same force and effect as a civil judgment  
22 docketed in the Superior Court, and the commission shall have all the  
23 remedies and may take all of the proceedings for the collection thereof  
24 which may be had or taken upon the recovery of a judgment in an  
25 action, but without prejudice to any right of appeal. Upon entry by the  
26 clerk of the certificate in the record of docketed judgments in  
27 accordance with this provision, interest in the amount specified by the  
28 court rules for post-judgment interest shall accrue from the date of the  
29 docketing of the certificate, however payment of the interest may be  
30 waived by the commission or its designee. In the event that the  
31 surcharge remains unpaid following the issuance of the certificate of  
32 debt and the commission takes any further collection action including  
33 referral of the matter to the Attorney General or his designee, the fee  
34 imposed, in lieu of the actual cost of collection, may be 20 percent of  
35 surcharges of \$1,000 or more. The administrator or his designee may  
36 establish a sliding scale, not to exceed a maximum amount of \$200, for  
37 surcharge principal amounts of less than \$1,000 at the time the  
38 certificate of debt is forwarded to the Superior Court for filing. The  
39 commission shall provide written notification to a driver of the  
40 proposed filing of the certificate of debt at least 10 days prior to the  
41 proposed filing; such notice shall be mailed to the driver's last address  
42 of record with the commission. If a certificate of debt is satisfied  
43 following a credit card payment, debit card payment or payment by  
44 other electronic payment device and that payment is reversed, a new  
45 certificate of debt shall be filed against the surcharged driver unless the  
46 original is reinstated.

1 If the administrator or his designee approves a special payment plan  
2 for repayment of the certificate of debt, and the driver is complying  
3 with the approved plan, the plan may be continued for any new  
4 surcharge not part of the certificate of debt.

5 All moneys collectible by the commission under subparagraph (b)  
6 of paragraph (2) of this subsection b. shall be billed and collected by  
7 the commission except as provided in P.L.1997, c.280 (C.2B:19-10 et  
8 al.) for the collection of unpaid surcharges. Commencing on  
9 September 1, 1996, or such earlier time as the Commissioner of  
10 Banking and Insurance shall certify to the State Treasurer that  
11 amounts on deposit in the New Jersey Automobile Insurance Guaranty  
12 Fund are sufficient to satisfy the current and anticipated financial  
13 obligations of the New Jersey Automobile Full Insurance Underwriting  
14 Association, all plan surcharges collected by the commission under  
15 subparagraph (b) of paragraph (2) of this subsection b. shall be  
16 remitted to the Division of Motor Vehicles Surcharge Fund;

17 (i) for transfer to the Market Transition Facility Revenue Fund, as  
18 provided in section 12 of P.L.1994, c.57 (C.34:1B-21.12), for the  
19 purposes of section 4 of P.L.1994, c.57 (C.34:1B-21.4) until such a  
20 time as all the Market Transition Facility bonds, notes and obligations  
21 and all Motor Vehicle Commission bonds, notes and obligations issued  
22 pursuant to that section 4 of P.L.1994, c.57 (C.34:1B-21.4) and the  
23 costs thereof are discharged and no longer outstanding[. From]; and

24 (ii) from and after the date of certification by the Commissioner of  
25 Banking and Insurance that the moneys collectible under subparagraph  
26 (b) of paragraph (2) of this subsection b. are no longer needed to fund  
27 the association or at such [a] time as all Market Transition Facility  
28 bonds, notes and obligations and all Motor Vehicle Commission  
29 bonds, notes and obligations issued pursuant to section 4 of P.L.1994,  
30 c.57 (C.34:1B-21.4) and the costs thereof are discharged and no  
31 longer outstanding [moneys collectible under this subsection], for  
32 transfer to the Motor Vehicle Surcharges Revenue Fund established  
33 pursuant to section 6 of the "Motor Vehicle Surcharges Securitization  
34 Act of 2004," P.L.2004, c. (C. ) (now pending before the  
35 Legislature as this bill) to be applied as set forth in section 6 that act.  
36 From and after such time as all bonds issued under section 4 of the  
37 "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004,  
38 c. (C. ) (now pending before the Legislature as this bill) and the  
39 costs thereof are discharged and no longer outstanding, all plan  
40 surcharges collected by the commission under subparagraph (b) of  
41 paragraph (2) of this subsection b. shall, subject to appropriation, be  
42 remitted to the New Jersey Property-Liability Insurance Guaranty  
43 Association created pursuant to section 6 of P.L.1974, c.17  
44 (C.17:30A-6) to be used for payment of any loans made by that  
45 association to the New Jersey Automobile Insurance Guaranty Fund  
46 pursuant to paragraph (10) of subsection a. of section 8 of P.L.1974,

1 c.17 (C.17:30A-8); provided that all such payments shall be subject to  
2 and dependent upon appropriation by the State Legislature.

3 All surcharges collected by the courts as plan surcharges pursuant  
4 to subparagraph (a) of paragraph (2) of this subsection b. shall be  
5 forwarded not less frequently than monthly to the Division of  
6 Revenue. The Division of Revenue shall transfer: all such surcharges  
7 received prior to July 1, 2006, to the General Fund, and commencing  
8 July 1, 2006, all such surcharges to the Unsafe Driving Surcharge  
9 Revenue Fund established pursuant to section 5 of the "Motor Vehicle  
10 Surcharges Securitization Act of 2004," P.L.2004, c. (C. ) (now  
11 pending before the Legislature as this bill) to be applied as set forth in  
12 section 5 of that act. From and after such time as all bonds (including  
13 refunding bonds), notes and other obligations issued under section 4  
14 of the "Motor Vehicle Surcharges Securitization Act of 2004,"  
15 P.L.2004, c. (C. ) (now pending before the Legislature as this  
16 bill), and the costs thereof are discharged and no longer outstanding,  
17 all such plan surcharges collected by the courts pursuant to  
18 subparagraph (a) of paragraph (2) of this subsection b. and forwarded  
19 to the Division of Revenue shall be transferred to the General Fund.

20 Upon request, the Administrative Office of the Courts shall provide  
21 a monthly report to the Division of Revenue containing information on  
22 the number of convictions for the offense of unsafe driving pursuant  
23 to section 1 of P.L.2000, c.75 (C.39:4-97.2) that were entered during  
24 such month, the amount of the surcharges that were assessed by the  
25 courts pursuant to subsection f. of section 1 of P.L.2000, c.75  
26 (C.39:4-97.2) for such month, and the amount of the surcharges  
27 collected by the courts pursuant to subsection f. section 1 of P.L.2000,  
28 c.75 (C.39:4-97.2) during such month.

29 (3) In addition to any other authority provided in P.L.1983, c.65  
30 (C.17:29A-33 et al.), the commissioner, after consultation with the  
31 commission, is specifically authorized (a) (Deleted by amendment,  
32 P.L.1994, c.64), (b) to impose, in accordance with subparagraph (a)  
33 of paragraph (1) [(a)] of this subsection b., surcharges for motor  
34 vehicle violations or convictions for which motor vehicle points are  
35 not assessed under Title 39 of the Revised Statutes, or (c) to reduce  
36 the number of points for which surcharges may be assessed below the  
37 level provided in subparagraph (a) of paragraph (1) [(a)] of this  
38 subsection b., except that the dollar amount of all surcharges levied  
39 under the New Jersey Merit Rating Plan shall be uniform on a  
40 Statewide basis for each filer, without regard to classification or  
41 territory. Surcharges adopted by the commissioner on or after January  
42 1, 1984 for motor vehicle violations or convictions for which motor  
43 vehicle points are not assessable under Title 39 of the Revised Statutes  
44 shall not be retroactively applied but shall take effect on the date of  
45 the New Jersey Register in which notice of adoption appears or the  
46 effective date set forth in that notice, whichever is later.



1 c. No motor vehicle violation surcharges shall be levied on an  
2 automobile insurance policy issued or renewed on or after January 1,  
3 1984, except in accordance with the New Jersey Merit Rating Plan,  
4 and all surcharges levied thereunder shall be assessed, collected and  
5 distributed in accordance with subsection b. of this section.

6 d. (Deleted by amendment, P.L.1990, c.8.)

7 e. The Commissioner of Banking and Insurance and the commission  
8 as may be appropriate, shall adopt any rules and regulations necessary  
9 or appropriate to effectuate the purposes of this section.

10 (cf: P.L.2003, c.13, s.31)

11  
12 11. There is hereby created in the Department of the Treasury a  
13 separate nonlapsing fund to be known as the Motor Vehicle  
14 Surcharges Securitization Fund. Revenue derived from bonds issued  
15 under the "Motor Vehicle Surcharges Securitization Act of 2004,"  
16 P.L.2004, c. (C. ) (now pending before the Legislature as this  
17 bill) may be deposited into the Motor Vehicle Surcharge Securitization  
18 Fund and balances therein may be transferred to the General Fund.

19  
20 12. The provisions of this act shall be severable, and if any of the  
21 provisions hereof shall be held to be unconstitutional or otherwise  
22 invalid, such decision shall not affect the validity of any of the  
23 remaining provisions of this act.

24  
25 13. This act shall take effect immediately.

#### 26 27 28 STATEMENT

29  
30 This bill increases the existing motor vehicle insurance surcharge  
31 imposed upon drivers who have accumulated six or more motor  
32 vehicle penalty points in the preceding 36 month period from \$100 to  
33 \$150. Each additional point is assessed \$25 as under current law.

34 The bill also authorizes the New Jersey Economic Development  
35 Authority to issue bonds, notes, and other obligations payable  
36 primarily from collections on or after July 1, 2006 of the new  
37 surcharge for unsafe driving, created pursuant to separate legislation  
38 amending P.L.2000, c.75 (C.39:4-97.2) to establish a new surcharge  
39 of \$250.00 for each conviction for unsafe driving. The proceeds of  
40 these bonds, notes, and other obligations are to be made available to  
41 the State Treasurer for any State fiscal year beginning on or after July  
42 1, 2004, to the extent anticipated as revenues in such fiscal year, to be  
43 used for any lawful purpose of the State. Existing plan surcharges are  
44 presently pledged, and the increased point surcharges described above  
45 will be pledged, to pay debt service on the authority's outstanding  
46 Market Transition Facility Bonds and Motor Vehicle Commission

1 Bonds. Any excess existing plan surcharges (including the increased  
2 point surcharges described above) collected from and after July 1,  
3 2006 will also be pledged to secure the bonds authorized by this bill.

4 All surcharges, existing and new, that are collected in each fiscal  
5 year in excess of the amounts required to pay the outstanding Market  
6 Transition Facility Bonds and Motor Vehicle Commission Bonds of  
7 the authority and the bonds authorized by this bill will be returned to  
8 the General Fund of the State. All payments on the bonds authorized  
9 by this bill are subject to appropriations being made from time to time  
10 by the State Legislature, and no such payments may be made from the  
11 State's General Fund.

12

13

14

15

16 The "Motor Vehicle Surcharges Securitization Act of 2004."

# ASSEMBLY, No. 3109

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## STATE OF NEW JERSEY

### 211th LEGISLATURE

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INTRODUCED JUNE 21, 2004

**Sponsored by:**

**Assemblyman NEIL M. COHEN**

**District 20 (Union)**

**Co-Sponsored by:**

**Senators Doria and Kenny**

**SYNOPSIS**

The "Motor Vehicle Surcharges Securitization Act of 2004."

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/25/2004)**

1 AN ACT authorizing the issuance of motor vehicle surcharges  
2 securitization bonds, notes or other obligations by the New Jersey  
3 Economic Development Authority for the purposes of providing  
4 revenue to meet appropriations in any State fiscal year commencing  
5 on or after July 1, 2004, providing a source of payment and security  
6 for such bonds, notes or other obligations, supplementing P.L.1974,  
7 c.80 (C.34:1B-1 et seq.) and amending P.L.1994, c.57 and  
8 P.L.1983, c.65.

9  
10 **BE IT ENACTED** by the Senate and General Assembly of the State  
11 of New Jersey:

12  
13 1. (New section) This act shall be known and may be cited as the  
14 "Motor Vehicle Surcharges Securitization Act of 2004."

15  
16 2. (New section) The following words or terms as used in this act  
17 shall have the following meanings unless a different meaning clearly  
18 appears from the context:

19 "Authority" means the New Jersey Economic Development  
20 Authority created pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.);

21 "Bonds" means any bonds, notes or other obligations issued or  
22 entered into by the authority pursuant to this act;

23 "Dedicated Motor Vehicle Surcharge Revenues" means:

24 a. on and after July 1, 2006, moneys required to be transferred to  
25 the Motor Vehicle Surcharges Revenue Fund from the Facility  
26 Revenue Fund pursuant to subsection b. of section 7 of P.L.1994, c.57  
27 (C.34:1B-21.7),

28 b. on and after July 1, 2006, all Unsafe Driving Surcharges  
29 required to be transferred to the Motor Vehicle Surcharges Revenue  
30 Fund from the Unsafe Driving Surcharges Fund pursuant to section 5  
31 of this act, and

32 c. after such time as all Market Transition Facility bonds, notes and  
33 obligations and all New Jersey Motor Vehicle Commission bonds,  
34 notes and obligations issued pursuant to section 4 of P.L.1994, c.57  
35 (C.34:1B-21.4), and the costs thereof are discharged and no longer  
36 outstanding, all other plan surcharges collected by the commission  
37 pursuant to subsection b. of section 6 of P.L.1983, c.65  
38 (C.17:29A-35) and required to be transferred to the Motor Vehicle  
39 Surcharges Revenue Fund from the DMV Surcharge Fund pursuant to  
40 section 12 of P.L.1994, c.57 (C.34:1B-21.12);

41 "Division of Motor Vehicles Surcharge Fund" or "DMV Surcharge  
42 Fund" means the fund created pursuant to section 12 of P.L.1994, c.57  
43 (C.34:1B-21.12);

**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 underlined thus is new matter.**

1 "Market Transition Facility Revenue Fund" or "Facility Revenue  
2 Fund" means the fund created pursuant to section 7 of P.L.1994, c.57  
3 (C.34:1B-21.7);

4 "Motor Vehicle Surcharges Revenue Fund" means the fund within  
5 the authority created and established pursuant to section 6 of this act;

6 "Motor Vehicle Surcharges Securitization Proceeds Fund" means  
7 the fund created and established pursuant to section 3 of this act;

8 "Refunding Bonds" means any bonds, notes or other obligations  
9 issued by the authority to refinance bonds, notes or other obligations  
10 previously issued by the authority pursuant to this act;

11 "Unsafe Driving Surcharges Fund" means the fund within the  
12 Department of the Treasury created and established pursuant to  
13 section 5 of this act; and

14 "Unsafe Driving Surcharges" means the revenues received by the  
15 State resulting from the plan surcharges established as such pursuant  
16 to subparagraph (a) of paragraph (2) of subsection b. of section 6 of  
17 P.L.1983, c.65 (C.17:29A-35) and assessed and collected pursuant to  
18 subsection f. of section 1 of P.L.2000, c.75 (C.39:4-97.2) for  
19 convictions for unsafe driving pursuant to that section.

20

21 3. (New section) a. The authority shall establish and maintain a  
22 special nonlapsing fund to be known as the "Motor Vehicle Surcharges  
23 Securitization Proceeds Fund" into which shall be deposited the  
24 following moneys:

25 (1) the proceeds from the sale of all bonds (other than refunding  
26 bonds) issued by the authority pursuant to this act which are remaining  
27 after any required deposit to any reserve or other fund established for  
28 such bonds or refunding bonds in accordance with subsection a. of  
29 section 4 of this act and after the payment of all costs, fees and other  
30 expenses related to, or incurred by the authority or the State in  
31 connection with, the issuance of such bonds or refunding bonds;

32 (2) any amounts which shall be appropriated by the State  
33 Legislature for the purposes of such fund; and

34 (3) any other amounts or funds which the authority shall determine  
35 to deposit into such fund. Moneys on deposit in the Motor Vehicle  
36 Surcharges Securitization Proceeds Fund shall be invested in such  
37 obligations as the authority may determine or as shall otherwise be  
38 provided in any contract between the authority and the State Treasurer  
39 authorized and entered into pursuant to section 7 of this act, and  
40 interest or other earnings on any such investments shall be credited to  
41 such fund.

42 b. Amounts on deposit in the Motor Vehicle Surcharges  
43 Securitization Proceeds Fund shall be withdrawn by the authority from  
44 time to time, upon written request of the State Treasurer or as  
45 otherwise provided in any contract between the authority and the State  
46 Treasurer authorized and entered into pursuant to section 7 of this act,

1 and paid to the State Treasurer for deposit either into the General  
2 Fund of the State or into the Motor Vehicle Surcharges Securitization  
3 Fund, as determined by the State Treasurer, and used for any lawful  
4 purpose of the State for which moneys on deposit in the General Fund  
5 may be used. All amounts withdrawn from the Motor Vehicle  
6 Surcharges Securitization Proceeds Fund and deposited into the  
7 General Fund of the State as provided in this paragraph shall represent  
8 financial resources and revenues of the State upon deposit into the  
9 General Fund. Notwithstanding any provision of this subparagraph to  
10 the contrary, the State Treasurer shall not request the authority to pay,  
11 and the authority shall not pay, to the State Treasurer during any State  
12 fiscal year for deposit into the General Fund of the State, amounts on  
13 deposit in the Motor Vehicle Surcharges Securitization Proceeds Fund  
14 which are in excess of the amounts anticipated as revenues from that  
15 fund as certified by the Governor pursuant to Article VIII, Section II,  
16 paragraph 2 of the State Constitution for the State annual  
17 appropriation act for such State fiscal year, and as may be applicable  
18 for such annual appropriation act as may be amended and  
19 supplemented from time to time.

20

21 4. Notwithstanding the provisions of any law, rule, regulation or  
22 order to the contrary:

23 a. The authority shall have the power, pursuant to and in  
24 accordance with the provisions of this act and P.L.1974, c.80  
25 (C.34:1B-1 et seq.), to issue bonds and refunding bonds, incur  
26 indebtedness and borrow money secured, in whole or in part, by  
27 money received pursuant to this act for the purpose of providing  
28 funds:

29 (1) for deposit into the Motor Vehicle Surcharges Securitization  
30 Proceeds Fund;

31 (2) in the case of refunding bonds, to apply to the refunding,  
32 purchase or payment of any bonds issued pursuant to this act;

33 (3) to fund any capitalized interest on such bonds or refunding  
34 bonds;

35 (4) to fund any reserve or other fund as may be established by the  
36 authority for such bonds or refunding bonds and to further secure such  
37 bonds and refunding bonds as may be determined by the authority; and

38 (5) to pay all costs, fees and other expenses related to, or incurred  
39 by the authority or the State in connection with, the issuance of such  
40 bonds or refunding bonds.

41 b. The authority may, in any resolution authorizing the issuance of  
42 bonds or refunding bonds issued by the authority pursuant to this act,  
43 or the execution and delivery of any agreement authorized pursuant to  
44 subsection c. of this section, pledge the amounts from time to time on  
45 deposit in the Motor Vehicle Surcharges Revenue Fund and any  
46 contract entered into with the State Treasurer pursuant to section 7 of

1 this act, or any part thereof, to secure the payment, purchase or  
2 redemption of the bonds or refunding bonds issued pursuant to this act  
3 or any obligations of the authority under any agreement entered into  
4 pursuant to subsection c. of this section, and covenant as to the use  
5 and disposition of money on deposit in the Motor Vehicle Surcharges  
6 Revenue Fund for payments of bonds and refunding bonds. All costs,  
7 fees and other expenses related to, or incurred by the authority or the  
8 State in connection with, the issuance of bonds or refunding bonds by  
9 the authority for the purposes set forth in this act may be paid by the  
10 authority from amounts it receives from the proceeds of the bonds or  
11 refunding bonds and from amounts it receives pursuant to sections 5  
12 and 7 of this act, section 7 of P.L.1994, c.57 (C.34:1B-21.7) and  
13 section 12 of P.L.1994, c.57 (C.34:1B-21.12), which costs, fees and  
14 other expenses may include, but are not limited to, any initial or annual  
15 administrative costs and fees of the authority attributable to any bonds  
16 or refunding bonds issued pursuant to this act, all legal, accounting,  
17 trustee or other professional fees, costs and expenses, all other costs,  
18 fees and expenses (including, but not limited to, termination payments)  
19 attributable to any agreement, contract or other commitment described  
20 in subsection c. of this section and any required rebate or other  
21 payment to the United States of America. The bonds or refunding  
22 bonds shall be authorized by resolution adopted by the authority,  
23 which shall stipulate the manner of execution and form of the bonds,  
24 whether the bonds or refunding bonds are to be issued in one or more  
25 series, the date or dates of issue, time or times of maturity, which shall  
26 not exceed 40 years, the rate or rates of interest payable on the bonds,  
27 which may be at fixed rates or variable rates, and which interest may  
28 be current interest or may accrue, the denomination or denominations  
29 in which the bonds are issued, conversion or registration privileges,  
30 the sources and medium of payment and place or places of payment,  
31 terms of redemption, privileges of exchangeability or  
32 interchangeability, and entitlement to priorities of payment or security  
33 in the amounts to be received by the authority pursuant to sections 5  
34 and 6 of this act. The bonds may be sold at a public or private sale at  
35 a price or prices determined by the authority. The authority is  
36 authorized to enter into any agreements necessary or desirable to  
37 effectuate the purposes of this section, including agreements to sell  
38 bonds or refunding bonds to any person and to comply with the laws  
39 of any jurisdiction relating thereto.

40 c. In connection with any bonds or refunding bonds issued or to be  
41 issued pursuant to this act, the authority may also enter into any  
42 revolving credit agreement, agreement establishing a line of credit or  
43 letter of credit, reimbursement agreement, interest rate exchange  
44 agreement, currency exchange agreement, interest rate floor or cap,  
45 options, puts or calls to hedge payment, currency, rate, spread or  
46 similar exposure, or similar agreements, float agreements, forward

1 agreements, insurance contract, surety bond, commitment to purchase  
2 or sell bonds, purchase or sale agreement, or commitments or other  
3 contracts or agreements and other security agreements approved by  
4 the authority.

5 d. No resolution adopted by the authority authorizing the issuance  
6 of bonds or refunding bonds pursuant to this act shall be adopted or  
7 otherwise made effective without the approval in writing of the State  
8 Treasurer. Except as provided by subsection i. of section 4 of  
9 P.L.1974, c.80 (C.34:1B-4), bonds or refunding bonds may be issued  
10 without obtaining the consent of any department, division,  
11 commission, board, bureau or agency of the State, other than the  
12 approval as required by this subsection, and without any other  
13 proceedings or the occurrence of any other conditions or other things  
14 other than those proceedings, conditions or things which are  
15 specifically required by this act.

16 e. Bonds and refunding bonds issued by the authority pursuant to  
17 this act shall be special and limited obligations of the authority payable  
18 from, and secured by, such funds and moneys determined by the  
19 authority in accordance with this section. Neither the members of the  
20 authority nor any other person executing the bonds or refunding bonds  
21 shall be personally liable with respect to payment of interest and  
22 principal on these bonds or refunding bonds. Bonds or refunding  
23 bonds issued pursuant to the provisions of this act shall not be a debt  
24 or liability of the State or any agency or instrumentality thereof, other  
25 than a special and limited obligation of the authority, either legal,  
26 moral or otherwise, and nothing contained in this act shall be  
27 construed to authorize the authority to incur any indebtedness on  
28 behalf of or in any way to obligate the State or any political  
29 subdivision thereof, other than the authority, and all bonds and  
30 refunding bonds issued by the authority shall contain a statement to  
31 that effect on their face.

32 f. The authority is authorized to engage, subject to the approval of  
33 the State Treasurer and in such manner as the State Treasurer shall  
34 determine, the services of bond counsel, financial advisors and experts,  
35 placement agents, underwriters, trustees, verification agents,  
36 remarketing agents, auction agents, broker-dealers, appraisers, and  
37 such other advisors, consultants and agents as may be necessary to  
38 effectuate the purposes of this act.

39 g. All bonds or refunding bonds issued by the authority pursuant  
40 to this act are deemed to be issued by a body corporate and politic of  
41 the State for an essential governmental purpose, and the interest  
42 thereon and the income derived from all funds, revenues, incomes and  
43 other moneys received for or to be received by the authority and  
44 pledged and available to pay or secure the payment of bonds or  
45 refunding bonds and the interest thereon, shall be exempt from all  
46 taxes levied pursuant to the provisions of Title 54 of the Revised



1 Statutes or Title 54A of the New Jersey Statutes, except for transfer  
2 inheritance and estate taxes levied pursuant to Subtitle 5 of Title 54 of  
3 the Revised Statutes.

4 h. The State hereby pledges and covenants with the holders of any  
5 bonds or refunding bonds issued pursuant to the provisions of this act,  
6 that it will not limit or alter the rights or powers vested in the  
7 authority by this act, nor limit or alter the rights or powers of the State  
8 Treasurer in any manner which would jeopardize the interest of the  
9 holders or any trustee of such holders, or inhibit or prevent  
10 performance or fulfillment by the authority or the State Treasurer with  
11 respect to the terms of any agreement made with the holders of these  
12 bonds or refunding bonds or agreements made pursuant to subsection  
13 c. of this section, except that the failure of the State Legislature to  
14 appropriate moneys for any purpose of this act shall not be deemed a  
15 violation of this section.

16 i. Notwithstanding any restriction contained in any other law, rule,  
17 regulation or order to the contrary, the State and all political  
18 subdivisions of this State, their officers, boards, commissioners,  
19 departments or other agencies, all banks, bankers, trust companies,  
20 savings banks and institutions, building and loan associations, saving  
21 and loan associations, investment companies and other persons  
22 carrying on a banking or investment business, all insurance companies,  
23 insurance associations and other persons carrying on an insurance  
24 business, and all executors, administrators, guardians, trustees and  
25 other fiduciaries, and all other persons whatsoever who now are or  
26 may hereafter be authorized to invest in bonds or other obligations of  
27 the State, may properly and legally invest any sinking funds, moneys  
28 or other funds, including capital, belonging to them or within their  
29 control, in any bonds or refunding bonds issued by the authority under  
30 the provisions of this act; and said bonds and refunding bonds are  
31 hereby made securities which may properly and legally be deposited  
32 with, and received by any State or municipal officers or agency of the  
33 State, for any purpose for which the deposit of bonds or other  
34 obligations of the State is now, or may hereafter be, authorized by law.

35  
36 5. There is hereby established in the Department of the Treasury a  
37 special nonlapsing fund to be known as the "Unsafe Driving  
38 Surcharges Fund" which, beginning July 1, 2006, shall be comprised  
39 of all unsafe driving surcharges and any interest or other income  
40 earned thereon. Moneys in the Unsafe Driving Surcharges Fund shall  
41 be managed and invested by the Division of Investment in the  
42 Department of the Treasury. All moneys in the Unsafe Driving  
43 Surcharges Fund shall be disbursed not less frequently than monthly  
44 by the State Treasurer, upon appropriation, to the Motor Vehicle  
45 Surcharges Revenue Fund until all bonds and refunding bonds issued  
46 or entered into pursuant to section 4 of this act and the costs thereof

1 have been paid in full.

2

3 6. a. There is created within the authority a special nonlapsing  
4 fund, to be known as the "Motor Vehicle Surcharges Revenue Fund."

5 The Motor Vehicle Surcharges Revenue Fund shall consist of:

6 (1) such moneys as may be appropriated to the Motor Vehicle  
7 Surcharges Revenue Fund by the Legislature and paid to the authority  
8 by the State Treasurer from Dedicated Motor Vehicle Surcharges  
9 Revenues;

10 (2) interest or other income derived from the investment of moneys  
11 in the Motor Vehicle Surcharges Revenue Fund; and

12 (3) any other moneys as may be deposited from time to time,  
13 except that such moneys shall not be appropriated from the General  
14 Fund.

15 b. In each State fiscal year during which the authority has  
16 outstanding bonds or refunding bonds which have been issued  
17 pursuant to this act, moneys in the Motor Vehicle Surcharges Revenue  
18 Fund may be used by the authority, in accordance with the provisions  
19 of any bond resolutions authorizing the issuance of bonds or refunding  
20 bonds pursuant to this act and any contract between the authority and  
21 the State Treasurer authorized and entered into pursuant to section 7  
22 of this act, to pay debt service payable on the authority's then  
23 outstanding bonds or refunding bonds issued pursuant to this act and  
24 any amounts due in connection with any agreements entered into  
25 pursuant to subsection c. of section 4 of this act due in such fiscal  
26 year, to replenish any reserve or other fund established for such bonds  
27 or refunding bonds issued in accordance with subsection a. of section  
28 4 of this act, and to pay any and all other additional amounts as shall  
29 be authorized by this act and required to be paid by the authority  
30 during such fiscal year, provided however, that the payment of all such  
31 amounts to the authority by the State Treasurer shall be subject to and  
32 dependent upon appropriations being made from time to time by the  
33 Legislature of the amounts thereof for the purposes of this act.  
34 Notwithstanding any other provision of any law, rule, regulation or  
35 order to the contrary, the authority shall be paid only such amounts as  
36 shall be required by the provisions of any contract between the  
37 authority and the State Treasurer authorized and entered into pursuant  
38 to section 7 of this act and the incurrence of any obligation of the  
39 State under any such contract, including any payments to be made  
40 thereunder, shall be subject to and dependent upon appropriations  
41 being made from time to time by the Legislature for the purposes of  
42 this act.

43 c. In each fiscal year beginning on or after July 1, 2006, all  
44 amounts on deposit in the Motor Vehicle Surcharges Revenue Fund in  
45 excess of the amount necessary to pay any amounts required to be paid  
46 by the authority pursuant to any bond resolutions authorizing the

1 issuance of bonds or refunding bonds pursuant to this act or pursuant  
2 to any contract between the authority and the State Treasurer  
3 authorized or entered into pursuant to section 7 of this act and payable  
4 during such fiscal year shall be transferred to the General Fund,  
5 provided that the first \$7,500,000 of such moneys so transferred in  
6 each fiscal year shall be remitted to the "Alcohol Treatment Programs  
7 Fund" created in section 2 of P.L.2001, c.48 (C.26:2B-9.2).

8  
9 7. The State Treasurer and the authority are authorized to enter  
10 into one or more contracts to implement the payment arrangement that  
11 is provided for in section 5 of this act. The contract or contracts shall  
12 provide for payment by the State Treasurer of the dedicated motor  
13 vehicle surcharge revenues and shall set forth the procedure for the  
14 transfer of moneys for the purpose of paying such amounts. The  
15 contract or contracts shall contain such terms and conditions as are  
16 determined by the authority and the State Treasurer, and shall include,  
17 but not be limited to, terms and conditions necessary and desirable to  
18 secure any bonds or refunding bonds of the authority issued under and  
19 pursuant to this act and the obligations of the authority under any  
20 agreement entered into pursuant to subsection c. of section 4 of this  
21 act; provided however, that notwithstanding any other provision of  
22 any law, rule, regulation or order to the contrary, the authority shall  
23 be paid only such amounts as shall be required by the provisions of any  
24 contract or contracts, and the incurrence of any obligation of the State  
25 under any such contract or contracts, including any payments to be  
26 made thereunder from the dedicated motor vehicle surcharge revenues,  
27 shall be subject to and dependent upon appropriations being made  
28 from time to time by the Legislature for the purposes of this act.

29  
30 8. Section 7 of P.L.1994, c.57 (C.34:1B-21.7) is amended to read  
31 as follows:

32 7. There is created within the authority a special nonlapsing fund,  
33 to be known as the "Market Transition Facility Revenue Fund." The  
34 Facility Revenue Fund shall consist of:

35 a. Such moneys as may be transferred to the Facility Revenue Fund  
36 by the State Treasurer, upon appropriation by the Legislature,  
37 pursuant to section 14 of [this act] P.L.1994, c.57 (C.34:1B-21.14);

38 b. Such moneys as may be appropriated to the Facility Revenue  
39 Fund by the Legislature from surcharges levied pursuant to the  
40 provisions of subsection b. of section 6 of P.L.1983, c.65  
41 (C.17:29A-35), except that any such moneys in excess of the amounts  
42 required to be used by the authority pursuant to any bond resolutions  
43 authorizing the issuance of Market Transition Facility bonds and notes,  
44 the authority's agreement with the State Treasurer authorized by  
45 section 13 of [this act] P.L.1994, c.57 (C.34:1B-21.13) and any bond  
46 resolutions authorizing the issuance of Motor Vehicle Commission

1 bonds and notes shall be at least annually remitted

2 (1) in each fiscal year commencing prior to July 1, 2006, to the  
3 General Fund provided that the first \$7,500,000 of such moneys so  
4 transferred in each such fiscal year shall be remitted to the "Alcohol  
5 Treatment Programs Fund" created in section 2 of P.L.2001, c.48  
6 (C.26:2B-9.2); and

7 (2) in each fiscal year commencing on or after July 1, 2006, to the  
8 Motor Vehicle Surcharges Revenue Fund established pursuant to  
9 section 6 of the "Motor Vehicle Surcharges Securitization Act of  
10 2004," P.L.2004, c. (C. ) (now pending before the Legislature  
11 as this bill), to be applied as set forth therein, until such time as all  
12 bonds, notes and other obligations issued or entered into pursuant to  
13 section 4 of P.L.2004, c. (C. ) (now pending before the  
14 Legislature as this bill) and the costs thereof are discharged and no  
15 longer outstanding;

16 c. Interest or other income derived from the investment of moneys  
17 in the Facility Revenue Fund; and

18 d. Any other moneys as may be deposited from time to time,  
19 except that such moneys shall not be appropriated from the General  
20 Fund.

21 Moneys in the Facility Revenue Fund shall be managed and invested  
22 by the Division of Investment in the Department of the Treasury.  
23 (cf: P.L.2003, c.13, s.114)

24

25 9. Section 12 of P.L.1994, c.57 (C.34:1B-21.12) is amended to  
26 read as follows:

27 12. There is created within the Department of the Treasury a  
28 special nonlapsing fund to be known as the "Division of Motor  
29 Vehicles Surcharge Fund," which, beginning September 1, 1996 or  
30 earlier as provided pursuant to this section, shall be comprised of  
31 moneys transferred to the DMV Surcharge Fund from the Market  
32 Transition Facility which, notwithstanding the provisions of this  
33 section to the contrary, may be appropriated, immediately upon receipt  
34 from the Market Transition Facility, by the Legislature to the Facility  
35 Revenue Fund and all moneys collected pursuant to subsection b. of  
36 section 6 of P.L.1983, c.65 (C.17:29A-35) and any interest or other  
37 income earned thereon. Moneys in the DMV Surcharge Fund shall be  
38 managed and invested by the Division of Investment in the Department  
39 of the Treasury. Commencing September 1, 1996, or at such earlier  
40 time as may be certified by the commissioner that moneys on deposit  
41 in the New Jersey Automobile Insurance Guaranty Fund created  
42 pursuant to section 23 of P.L.1990, c.8 (C.17:33B-5) are sufficient to  
43 satisfy the current and anticipated financial obligations of the New  
44 Jersey Automobile Full Insurance Underwriting Association, the  
45 moneys in the DMV Surcharge Fund shall be disbursed from time to  
46 time by the State Treasurer, upon appropriation by the Legislature, to

1 the Market Transition Facility Revenue Fund, for payment of principal,  
2 interest and premium on the Market Transition Facility bonds or notes  
3 and New Jersey Motor Vehicle Commission bonds or notes issued by  
4 the authority pursuant to section 4 of P.L.1994, c.57 (C.34:1B-21.4).  
5 [From the amounts remaining in the fund after these payments are  
6 fully defrayed, there shall be remitted to the fund created in section 2  
7 of P.L.2001, c.48 (C.26:2B-9.2), \$ 1.5 million in Fiscal Year 2002, \$  
8 3 million in Fiscal Year 2003, \$ 4.5 million in Fiscal Year 2004, \$ 6  
9 million in Fiscal Year 2005, and \$ 7.5 million in Fiscal Year 2006 and  
10 each fiscal year thereafter.] From and after such time as all Market  
11 Transition Facility bonds, notes and obligations and all New Jersey  
12 Motor Vehicle Commission bonds, notes and obligations issued  
13 pursuant to section 4 of P.L.1994, c.57 (C.34:1B-21.4) and the costs  
14 thereof are discharged and no longer outstanding, all amounts on  
15 deposit in the DMV Surcharge Fund shall be disbursed from time to  
16 time by the State Treasurer, upon appropriation by the Legislature, to  
17 the Motor Vehicle Surcharges Revenue Fund established pursuant to  
18 section 6 of the "Motor Vehicle Surcharges Securitization Act of  
19 2004," P.L.2004, c. (C. ) (now pending before the Legislature as  
20 this bill) to be applied as set forth in section 6 of P.L.2004, c. \_\_\_\_\_  
21 (C. ) (now pending before the Legislature as this bill) until such  
22 time as all bonds (including refunding bonds), notes and other  
23 obligations issued or entered into pursuant to section 4 of P.L.2004,  
24 c. (C. ) (now pending before the Legislature as this bill) and the  
25 costs thereof are discharged and no longer outstanding.  
26 (cf: P.L.2003, c.13, s.118)

27

28 10. Section 6 of P.L.1983, c.65 (C.17:29A-35) is amended to read  
29 as follows:

30 6. a. (Deleted by amendment, P.L.1997, c.151.)

31 b. There is created a New Jersey Merit Rating Plan which shall  
32 apply to all drivers and shall include, but not be limited to, the  
33 following provisions

34 (1) (a) Plan surcharges shall be levied, beginning on or after  
35 January 1, 1984, by the New Jersey Motor Vehicle Commission  
36 (hereafter the "commission") established by section 4 of P.L.2003,  
37 c.13 (C.39:2A-4) on any driver who, in the preceding 36-month  
38 period, has accumulated six or more motor vehicle points, as provided  
39 in Title 39 of the Revised Statutes; except that the allowance for a  
40 reduction of points in Title 39 of the Revised Statutes shall not apply  
41 for the purpose of determining surcharges under this paragraph. The  
42 accumulation of points shall be calculated as of the date the point  
43 violation is posted to the driver history record and shall be levied  
44 pursuant to rules promulgated by the commission. Surcharges  
45 assessed pursuant to this paragraph shall be ~~[\$100.00]~~ \$150.00 for six  
46 points, and \$25.00 for each additional point. No offense shall be

1 selected for billing which occurred prior to February 10, 1983. No  
2 offense shall be considered for billing in more than three annual  
3 assessments.

4 (b) (Deleted by amendment, P.L.1984, c.1.)

5 (2) (a) Plan surcharges shall be levied pursuant to subsection f. of  
6 section 1 of P.L.2000, c.75 (C.39:4-97.2) for each offense of unsafe  
7 driving under subsection a. of that section.

8 (b) Plan surcharges shall be levied for convictions [(a)] (i) under  
9 R.S.39:4-50 for violations occurring on or after February 10, 1983,  
10 and [(b)] (ii) under section 2 of P.L.1981, c.512 (C.39:4-50.4a), or  
11 for offenses committed in other jurisdictions of a substantially similar  
12 nature to those under R.S.39:4-50 or section 2 of P.L.1981, c.512  
13 (C.39:4-50.4a), for violations occurring on or after January 26, 1984.  
14 Except as hereinafter provided, surcharges under this [paragraph]  
15 subparagraph (b) shall be levied annually for a three-year period, and  
16 shall be \$1,000.00 per year for each of the first two convictions, for  
17 a total surcharge of \$3,000 for each conviction, and \$1,500.00 per  
18 year for the third conviction occurring within a three-year period, for  
19 a total surcharge of \$4,500 for the third conviction. If a driver is  
20 convicted under both R.S.39:4-50 and section 2 of P.L.1981, c.512  
21 (C.39:4-50.4a) for offenses arising out of the same incident, the driver  
22 shall be assessed only one surcharge for the two offenses.

23 If, upon written notification from the commission or its designee,  
24 mailed to the last address of record with the commission, a driver fails  
25 to pay a surcharge levied under subparagraph (b) of paragraph (2) this  
26 subsection b., the driving privilege of the driver shall be suspended  
27 forthwith until the minimum payment requirement as set forth by rule  
28 by the commission is paid to the commission; except that the  
29 commission may authorize payment of the surcharge on an installment  
30 basis over a period not to exceed 12 months for assessments under  
31 \$2,300 or 24 months for assessments of \$2,300 or more. If a driver  
32 fails to pay the surcharge or any installments on the surcharge, the  
33 total surcharge shall become due immediately, except as otherwise  
34 prescribed by rule of the commission.

35 The commission may authorize any person to pay the surcharge  
36 levied under this section and collectible by the commission by use of  
37 a credit card, debit card or other electronic payment device, and the  
38 administrator is authorized to require the person to pay all costs  
39 incurred by the commission in connection with the acceptance of the  
40 credit card, debit card or other electronic payment device. If a  
41 surcharge or related administrative fee is paid by credit or debit cards  
42 or any other electronic payment device and the amount is subsequently  
43 reversed by the credit card company or bank, the driving privilege of  
44 the surcharged driver shall be suspended and the driver shall be subject  
45 to the fee imposed for dishonored checks pursuant to section 31 of  
46 P.L.1994, c.60 (C.39:5-36.1).

1 In addition to any other remedy provided by law, the commission  
2 is authorized to utilize the provisions of the SOIL (Set off of  
3 Individual Liability) program established pursuant to P.L.1981, c.239  
4 (C.54A:9-8.1 et seq.) to collect any surcharge levied under this section  
5 that and collectible by the commission is unpaid on or after the  
6 effective date of this act. As an additional remedy, the commission  
7 may issue a certificate to the Clerk of the Superior Court stating that  
8 the person identified in the certificate is indebted under this surcharge  
9 law in such amount as shall be stated in the certificate. The certificate  
10 shall reference the statute under which the indebtedness arises.  
11 Thereupon the clerk to whom such certificate shall have been issued  
12 shall immediately enter upon the record of docketed judgments the  
13 name of such person as debtor; the State as creditor; the address of  
14 such person, if shown in the certificate; the amount of the debt so  
15 certified; a reference to the statute under which the surcharge is  
16 assessed, and the date of making such entries. The docketing of the  
17 entries shall have the same force and effect as a civil judgment  
18 docketed in the Superior Court, and the commission shall have all the  
19 remedies and may take all of the proceedings for the collection thereof  
20 which may be had or taken upon the recovery of a judgment in an  
21 action, but without prejudice to any right of appeal. Upon entry by the  
22 clerk of the certificate in the record of docketed judgments in  
23 accordance with this provision, interest in the amount specified by the  
24 court rules for post-judgment interest shall accrue from the date of the  
25 docketing of the certificate, however payment of the interest may be  
26 waived by the commission or its designee. In the event that the  
27 surcharge remains unpaid following the issuance of the certificate of  
28 debt and the commission takes any further collection action including  
29 referral of the matter to the Attorney General or his designee, the fee  
30 imposed, in lieu of the actual cost of collection, may be 20 percent of  
31 surcharges of \$1,000 or more. The administrator or his designee may  
32 establish a sliding scale, not to exceed a maximum amount of \$200, for  
33 surcharge principal amounts of less than \$1,000 at the time the  
34 certificate of debt is forwarded to the Superior Court for filing. The  
35 commission shall provide written notification to a driver of the  
36 proposed filing of the certificate of debt at least 10 days prior to the  
37 proposed filing; such notice shall be mailed to the driver's last address  
38 of record with the commission. If a certificate of debt is satisfied  
39 following a credit card payment, debit card payment or payment by  
40 other electronic payment device and that payment is reversed, a new  
41 certificate of debt shall be filed against the surcharged driver unless the  
42 original is reinstated.

43 If the administrator or his designee approves a special payment plan  
44 for repayment of the certificate of debt, and the driver is complying  
45 with the approved plan, the plan may be continued for any new  
46 surcharge not part of the certificate of debt.

1 All moneys collectible by the commission under subparagraph (b)  
2 of paragraph (2) of this subsection b. shall be billed and collected by  
3 the commission except as provided in P.L.1997, c.280 (C.2B:19-10 et  
4 al.) for the collection of unpaid surcharges. Commencing on  
5 September 1, 1996, or such earlier time as the Commissioner of  
6 Banking and Insurance shall certify to the State Treasurer that  
7 amounts on deposit in the New Jersey Automobile Insurance Guaranty  
8 Fund are sufficient to satisfy the current and anticipated financial  
9 obligations of the New Jersey Automobile Full Insurance Underwriting  
10 Association, all plan surcharges collected by the commission under  
11 subparagraph (b) of paragraph (2) of this subsection b. shall be  
12 remitted to the Division of Motor Vehicles Surcharge Fund:

13 (i) for transfer to the Market Transition Facility Revenue Fund, as  
14 provided in section 12 of P.L.1994, c.57 (C.34:1B-21.12), for the  
15 purposes of section 4 of P.L.1994, c.57 (C.34:1B-21.4) until such a  
16 time as all the Market Transition Facility bonds, notes and obligations  
17 and all Motor Vehicle Commission bonds, notes and obligations issued  
18 pursuant to that section 4 of P.L.1994, c.57 (C.34:1B-21.4) and the  
19 costs thereof are discharged and no longer outstanding[. From]; and

20 (ii) from and after the date of certification by the Commissioner of  
21 Banking and Insurance that the moneys collectible under subparagraph  
22 (b) of paragraph (2) of this subsection b. are no longer needed to fund  
23 the association or at such [a] time as all Market Transition Facility  
24 bonds, notes and obligations and all Motor Vehicle Commission  
25 bonds, notes and obligations issued pursuant to section 4 of P.L.1994,  
26 c.57 (C.34:1B-21.4) and the costs thereof are discharged and no  
27 longer outstanding [moneys collectible under this subsection], for  
28 transfer to the Motor Vehicle Surcharges Revenue Fund established  
29 pursuant to section 6 of the "Motor Vehicle Surcharges Securitization  
30 Act of 2004," P.L.2004, c. (C. ) (now pending before the  
31 Legislature as this bill) to be applied as set forth in section 6 that act.  
32 From and after such time as all bonds issued under section 4 of the  
33 "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004,  
34 c. (C. ) (now pending before the Legislature as this bill) and the  
35 costs thereof are discharged and no longer outstanding, all plan  
36 surcharges collected by the commission under subparagraph (b) of  
37 paragraph (2) of this subsection b. shall, subject to appropriation, be  
38 remitted to the New Jersey Property-Liability Insurance Guaranty  
39 Association created pursuant to section 6 of P.L.1974, c.17  
40 (C.17:30A-6) to be used for payment of any loans made by that  
41 association to the New Jersey Automobile Insurance Guaranty Fund  
42 pursuant to paragraph (10) of subsection a. of section 8 of P.L.1974,  
43 c.17 (C.17:30A-8); provided that all such payments shall be subject to  
44 and dependent upon appropriation by the State Legislature.

45 All surcharges collected by the courts as plan surcharges pursuant  
46 to subparagraph (a) of paragraph (2) of this subsection b. shall be



1 forwarded not less frequently than monthly to the Division of  
2 Revenue. The Division of Revenue shall transfer: all such surcharges  
3 received prior to July 1, 2006, to the General Fund, and commencing  
4 July 1, 2006, all such surcharges to the Unsafe Driving Surcharge  
5 Revenue Fund established pursuant to section 5 of the "Motor Vehicle  
6 Surcharges Securitization Act of 2004," P.L.2004, c. (C. ) (now  
7 pending before the Legislature as this bill) to be applied as set forth in  
8 section 5 of that act. From and after such time as all bonds (including  
9 refunding bonds), notes and other obligations issued under section 4  
10 of the "Motor Vehicle Surcharges Securitization Act of 2004,"  
11 P.L.2004, c. (C. ) (now pending before the Legislature as this  
12 bill), and the costs thereof are discharged and no longer outstanding,  
13 all such plan surcharges collected by the courts pursuant to  
14 subparagraph (a) of paragraph (2) of this subsection b. and forwarded  
15 to the Division of Revenue shall be transferred to the General Fund.

16 Upon request, the Administrative Office of the Courts shall provide  
17 a monthly report to the Division of Revenue containing information on  
18 the number of convictions for the offense of unsafe driving pursuant  
19 to section 1 of P.L.2000, c.75 (C.39:4-97.2) that were entered during  
20 such month, the amount of the surcharges that were assessed by the  
21 courts pursuant to subsection f. of section 1 of P.L.2000, c.75  
22 (C.39:4-97.2) for such month, and the amount of the surcharges  
23 collected by the courts pursuant to subsection f. section 1 of P.L.2000,  
24 c.75 (C.39:4-97.2) during such month.

25 (3) In addition to any other authority provided in P.L.1983, c.65  
26 (C.17:29A-33 et al.), the commissioner, after consultation with the  
27 commission, is specifically authorized (a) (Deleted by amendment,  
28 P.L.1994, c.64), (b) to impose, in accordance with subparagraph (a)  
29 of paragraph (1) [(a)] of this subsection b., surcharges for motor  
30 vehicle violations or convictions for which motor vehicle points are  
31 not assessed under Title 39 of the Revised Statutes, or (c) to reduce  
32 the number of points for which surcharges may be assessed below the  
33 level provided in subparagraph (a) of paragraph (1) [(a)] of this  
34 subsection b., except that the dollar amount of all surcharges levied  
35 under the New Jersey Merit Rating Plan shall be uniform on a  
36 Statewide basis for each filer, without regard to classification or  
37 territory. Surcharges adopted by the commissioner on or after January  
38 1, 1984 for motor vehicle violations or convictions for which motor  
39 vehicle points are not assessable under Title 39 of the Revised Statutes  
40 shall not be retroactively applied but shall take effect on the date of  
41 the New Jersey Register in which notice of adoption appears or the  
42 effective date set forth in that notice, whichever is later.

43 c. No motor vehicle violation surcharges shall be levied on an  
44 automobile insurance policy issued or renewed on or after January 1,  
45 1984, except in accordance with the New Jersey Merit Rating Plan,  
46 and all surcharges levied thereunder shall be assessed, collected and

1 distributed in accordance with subsection b. of this section.

2 d. (Deleted by amendment, P.L.1990, c.8.)

3 e. The Commissioner of Banking and Insurance and the commission  
4 as may be appropriate, shall adopt any rules and regulations necessary  
5 or appropriate to effectuate the purposes of this section.

6 (cf: P.L.2003, c.13, s.31)

7

8 11. There is hereby created in the Department of the Treasury a  
9 separate nonlapsing fund to be known as the Motor Vehicle  
10 Surcharges Securitization Fund. Revenue derived from bonds issued  
11 under the "Motor Vehicle Surcharges Securitization Act of 2004,"  
12 P.L.2004, c. (C. ) (now pending before the Legislature as this  
13 bill) may be deposited into the Motor Vehicle Surcharge Securitization  
14 Fund and balances therein may be transferred to the General Fund.

15

16 12. The provisions of this act shall be severable, and if any of the  
17 provisions hereof shall be held to be unconstitutional or otherwise  
18 invalid, such decision shall not affect the validity of any of the  
19 remaining provisions of this act.

20

21 13. This act shall take effect immediately.

22

23

24

#### STATEMENT

25

26 This bill increases the existing motor vehicle insurance surcharge  
27 imposed upon drivers who have accumulated six or more motor  
28 vehicle penalty points in the preceding 36 month period from \$100 to  
29 \$150. Each additional point is assessed \$25 as under current law.

30 The bill also authorizes the New Jersey Economic Development  
31 Authority to issue bonds, notes, and other obligations payable  
32 primarily from collections on or after July 1, 2006 of the new  
33 surcharge for unsafe driving, created pursuant to separate legislation  
34 amending P.L.2000, c.75 (C.39:4-97.2) to establish a new surcharge  
35 of \$250.00 for each conviction for unsafe driving. The proceeds of  
36 these bonds, notes, and other obligations are to be made available to  
37 the State Treasurer for any State fiscal year beginning on or after July  
38 1, 2004, to the extent anticipated as revenues in such fiscal year, to be  
39 used for any lawful purpose of the State. Existing plan surcharges are  
40 presently pledged, and the increased point surcharges described above  
41 will be pledged, to pay debt service on the authority's outstanding  
42 Market Transition Facility Bonds and Motor Vehicle Commission  
43 Bonds. Any excess existing plan surcharges (including the increased  
44 point surcharges described above) collected from and after July 1,  
45 2006 will also be pledged to secure the bonds authorized by this bill.

46 All surcharges, existing and new, that are collected in each fiscal

**A3109 COHEN**

17

1 year in excess of the amounts required to pay the outstanding Market  
2 Transition Facility Bonds and Motor Vehicle Commission Bonds of  
3 the authority and the bonds authorized by this bill will be returned to  
4 the General Fund of the State. All payments on the bonds authorized  
5 by this bill are subject to appropriations being made from time to time  
6 by the State Legislature, and no such payments may be made from the  
7 State's General Fund.

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 3109

# STATE OF NEW JERSEY

DATED: JUNE 22, 2004

The Assembly Budget Committee reports favorably Assembly Bill No. 3109.

Assembly Bill No. 3109 increases the existing motor vehicle insurance surcharge imposed upon drivers who have accumulated six or more motor vehicle penalty points in the preceding 36 month period from \$100 to \$150. Each additional point is assessed \$25 as under current law.

The bill also authorizes the New Jersey Economic Development Authority to issue bonds, notes, and other obligations payable primarily from collections on or after July 1, 2006 of the new surcharge for unsafe driving, created pursuant to separate legislation amending P.L.2000, c.75 (C.39:4-97.2) to establish a new surcharge of \$250.00 for each conviction for unsafe driving. The proceeds of these bonds, notes, and other obligations are to be made available to the State Treasurer for any State fiscal year beginning on or after July 1, 2004, to the extent anticipated as revenues in such fiscal year, to be used for any lawful purpose of the State. Existing plan surcharges are presently pledged, and the increased point surcharges described above will be pledged, to pay debt service on the authority's outstanding Market Transition Facility Bonds and Motor Vehicle Commission Bonds. Any excess existing plan surcharges (including the increased point surcharges described above) collected from and after July 1, 2006 will also be pledged to secure the bonds authorized by this bill.

All surcharges, existing and new, that are collected in each fiscal year in excess of the amounts required to pay the outstanding Market Transition Facility Bonds and Motor Vehicle Commission Bonds of the authority and the bonds authorized by this bill will be returned to the General Fund of the State. All payments on the bonds authorized by this bill are subject to appropriations being made from time to time by the State Legislature, and no such payments may be made from the State's General Fund.

#### FISCAL IMPACT

It is estimated that the securitization program authorized under this bill, in conjunction with the securitization of increased revenue from the cigarette excise tax under separate legislation, will provide approximately \$1.926 billion in funding to support the proposed FY2004-05 annual appropriations act.

**SENATE, No. 1780**

**STATE OF NEW JERSEY**  
**211th LEGISLATURE**

INTRODUCED JUNE 21, 2004

**Sponsored by:**  
**Senator JOSEPH V. DORIA, JR.**  
**District 31 (Hudson)**

**SYNOPSIS**

The "Motor Vehicle Surcharges Securitization Act of 2004."

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/22/2004)**

S1780 DORIA

2

1 AN ACT authorizing the issuance of motor vehicle surcharges  
2 securitization bonds, notes or other obligations by the New Jersey  
3 Economic Development Authority for the purposes of providing  
4 revenue to meet appropriations in any State fiscal year commencing  
5 on or after July 1, 2004, providing a source of payment and security  
6 for such bonds, notes or other obligations, supplementing P.L.1974,  
7 c.80 (C.34:1B-1 et seq.) and amending P.L.1994, c.57 and  
8 P.L.1983, c.65.

9  
10 **BE IT ENACTED** by the Senate and General Assembly of the State  
11 of New Jersey:

12  
13 1. (New section) This act shall be known and may be cited as the  
14 "Motor Vehicle Surcharges Securitization Act of 2004."

15  
16 2. (New section) The following words or terms as used in this act  
17 shall have the following meanings unless a different meaning clearly  
18 appears from the context:

19 "Authority" means the New Jersey Economic Development  
20 Authority created pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.);

21 "Bonds" means any bonds, notes or other obligations issued or  
22 entered into by the authority pursuant to this act;

23 "Dedicated Motor Vehicle Surcharge Revenues" means:

24 a. on and after July 1, 2006, moneys required to be transferred to  
25 the Motor Vehicle Surcharges Revenue Fund from the Facility  
26 Revenue Fund pursuant to subsection b. of section 7 of P.L.1994, c.57  
27 (C.34:1B-21.7),

28 b. on and after July 1, 2006, all Unsafe Driving Surcharges  
29 required to be transferred to the Motor Vehicle Surcharges Revenue  
30 Fund from the Unsafe Driving Surcharges Fund pursuant to section 5  
31 of this act, and

32 c. after such time as all Market Transition Facility bonds, notes and  
33 obligations and all New Jersey Motor Vehicle Commission bonds,  
34 notes and obligations issued pursuant to section 4 of P.L.1994, c.57  
35 (C.34:1B-21.4), and the costs thereof are discharged and no longer  
36 outstanding, all other plan surcharges collected by the commission  
37 pursuant to subsection b. of section 6 of P.L.1983, c. 65  
38 (C.17:29A-35) and required to be transferred to the Motor Vehicle  
39 Surcharges Revenue Fund from the DMV Surcharge Fund pursuant to  
40 section 12 of P.L.1994, c.57 (C.34:1B-21.12);

41 "Division of Motor Vehicles Surcharge Fund" or "DMV Surcharge  
42 Fund" means the fund created pursuant to section 12 of P.L.1994, c.57  
43 (C.34:1B-21.12);

**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 underlined thus is new matter.**

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1 "Market Transition Facility Revenue Fund" or "Facility Revenue  
2 Fund" means the fund created pursuant to section 7 of P.L.1994, c.57  
3 (C.34:1B-21.7);

4 "Motor Vehicle Surcharges Revenue Fund" means the fund within  
5 the authority created and established pursuant to section 6 of this act;

6 "Motor Vehicle Surcharges Securitization Proceeds Fund" means  
7 the fund created and established pursuant to section 3 of this act;

8 "Refunding Bonds" means any bonds, notes or other obligations  
9 issued by the authority to refinance bonds, notes or other obligations  
10 previously issued by the authority pursuant to this act;

11 "Unsafe Driving Surcharges Fund" means the fund within the  
12 Department of the Treasury created and established pursuant to  
13 section 5 of this act; and

14 "Unsafe Driving Surcharges" means the revenues received by the  
15 State resulting from the plan surcharges established as such pursuant  
16 to subparagraph (a) of paragraph (2) of subsection b. of section 6 of  
17 P.L.1983, c.65 (C.17:29A-35) and assessed and collected pursuant to  
18 subsection f. of section 1 of P.L.2000, c.75 (C.39:4-97.2) for  
19 convictions for unsafe driving pursuant to that section.  
20

21 3. (New section) a. The authority shall establish and maintain a  
22 special nonlapsing fund to be known as the "Motor Vehicle Surcharges  
23 Securitization Proceeds Fund" into which shall be deposited the  
24 following moneys:

25 (1) the proceeds from the sale of all bonds (other than refunding  
26 bonds) issued by the authority pursuant to this act which are remaining  
27 after any required deposit to any reserve or other fund established for  
28 such bonds or refunding bonds in accordance with subsection a. of  
29 section 4 of this act and after the payment of all costs, fees and other  
30 expenses related to, or incurred by the authority or the State in  
31 connection with, the issuance of such bonds or refunding bonds;

32 (2) any amounts which shall be appropriated by the State  
33 Legislature for the purposes of such fund; and

34 (3) any other amounts or funds which the authority shall determine  
35 to deposit into such fund. Moneys on deposit in the Motor Vehicle  
36 Surcharges Securitization Proceeds Fund shall be invested in such  
37 obligations as the authority may determine or as shall otherwise be  
38 provided in any contract between the authority and the State Treasurer  
39 authorized and entered into pursuant to section 7 of this act, and  
40 interest or other earnings on any such investments shall be credited to  
41 such fund.

42 b. Amounts on deposit in the Motor Vehicle Surcharges  
43 Securitization Proceeds Fund shall be withdrawn by the authority from  
44 time to time, upon written request of the State Treasurer or as  
45 otherwise provided in any contract between the authority and the State  
46 Treasurer authorized and entered into pursuant to section 7 of this act,

1 and paid to the State Treasurer for deposit either into the General  
2 Fund of the State or into the Motor Vehicle Surcharges Securitization  
3 Fund, as determined by the State Treasurer, and used for any lawful  
4 purpose of the State for which moneys on deposit in the General Fund  
5 may be used. All amounts withdrawn from the Motor Vehicle  
6 Surcharges Securitization Proceeds Fund and deposited into the  
7 General Fund of the State as provided in this paragraph shall represent  
8 financial resources and revenues of the State upon deposit into the  
9 General Fund. Notwithstanding any provision of this subparagraph to  
10 the contrary, the State Treasurer shall not request the authority to pay,  
11 and the authority shall not pay, to the State Treasurer during any State  
12 fiscal year for deposit into the General Fund of the State, amounts on  
13 deposit in the Motor Vehicle Surcharges Securitization Proceeds Fund  
14 which are in excess of the amounts anticipated as revenues from that  
15 fund as certified by the Governor pursuant to Article VIII, Section II,  
16 paragraph 2 of the State Constitution for the State annual  
17 appropriation act for such State fiscal year, and as may be applicable  
18 for such annual appropriation act as may be amended and  
19 supplemented from time to time.

20

21 4. Notwithstanding the provisions of any law, rule, regulation or  
22 order to the contrary:

23 a. The authority shall have the power, pursuant to and in  
24 accordance with the provisions of this act and P.L.1974, c.80  
25 (C.34:1B-1 et seq.), to issue bonds and refunding bonds, incur  
26 indebtedness and borrow money secured, in whole or in part, by  
27 money received pursuant to this act for the purpose of providing  
28 funds:

29 (1) for deposit into the Motor Vehicle Surcharges Securitization  
30 Proceeds Fund;

31 (2) in the case of refunding bonds, to apply to the refunding,  
32 purchase or payment of any bonds issued pursuant to this act;

33 (3) to fund any capitalized interest on such bonds or refunding  
34 bonds;

35 (4) to fund any reserve or other fund as may be established by the  
36 authority for such bonds or refunding bonds and to further secure such  
37 bonds and refunding bonds as may be determined by the authority; and

38 (5) to pay all costs, fees and other expenses related to, or incurred  
39 by the authority or the State in connection with, the issuance of such  
40 bonds or refunding bonds.

41 b. The authority may, in any resolution authorizing the issuance of  
42 bonds or refunding bonds issued by the authority pursuant to this act,  
43 or the execution and delivery of any agreement authorized pursuant to  
44 subsection c. of this section, pledge the amounts from time to time on  
45 deposit in the Motor Vehicle Surcharges Revenue Fund and any  
46 contract entered into with the State Treasurer pursuant to section 7 of



1 this act, or any part thereof, to secure the payment, purchase or  
2 redemption of the bonds or refunding bonds issued pursuant to this act  
3 or any obligations of the authority under any agreement entered into  
4 pursuant to subsection c. of this section, and covenant as to the use  
5 and disposition of money on deposit in the Motor Vehicle Surcharges  
6 Revenue Fund for payments of bonds and refunding bonds. All costs,  
7 fees and other expenses related to, or incurred by the authority or the  
8 State in connection with, the issuance of bonds or refunding bonds by  
9 the authority for the purposes set forth in this act may be paid by the  
10 authority from amounts it receives from the proceeds of the bonds or  
11 refunding bonds and from amounts it receives pursuant to sections 5  
12 and 7 of this act, section 7 of P.L.1994, c.57 (C.34:1B-21.7) and  
13 section 12 of P.L.1994, c.57 (C.34:1B-21.12), which costs, fees and  
14 other expenses may include, but are not limited to, any initial or annual  
15 administrative costs and fees of the authority attributable to any bonds  
16 or refunding bonds issued pursuant to this act, all legal, accounting,  
17 trustee or other professional fees, costs and expenses, all other costs,  
18 fees and expenses (including, but not limited to, termination payments)  
19 attributable to any agreement, contract or other commitment described  
20 in subsection c. of this section and any required rebate or other  
21 payment to the United States of America. The bonds or refunding  
22 bonds shall be authorized by resolution adopted by the authority,  
23 which shall stipulate the manner of execution and form of the bonds,  
24 whether the bonds or refunding bonds are to be issued in one or more  
25 series, the date or dates of issue, time or times of maturity, which shall  
26 not exceed 40 years, the rate or rates of interest payable on the bonds,  
27 which may be at fixed rates or variable rates, and which interest may  
28 be current interest or may accrue, the denomination or denominations  
29 in which the bonds are issued, conversion or registration privileges,  
30 the sources and medium of payment and place or places of payment,  
31 terms of redemption, privileges of exchangeability or  
32 interchangeability, and entitlement to priorities of payment or security  
33 in the amounts to be received by the authority pursuant to sections 5  
34 and 6 of this act. The bonds may be sold at a public or private sale at  
35 a price or prices determined by the authority. The authority is  
36 authorized to enter into any agreements necessary or desirable to  
37 effectuate the purposes of this section, including agreements to sell  
38 bonds or refunding bonds to any person and to comply with the laws  
39 of any jurisdiction relating thereto.

40 c. In connection with any bonds or refunding bonds issued or to be  
41 issued pursuant to this act, the authority may also enter into any  
42 revolving credit agreement, agreement establishing a line of credit or  
43 letter of credit, reimbursement agreement, interest rate exchange  
44 agreement, currency exchange agreement, interest rate floor or cap,  
45 options, puts or calls to hedge payment, currency, rate, spread or  
46 similar exposure, or similar agreements, float agreements, forward

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1 agreements, insurance contract, surety bond, commitment to purchase  
2 or sell bonds, purchase or sale agreement, or commitments or other  
3 contracts or agreements and other security agreements approved by  
4 the authority.

5 d. No resolution adopted by the authority authorizing the issuance  
6 of bonds or refunding bonds pursuant to this act shall be adopted or  
7 otherwise made effective without the approval in writing of the State  
8 Treasurer. Except as provided by subsection i. of section 4 of  
9 P.L.1974, c.80 (C.34:1B-4), bonds or refunding bonds may be issued  
10 without obtaining the consent of any department, division,  
11 commission, board, bureau or agency of the State, other than the  
12 approval as required by this subsection, and without any other  
13 proceedings or the occurrence of any other conditions or other things  
14 other than those proceedings, conditions or things which are  
15 specifically required by this act.

16 e. Bonds and refunding bonds issued by the authority pursuant to  
17 this act shall be special and limited obligations of the authority payable  
18 from, and secured by, such funds and moneys determined by the  
19 authority in accordance with this section. Neither the members of the  
20 authority nor any other person executing the bonds or refunding bonds  
21 shall be personally liable with respect to payment of interest and  
22 principal on these bonds or refunding bonds. Bonds or refunding  
23 bonds issued pursuant to the provisions of this act shall not be a debt  
24 or liability of the State or any agency or instrumentality thereof, other  
25 than a special and limited obligation of the authority, either legal,  
26 moral or otherwise, and nothing contained in this act shall be  
27 construed to authorize the authority to incur any indebtedness on  
28 behalf of or in any way to obligate the State or any political  
29 subdivision thereof, other than the authority, and all bonds and  
30 refunding bonds issued by the authority shall contain a statement to  
31 that effect on their face.

32 f. The authority is authorized to engage, subject to the approval of  
33 the State Treasurer and in such manner as the State Treasurer shall  
34 determine, the services of bond counsel, financial advisors and experts,  
35 placement agents, underwriters, trustees, verification agents,  
36 remarketing agents, auction agents, broker-dealers, appraisers, and  
37 such other advisors, consultants and agents as may be necessary to  
38 effectuate the purposes of this act.

39 g. All bonds or refunding bonds issued by the authority pursuant  
40 to this act are deemed to be issued by a body corporate and politic of  
41 the State for an essential governmental purpose, and the interest  
42 thereon and the income derived from all funds, revenues, incomes and  
43 other moneys received for or to be received by the authority and  
44 pledged and available to pay or secure the payment of bonds or  
45 refunding bonds and the interest thereon, shall be exempt from all  
46 taxes levied pursuant to the provisions of Title 54 of the Revised

1 Statutes or Title 54A of the New Jersey Statutes, except for transfer  
2 inheritance and estate taxes levied pursuant to Subtitle 5 of Title 54 of  
3 the Revised Statutes.

4 h. The State hereby pledges and covenants with the holders of any  
5 bonds or refunding bonds issued pursuant to the provisions of this act,  
6 that it will not limit or alter the rights or powers vested in the  
7 authority by this act, nor limit or alter the rights or powers of the State  
8 Treasurer in any manner which would jeopardize the interest of the  
9 holders or any trustee of such holders, or inhibit or prevent  
10 performance or fulfillment by the authority or the State Treasurer with  
11 respect to the terms of any agreement made with the holders of these  
12 bonds or refunding bonds or agreements made pursuant to subsection  
13 c. of this section, except that the failure of the State Legislature to  
14 appropriate moneys for any purpose of this act shall not be deemed a  
15 violation of this section.

16 i. Notwithstanding any restriction contained in any other law, rule,  
17 regulation or order to the contrary, the State and all political  
18 subdivisions of this State, their officers, boards, commissioners,  
19 departments or other agencies, all banks, bankers, trust companies,  
20 savings banks and institutions, building and loan associations, saving  
21 and loan associations, investment companies and other persons  
22 carrying on a banking or investment business, all insurance companies,  
23 insurance associations and other persons carrying on an insurance  
24 business, and all executors, administrators, guardians, trustees and  
25 other fiduciaries, and all other persons whatsoever who now are or  
26 may hereafter be authorized to invest in bonds or other obligations of  
27 the State, may properly and legally invest any sinking funds, moneys  
28 or other funds, including capital, belonging to them or within their  
29 control, in any bonds or refunding bonds issued by the authority under  
30 the provisions of this act; and said bonds and refunding bonds are  
31 hereby made securities which may properly and legally be deposited  
32 with, and received by any State or municipal officers or agency of the  
33 State, for any purpose for which the deposit of bonds or other  
34 obligations of the State is now, or may hereafter be, authorized by law.

35  
36 5. There is hereby established in the Department of the Treasury a  
37 special nonlapsing fund to be known as the "Unsafe Driving  
38 Surcharges Fund" which, beginning July 1, 2006, shall be comprised  
39 of all unsafe driving surcharges and any interest or other income  
40 earned thereon. Moneys in the Unsafe Driving Surcharges Fund shall  
41 be managed and invested by the Division of Investment in the  
42 Department of the Treasury. All moneys in the Unsafe Driving  
43 Surcharges Fund shall be disbursed not less frequently than monthly  
44 by the State Treasurer, upon appropriation, to the Motor Vehicle  
45 Surcharges Revenue Fund until all bonds and refunding bonds issued  
46 or entered into pursuant to section 4 of this act and the costs thereof

1 have been paid in full.

2

3 6. a. There is created within the authority a special nonlapsing  
4 fund, to be known as the "Motor Vehicle Surcharges Revenue Fund."  
5 The Motor Vehicle Surcharges Revenue Fund shall consist of:

6 (1) such moneys as may be appropriated to the Motor Vehicle  
7 Surcharges Revenue Fund by the Legislature and paid to the authority  
8 by the State Treasurer from Dedicated Motor Vehicle Surcharges  
9 Revenues;

10 (2) interest or other income derived from the investment of moneys  
11 in the Motor Vehicle Surcharges Revenue Fund; and

12 (3) any other moneys as may be deposited from time to time, except  
13 that such moneys shall not be appropriated from the General Fund.

14 b. In each State fiscal year during which the authority has  
15 outstanding bonds or refunding bonds which have been issued  
16 pursuant to this act, moneys in the Motor Vehicle Surcharges Revenue  
17 Fund may be used by the authority, in accordance with the provisions  
18 of any bond resolutions authorizing the issuance of bonds or refunding  
19 bonds pursuant to this act and any contract between the authority and  
20 the State Treasurer authorized and entered into pursuant to section 7  
21 of this act, to pay debt service payable on the authority's then  
22 outstanding bonds or refunding bonds issued pursuant to this act and  
23 any amounts due in connection with any agreements entered into  
24 pursuant to subsection c. of section 4 of this act due in such fiscal  
25 year, to replenish any reserve or other fund established for such bonds  
26 or refunding bonds issued in accordance with subsection a. of section  
27 4 of this act, and to pay any and all other additional amounts as shall  
28 be authorized by this act and required to be paid by the authority  
29 during such fiscal year, provided however, that the payment of all such  
30 amounts to the authority by the State Treasurer shall be subject to and  
31 dependent upon appropriations being made from time to time by the  
32 Legislature of the amounts thereof for the purposes of this act.  
33 Notwithstanding any other provision of any law, rule, regulation or  
34 order to the contrary, the authority shall be paid only such amounts as  
35 shall be required by the provisions of any contract between the  
36 authority and the State Treasurer authorized and entered into pursuant  
37 to section 7 of this act and the incurrence of any obligation of the  
38 State under any such contract, including any payments to be made  
39 thereunder, shall be subject to and dependent upon appropriations  
40 being made from time to time by the Legislature for the purposes of  
41 this act.

42 c. In each fiscal year beginning on or after July 1, 2006, all  
43 amounts on deposit in the Motor Vehicle Surcharges Revenue Fund in  
44 excess of the amount necessary to pay any amounts required to be paid  
45 by the authority pursuant to any bond resolutions authorizing the  
46 issuance of bonds or refunding bonds pursuant to this act or pursuant

1 to any contract between the authority and the State Treasurer  
2 authorized or entered into pursuant to section 7 of this act and payable  
3 during such fiscal year shall be transferred to the General Fund,  
4 provided that the first \$7,500,000 of such moneys so transferred in  
5 each fiscal year shall be remitted to the "Alcohol Treatment Programs  
6 Fund" created in section 2 of P.L.2001, c.48 (C.26:2B-9.2).

7  
8 7. The State Treasurer and the authority are authorized to enter  
9 into one or more contracts to implement the payment arrangement that  
10 is provided for in section 5 of this act. The contract or contracts shall  
11 provide for payment by the State Treasurer of the dedicated motor  
12 vehicle surcharge revenues and shall set forth the procedure for the  
13 transfer of moneys for the purpose of paying such amounts. The  
14 contract or contracts shall contain such terms and conditions as are  
15 determined by the authority and the State Treasurer, and shall include,  
16 but not be limited to, terms and conditions necessary and desirable to  
17 secure any bonds or refunding bonds of the authority issued under and  
18 pursuant to this act and the obligations of the authority under any  
19 agreement entered into pursuant to subsection c. of section 4 of this  
20 act; provided however, that notwithstanding any other provision of  
21 any law, rule, regulation or order to the contrary, the authority shall  
22 be paid only such amounts as shall be required by the provisions of any  
23 contract or contracts, and the incurrence of any obligation of the State  
24 under any such contract or contracts, including any payments to be  
25 made thereunder from the dedicated motor vehicle surcharge revenues,  
26 shall be subject to and dependent upon appropriations being made  
27 from time to time by the Legislature for the purposes of this act.

28  
29 8. Section 7 of P.L.1994, c.57 (C.34:1B-21.7) is amended to read  
30 as follows:

31 7. There is created within the authority a special nonlapsing fund,  
32 to be known as the "Market Transition Facility Revenue Fund." The  
33 Facility Revenue Fund shall consist of:

34 a. Such moneys as may be transferred to the Facility Revenue Fund  
35 by the State Treasurer, upon appropriation by the Legislature,  
36 pursuant to section 14 of [this act] P.L.1994, c.57 (C.34:1B-21.14);

37 b. Such moneys as may be appropriated to the Facility Revenue  
38 Fund by the Legislature from surcharges levied pursuant to the  
39 provisions of subsection b. of section 6 of P.L.1983, c.65  
40 (C.17:29A-35), except that any such moneys in excess of the amounts  
41 required to be used by the authority pursuant to any bond resolutions  
42 authorizing the issuance of Market Transition Facility bonds and notes,  
43 the authority's agreement with the State Treasurer authorized by  
44 section 13 of [this act] P.L.1994, c.57 (C.34:1B-21.13) and any bond  
45 resolutions authorizing the issuance of Motor Vehicle Commission  
46 bonds and notes shall be at least annually remitted

1       (1) in each fiscal year commencing prior to July 1, 2006, to the  
2 General Fund provided that the first \$7,500,000 of such moneys so  
3 transferred in each such fiscal year shall be remitted to the "Alcohol  
4 Treatment Programs Fund" created in section 2 of P.L.2001, c.48  
5 (C.26:2B-9.2); and

6       (2) in each fiscal year commencing on or after July 1, 2006, to the  
7 Motor Vehicle Surcharges Revenue Fund established pursuant to  
8 section 6 of the "Motor Vehicle Surcharges Securitization Act of  
9 2004," P.L.2004, c. (C. ) (now pending before the Legislature  
10 as this bill), to be applied as set forth therein, until such time as all  
11 bonds, notes and other obligations issued or entered into pursuant to  
12 section 4 of P.L.2004, c. (C. ) (now pending before the  
13 Legislature as this bill) and the costs thereof are discharged and no  
14 longer outstanding;

15       c. Interest or other income derived from the investment of moneys  
16 in the Facility Revenue Fund; and

17       d. Any other moneys as may be deposited from time to time,  
18 except that such moneys shall not be appropriated from the General  
19 Fund.

20       Moneys in the Facility Revenue Fund shall be managed and invested  
21 by the Division of Investment in the Department of the Treasury.  
22 (cf: P.L.2003, c.13, s.114)

23

24       9. Section 12 of P.L.1994, c.57 (C.34:1B-21.12) is amended to  
25 read as follows:

26       12. There is created within the Department of the Treasury a  
27 special nonlapsing fund to be known as the "Division of Motor  
28 Vehicles Surcharge Fund," which, beginning September 1, 1996 or  
29 earlier as provided pursuant to this section, shall be comprised of  
30 moneys transferred to the DMV Surcharge Fund from the Market  
31 Transition Facility which, notwithstanding the provisions of this  
32 section to the contrary, may be appropriated, immediately upon receipt  
33 from the Market Transition Facility, by the Legislature to the Facility  
34 Revenue Fund and all moneys collected pursuant to subsection b. of  
35 section 6 of P.L.1983, c.65 (C.17:29A-35) and any interest or other  
36 income earned thereon. Moneys in the DMV Surcharge Fund shall be  
37 managed and invested by the Division of Investment in the Department  
38 of the Treasury. Commencing September 1, 1996, or at such earlier  
39 time as may be certified by the commissioner that moneys on deposit  
40 in the New Jersey Automobile Insurance Guaranty Fund created  
41 pursuant to section 23 of P.L.1990, c.8 (C.17:33B-5) are sufficient to  
42 satisfy the current and anticipated financial obligations of the New  
43 Jersey Automobile Full Insurance Underwriting Association, the  
44 moneys in the DMV Surcharge Fund shall be disbursed from time to  
45 time by the State Treasurer, upon appropriation by the Legislature, to  
46 the Market Transition Facility Revenue Fund, for payment of principal,

1 interest and premium on the Market Transition Facility bonds or notes  
2 and New Jersey Motor Vehicle Commission bonds or notes issued by  
3 the authority pursuant to section 4 of P.L.1994, c.57 (C.34:1B-21.4).  
4 [From the amounts remaining in the fund after these payments are  
5 fully defrayed, there shall be remitted to the fund created in section 2  
6 of P.L.2001, c.48 (C.26:2B-9.2), \$ 1.5 million in Fiscal Year 2002, \$  
7 3 million in Fiscal Year 2003, \$ 4.5 million in Fiscal Year 2004, \$ 6  
8 million in Fiscal Year 2005, and \$ 7.5 million in Fiscal Year 2006 and  
9 each fiscal year thereafter.] From and after such time as all Market

10 Transition Facility bonds, notes and obligations and all New Jersey  
11 Motor Vehicle Commission bonds, notes and obligations issued  
12 pursuant to section 4 of P.L.1994, c.57 (C.34:1B-21.4) and the costs  
13 thereof are discharged and no longer outstanding, all amounts on  
14 deposit in the DMV Surcharge Fund shall be disbursed from time to  
15 time by the State Treasurer, upon appropriation by the Legislature, to  
16 the Motor Vehicle Surcharges Revenue Fund established pursuant to  
17 section 6 of the "Motor Vehicle Surcharges Securitization Act of  
18 2004," P.L.2004, c. (C. ) (now pending before the Legislature  
19 as this bill) to be applied as set forth in section 6 of P.L.2004, c.  
20 (C. ) (now pending before the Legislature as this bill) until such  
21 time as all bonds (including refunding bonds), notes and other  
22 obligations issued or entered into pursuant to section 4 of P.L.2004,  
23 c. (C. ) (now pending before the Legislature as this bill) and  
24 the costs thereof are discharged and no longer outstanding.  
25 (cf: P.L.2003, c.13, s.118)

26

27 10. Section 6 of P.L.1983, c.65 (C.17:29A-35) is amended to read  
28 as follows:

29 6. a. (Deleted by amendment, P.L.1997, c.151.)

30 b. There is created a New Jersey Merit Rating Plan which shall  
31 apply to all drivers and shall include, but not be limited to, the  
32 following provisions

33 (1) (a) Plan surcharges shall be levied, beginning on or after January  
34 1, 1984, by the New Jersey Motor Vehicle Commission (hereafter the  
35 "commission") established by section 4 of P.L.2003, c.13 (C.39:2A-4)  
36 on any driver who, in the preceding 36-month period, has accumulated  
37 six or more motor vehicle points, as provided in Title 39 of the  
38 Revised Statutes; except that the allowance for a reduction of points  
39 in Title 39 of the Revised Statutes shall not apply for the purpose of  
40 determining surcharges under this paragraph. The accumulation of  
41 points shall be calculated as of the date the point violation is posted to  
42 the driver history record and shall be levied pursuant to rules  
43 promulgated by the commission. Surcharges assessed pursuant to this  
44 paragraph shall be ~~[\$100.00]~~ \$150.00 for six points, and \$25.00 for  
45 each additional point. No offense shall be selected for billing which  
46 occurred prior to February 10, 1983. No offense shall be considered

1 for billing in more than three annual assessments.

2 (b) (Deleted by amendment, P.L.1984, c.1.)

3 (2) (a) Plan surcharges shall be levied pursuant to subsection f. of  
4 section 1 of P.L.2000, c.75 (C.39:4-97.2) for each offense of unsafe  
5 driving under subsection a. of that section.

6 (b) Plan surcharges shall be levied for convictions [(a)] (i) under  
7 R.S.39:4-50 for violations occurring on or after February 10, 1983,  
8 and [(b)] (ii) under section 2 of P.L.1981, c.512 (C.39:4-50.4a), or  
9 for offenses committed in other jurisdictions of a substantially similar  
10 nature to those under R.S.39:4-50 or section 2 of P.L.1981, c.512  
11 (C.39:4-50.4a), for violations occurring on or after January 26, 1984.  
12 Except as hereinafter provided, surcharges under this [paragraph]  
13 subparagraph (b) shall be levied annually for a three-year period, and  
14 shall be \$1,000.00 per year for each of the first two convictions, for  
15 a total surcharge of \$3,000 for each conviction, and \$1,500.00 per  
16 year for the third conviction occurring within a three-year period, for  
17 a total surcharge of \$4,500 for the third conviction. If a driver is  
18 convicted under both R.S.39:4-50 and section 2 of P.L.1981, c.512  
19 (C.39:4-50.4a) for offenses arising out of the same incident, the driver  
20 shall be assessed only one surcharge for the two offenses.

21 If, upon written notification from the commission or its designee,  
22 mailed to the last address of record with the commission, a driver fails  
23 to pay a surcharge levied under subparagraph (b) of paragraph (2) this  
24 subsection b., the driving privilege of the driver shall be suspended  
25 forthwith until the minimum payment requirement as set forth by rule  
26 by the commission is paid to the commission; except that the  
27 commission may authorize payment of the surcharge on an installment  
28 basis over a period not to exceed 12 months for assessments under  
29 \$2,300 or 24 months for assessments of \$2,300 or more. If a driver  
30 fails to pay the surcharge or any installments on the surcharge, the  
31 total surcharge shall become due immediately, except as otherwise  
32 prescribed by rule of the commission.

33 The commission may authorize any person to pay the surcharge  
34 levied under this section and collectible by the commission by use of  
35 a credit card, debit card or other electronic payment device, and the  
36 administrator is authorized to require the person to pay all costs  
37 incurred by the commission in connection with the acceptance of the  
38 credit card, debit card or other electronic payment device. If a  
39 surcharge or related administrative fee is paid by credit or debit cards  
40 or any other electronic payment device and the amount is subsequently  
41 reversed by the credit card company or bank, the driving privilege of  
42 the surcharged driver shall be suspended and the driver shall be subject  
43 to the fee imposed for dishonored checks pursuant to section 31 of  
44 P.L.1994, c.60 (C.39:5-36.1).

45 In addition to any other remedy provided by law, the commission  
46 is authorized to utilize the provisions of the SOIL (Set off of



1 Individual Liability) program established pursuant to P.L.1981, c.239  
2 (C.54A:9-8.1 et seq.) to collect any surcharge levied under this section  
3 that and collectible by the commission is unpaid on or after the  
4 effective date of this act. As an additional remedy, the commission  
5 may issue a certificate to the Clerk of the Superior Court stating that  
6 the person identified in the certificate is indebted under this surcharge  
7 law in such amount as shall be stated in the certificate. The certificate  
8 shall reference the statute under which the indebtedness arises.  
9 Thereupon the clerk to whom such certificate shall have been issued  
10 shall immediately enter upon the record of docketed judgments the  
11 name of such person as debtor; the State as creditor; the address of  
12 such person, if shown in the certificate; the amount of the debt so  
13 certified; a reference to the statute under which the surcharge is  
14 assessed, and the date of making such entries. The docketing of the  
15 entries shall have the same force and effect as a civil judgment  
16 docketed in the Superior Court, and the commission shall have all the  
17 remedies and may take all of the proceedings for the collection thereof  
18 which may be had or taken upon the recovery of a judgment in an  
19 action, but without prejudice to any right of appeal. Upon entry by the  
20 clerk of the certificate in the record of docketed judgments in  
21 accordance with this provision, interest in the amount specified by the  
22 court rules for post-judgment interest shall accrue from the date of the  
23 docketing of the certificate, however payment of the interest may be  
24 waived by the commission or its designee. In the event that the  
25 surcharge remains unpaid following the issuance of the certificate of  
26 debt and the commission takes any further collection action including  
27 referral of the matter to the Attorney General or his designee, the fee  
28 imposed, in lieu of the actual cost of collection, may be 20 percent of  
29 surcharges of \$1,000 or more. The administrator or his designee may  
30 establish a sliding scale, not to exceed a maximum amount of \$200, for  
31 surcharge principal amounts of less than \$1,000 at the time the  
32 certificate of debt is forwarded to the Superior Court for filing. The  
33 commission shall provide written notification to a driver of the  
34 proposed filing of the certificate of debt at least 10 days prior to the  
35 proposed filing; such notice shall be mailed to the driver's last address  
36 of record with the commission. If a certificate of debt is satisfied  
37 following a credit card payment, debit card payment or payment by  
38 other electronic payment device and that payment is reversed, a new  
39 certificate of debt shall be filed against the surcharged driver unless the  
40 original is reinstated.

41 If the administrator or his designee approves a special payment plan  
42 for repayment of the certificate of debt, and the driver is complying  
43 with the approved plan, the plan may be continued for any new  
44 surcharge not part of the certificate of debt.

45 All moneys collectible by the commission under subparagraph (b)  
46 of paragraph (2) of this subsection b. shall be billed and collected by

1 the commission except as provided in P.L.1997, c.280 (C.2B:19-10 et  
2 al.) for the collection of unpaid surcharges. Commencing on  
3 September 1, 1996, or such earlier time as the Commissioner of  
4 Banking and Insurance shall certify to the State Treasurer that  
5 amounts on deposit in the New Jersey Automobile Insurance Guaranty  
6 Fund are sufficient to satisfy the current and anticipated financial  
7 obligations of the New Jersey Automobile Full Insurance Underwriting  
8 Association, all plan surcharges collected by the commission under  
9 subparagraph (b) of paragraph (2) of this subsection b. shall be  
10 remitted to the Division of Motor Vehicles Surcharge Fund;

11 (i) for transfer to the Market Transition Facility Revenue Fund, as  
12 provided in section 12 of P.L.1994, c.57 (C.34:1B-21.12), for the  
13 purposes of section 4 of P.L.1994, c.57 (C.34:1B-21.4) until such a  
14 time as all the Market Transition Facility bonds, notes and obligations  
15 and all Motor Vehicle Commission bonds, notes and obligations issued  
16 pursuant to that section 4 of P.L.1994, c.57 (C.34:1B-21.4) and the  
17 costs thereof are discharged and no longer outstanding[. From]; and

18 (ii) from and after the date of certification by the Commissioner of  
19 Banking and Insurance that the moneys collectible under subparagraph  
20 (b) of paragraph (2) of this subsection b. are no longer needed to fund  
21 the association or at such [a] time as all Market Transition Facility  
22 bonds, notes and obligations and all Motor Vehicle Commission  
23 bonds, notes and obligations issued pursuant to section 4 of P.L.1994,  
24 c.57 (C.34:1B-21.4) and the costs thereof are discharged and no  
25 longer outstanding [moneys collectible under this subsection] .for  
26 transfer to the Motor Vehicle Surcharges Revenue Fund established  
27 pursuant to section 6 of the "Motor Vehicle Surcharges Securitization  
28 Act of 2004," P.L.2004, c. (C. ) (now pending before the  
29 Legislature as this bill) to be applied as set forth in section 6 that act.  
30 From and after such time as all bonds issued under section 4 of the  
31 "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004,  
32 c. (C. ) (now pending before the Legislature as this bill) and the  
33 costs thereof are discharged and no longer outstanding, all plan  
34 surcharges collected by the commission under subparagraph (b) of  
35 paragraph (2) of this subsection b. shall, subject to appropriation, be  
36 remitted to the New Jersey Property-Liability Insurance Guaranty  
37 Association created pursuant to section 6 of P.L.1974, c.17  
38 (C.17:30A-6) to be used for payment of any loans made by that  
39 association to the New Jersey Automobile Insurance Guaranty Fund  
40 pursuant to paragraph (10) of subsection a. of section 8 of P.L.1974,  
41 c.17 (C.17:30A-8); provided that all such payments shall be subject to  
42 and dependent upon appropriation by the State Legislature.

43 All surcharges collected by the courts as plan surcharges pursuant  
44 to subparagraph (a) of paragraph (2) of this subsection b. shall be  
45 forwarded not less frequently than monthly to the Division of  
46 Revenue. The Division of Revenue shall transfer: all such surcharges

1 received prior to July 1, 2006, to the General Fund, and commencing  
2 July 1, 2006, all such surcharges to the Unsafe Driving Surcharge  
3 Revenue Fund established pursuant to section 5 of the "Motor Vehicle  
4 Surcharges Securitization Act of 2004," P.L.2004, c. (C. ) (now  
5 pending before the Legislature as this bill) to be applied as set forth in  
6 section 5 of that act. From and after such time as all bonds (including  
7 refunding bonds), notes and other obligations issued under section 4  
8 of the "Motor Vehicle Surcharges Securitization Act of 2004,"  
9 P.L.2004, c. (C. ) (now pending before the Legislature as this  
10 bill), and the costs thereof are discharged and no longer outstanding,  
11 all such plan surcharges collected by the courts pursuant to  
12 subparagraph (a) of paragraph (2) of this subsection b. and forwarded  
13 to the Division of Revenue shall be transferred to the General Fund.

14 Upon request, the Administrative Office of the Courts shall provide  
15 a monthly report to the Division of Revenue containing information on  
16 the number of convictions for the offense of unsafe driving pursuant  
17 to section 1 of P.L.2000, c.75 (C.39:4-97.2) that were entered during  
18 such month, the amount of the surcharges that were assessed by the  
19 courts pursuant to subsection f. of section 1 of P.L.2000, c.75  
20 (C.39:4-97.2) for such month, and the amount of the surcharges  
21 collected by the courts pursuant to subsection f. section 1 of P.L.2000,  
22 c.75 (C.39:4-97.2) during such month.

23 (3) In addition to any other authority provided in P.L.1983, c.65  
24 (C.17:29A-33 et al.), the commissioner, after consultation with the  
25 commission, is specifically authorized (a) (Deleted by amendment,  
26 P.L.1994, c.64), (b) to impose, in accordance with subparagraph (a)  
27 of paragraph (1) [(a)] of this subsection b., surcharges for motor  
28 vehicle violations or convictions for which motor vehicle points are  
29 not assessed under Title 39 of the Revised Statutes, or (c) to reduce  
30 the number of points for which surcharges may be assessed below the  
31 level provided in subparagraph (a) of paragraph (1) [(a)] of this  
32 subsection b., except that the dollar amount of all surcharges levied  
33 under the New Jersey Merit Rating Plan shall be uniform on a  
34 Statewide basis for each filer, without regard to classification or  
35 territory. Surcharges adopted by the commissioner on or after January  
36 1, 1984 for motor vehicle violations or convictions for which motor  
37 vehicle points are not assessable under Title 39 of the Revised Statutes  
38 shall not be retroactively applied but shall take effect on the date of  
39 the New Jersey Register in which notice of adoption appears or the  
40 effective date set forth in that notice, whichever is later.

41 c. No motor vehicle violation surcharges shall be levied on an  
42 automobile insurance policy issued or renewed on or after January 1,  
43 1984, except in accordance with the New Jersey Merit Rating Plan,  
44 and all surcharges levied thereunder shall be assessed, collected and  
45 distributed in accordance with subsection b. of this section.

46 d. (Deleted by amendment, P.L.1990, c.8.)

1 e. The Commissioner of Banking and Insurance and the  
2 commission as may be appropriate, shall adopt any rules and  
3 regulations necessary or appropriate to effectuate the purposes of this  
4 section.

5 (cf: P.L.2003, c.13, s.31)

6

7 11. There is hereby created in the Department of the Treasury a  
8 separate nonlapsing fund to be known as the Motor Vehicle  
9 Surcharges Securitization Fund. Revenue derived from bonds issued  
10 under the "Motor Vehicle Surcharges Securitization Act of 2004,"  
11 P.L.2004, c. (C. ) (now pending before the Legislature as this  
12 bill) may be deposited into the Motor Vehicle Surcharge Securitization  
13 Fund and balances therein may be transferred to the General Fund.

14

15 12. The provisions of this act shall be severable, and if any of the  
16 provisions hereof shall be held to be unconstitutional or otherwise  
17 invalid, such decision shall not affect the validity of any of the  
18 remaining provisions of this act.

19

20 13. This act shall take effect immediately.

21

22

23 STATEMENT

24

25 This bill increases the existing motor vehicle insurance surcharge  
26 imposed upon drivers who have accumulated six or more motor  
27 vehicle penalty points in the preceding 36 month period from \$100 to  
28 \$150. Each additional point is assessed \$25 as under current law.

29

30 The bill also authorizes the New Jersey Economic Development  
31 Authority to issue bonds, notes, and other obligations payable  
32 primarily from collections on or after July 1, 2006 of the new  
33 surcharge for unsafe driving, created pursuant to separate legislation  
34 amending P.L.2000, c.75 (C.39:4-97.2) to establish a new surcharge  
35 of \$250.00 for each conviction for unsafe driving. The proceeds of  
36 these bonds, notes, and other obligations are to be made available to  
37 the State Treasurer for any State fiscal year beginning on or after July  
38 1, 2004, to the extent anticipated as revenues in such fiscal year, to be  
39 used for any lawful purpose of the State. Existing plan surcharges are  
40 presently pledged, and the increased point surcharges described above  
41 will be pledged, to pay debt service on the authority's outstanding  
42 Market Transition Facility Bonds and Motor Vehicle Commission  
43 Bonds. Any excess existing plan surcharges (including the increased  
44 point surcharges described above) collected from and after July 1,  
45 2006 will also be pledged to secure the bonds authorized by this bill.

46

46 All surcharges, existing and new, that are collected in each fiscal  
year in excess of the amounts required to pay the outstanding Market

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17

1 Transition Facility Bonds and Motor Vehicle Commission Bonds of  
2 the authority and the bonds authorized by this bill will be returned to  
3 the General Fund of the State. All payments on the bonds authorized  
4 by this bill are subject to appropriations being made from time to time  
5 by the State Legislature, and no such payments may be made from the  
6 State's General Fund.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 1780

# STATE OF NEW JERSEY

DATED: JUNE 22, 2004

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1780.

This bill increases the existing motor vehicle insurance surcharge imposed upon drivers who have accumulated six or more motor vehicle penalty points in the preceding 36 month period from \$100 to \$150. Each additional point is assessed \$25 as under current law.

The bill also authorizes the New Jersey Economic Development Authority to issue bonds, notes, and other obligations payable primarily from collections on or after July 1, 2006 of the new surcharge for unsafe driving, created pursuant to separate legislation amending P.L.2000, c.75 (C.39:4-97.2) to establish a new surcharge of \$250.00 for each conviction for unsafe driving. The proceeds of these bonds, notes, and other obligations are to be made available to the State Treasurer for any State fiscal year beginning on or after July 1, 2004, to the extent anticipated as revenues in such fiscal year, to be used for any lawful purpose of the State. Existing plan surcharges are presently pledged, and the increased point surcharges described above will be pledged, to pay debt service on the authority's outstanding Market Transition Facility Bonds and Motor Vehicle Commission Bonds. Any excess existing plan surcharges (including the increased point surcharges described above) collected from and after July 1, 2006 will also be pledged to secure the bonds authorized by this bill.

All surcharges, existing and new, that are collected in each fiscal year in excess of the amounts required to pay the outstanding Market Transition Facility Bonds and Motor Vehicle Commission Bonds of the authority and the bonds authorized by this bill will be returned to the General Fund of the State. All payments on the bonds authorized by this bill are subject to appropriations being made from time to time by the State Legislature, and no such payments may be made from the State's General Fund.

#### FISCAL IMPACT

It is estimated that the securitization program authorized under this bill, in conjunction with the securitization of revenue from the cigarette excise tax under separate legislation, will provide approximately \$1.926 billion in funding to support the proposed FY2004-05 annual appropriations act.