

# 17:29A-35

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2007                    **CHAPTER:** 282  
**NJSA:** 17:29A-35            (Renames New Jersey Rating Plan and provides for changes in procedures for payment of outstanding surcharges)  
**BILL NO:** S2331            (Substituted for A3524)

**SPONSOR(S):** Turner and others

**DATE INTRODUCED:** November 13, 2006

**COMMITTEE:**                    **ASSEMBLY:**  
**SENATE:** Transportation

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:**            **ASSEMBLY:** January 7, 2008  
**SENATE:** December 11, 2006

**DATE OF APPROVAL:** January 13, 2008

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

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

**S2331**

[SPONSOR'S STATEMENT:](#) (Begins on page 7 of original bill) [Yes](#)

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

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

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**A3524**

[SPONSOR'S STATEMENT:](#) (Begins on page 6 of original bill) [Yes](#)

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

**SENATE:** No

**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

IS 6/9/08

P.L. 2007, CHAPTER 282, *approved January 13, 2008*  
Senate, No. 2331

1 AN ACT renaming the New Jersey Merit Rating Plan, changing  
2 procedures for payment of outstanding surcharges, and amending  
3 P.L.1983, c.65.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. Section 6 of P.L.1983, c.65 (C.17:29A-35) is amended to read  
9 as follows:

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

11 b. There is created a **【New Jersey Merit Rating Plan】** Motor  
12 Vehicle Violations Surcharge System which shall apply to all  
13 drivers and shall include, but not be limited to, the following  
14 provisions:

15 (1) (a) **【Plan surcharges】** Surcharges shall be levied, beginning  
16 on or after January 1, 1984, by the New Jersey Motor Vehicle  
17 Commission (hereafter the "commission") established by section 4  
18 of P.L.2003, c.13 (C.39:2A-4) on any driver who, in the preceding  
19 36-month period, has accumulated six or more motor vehicle points,  
20 as provided in Title 39 of the Revised Statutes; except that the  
21 allowance for a reduction of points in Title 39 of the Revised  
22 Statutes shall not apply for the purpose of determining surcharges  
23 under this paragraph. The accumulation of points shall be  
24 calculated as of the date the point violation is posted to the driver  
25 history record and shall be levied pursuant to rules promulgated by  
26 the commission. Surcharges assessed pursuant to this paragraph  
27 shall be \$150.00 for six points, and \$25.00 for each additional  
28 point. No offense shall be selected for billing which occurred prior  
29 to February 10, 1983. No offense shall be considered for billing in  
30 more than three annual assessments.

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

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

35 (b) **【Plan surcharges】** Surcharges shall be levied for convictions  
36 (i) under R.S.39:4-50 for violations occurring on or after February  
37 10, 1983, and (ii) under section 2 of P.L.1981, c.512 (C.39:4-  
38 50.4a), or for offenses committed in other jurisdictions of a  
39 substantially similar nature to those under R.S.39:4-50 or section 2  
40 of P.L.1981, c.512 (C.39:4-50.4a), for violations occurring on or  
41 after January 26, 1984. Except as hereinafter provided, surcharges  
42 under this subparagraph (b) shall be levied annually for a three-year  
43 period, and shall be \$1,000.00 per year for each of the first two  
44 convictions, for a total surcharge of \$3,000 for each conviction, and

**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 \$1,500.00 per year for the third conviction occurring within a three-  
2 year period, for a total surcharge of \$4,500 for the third conviction.  
3 If a driver is convicted under both R.S.39:4-50 and section 2 of  
4 P.L.1981, c.512 (C.39:4-50.4a) for offenses arising out of the same  
5 incident, the driver shall be assessed only one surcharge for the two  
6 offenses.

7 If, upon written notification from the commission or its designee,  
8 mailed to the last address of record with the commission, a driver  
9 fails to pay a surcharge levied under paragraph (b) of this subsection b. section and collectible by the  
10 commission, the driving privilege of the driver shall be suspended  
11 forthwith until the minimum payment requirement as set forth by  
12 rule by the commission at least five percent of each outstanding  
13 surcharge assessment that has resulted in suspension is paid to the  
14 commission; except that the commission may authorize payment of  
15 the surcharge on an installment basis over a period not to exceed  
16 of 12 months for assessments under \$2,300 or 24 months for  
17 assessments of \$2,300 or more. The commission, for good cause,  
18 may authorize payment of any surcharge on an installment basis  
19 over a period not to exceed 36 months. If a driver fails to pay the  
20 surcharge or any installments on the surcharge, the total surcharge  
21 shall become due immediately, except as otherwise prescribed by  
22 rule of the commission.  
23

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

36 In addition to any other remedy provided by law, the commission  
37 is authorized to utilize the provisions of the SOIL (Set off of  
38 Individual Liability) program established pursuant to P.L.1981,  
39 c.239 (C.54A:9-8.1 et seq.) to collect any surcharge levied under  
40 this section that and collectible by the commission that is unpaid  
41 on or after the effective date of this act. As an additional remedy,  
42 the commission may issue a certificate to the Clerk of the Superior  
43 Court stating that the person identified in the certificate is indebted  
44 under this surcharge law in such amount as shall be stated in the  
45 certificate. The certificate shall reference the statute under which  
46 the indebtedness arises. Thereupon the clerk to whom such  
47 certificate shall have been issued shall immediately enter upon the

1 record of docketed judgments the name of such person as debtor;  
2 the State as creditor; the address of such person, if shown in the  
3 certificate; the amount of the debt so certified; a reference to the  
4 statute under which the surcharge is assessed, and the date of  
5 making such entries. The docketing of the entries shall have the  
6 same force and effect as a civil judgment docketed in the Superior  
7 Court, and the commission shall have all the remedies and may take  
8 all of the proceedings for the collection thereof which may be had  
9 or taken upon the recovery of a judgment in an action, but without  
10 prejudice to any right of appeal. Upon entry by the clerk of the  
11 certificate in the record of docketed judgments in accordance with  
12 this provision, interest in the amount specified by the court rules for  
13 post-judgment interest shall accrue from the date of the docketing  
14 of the certificate, however payment of the interest may be waived  
15 by the commission or its designee. In the event that the surcharge  
16 remains unpaid following the issuance of the certificate of debt and  
17 the commission takes any further collection action including  
18 referral of the matter to the Attorney General or his designee, the  
19 fee imposed, in lieu of the actual cost of collection, may be 20  
20 percent of surcharges of \$1,000 or more. The administrator or his  
21 designee may establish a sliding scale, not to exceed a maximum  
22 amount of \$200, for surcharge principal amounts of less than \$1,000  
23 at the time the certificate of debt is forwarded to the Superior Court  
24 for filing. The commission shall provide written notification to a  
25 driver of the proposed filing of the certificate of debt at least 10  
26 days prior to the proposed filing; such notice shall be mailed to the  
27 driver's last address of record with the commission. Upon the filing  
28 of a certificate of debt with the Clerk of the Superior Court, the  
29 surcharged driver shall not be eligible for the restoration of his  
30 driving privilege until at least five percent of each outstanding  
31 surcharge assessment that has resulted in the suspension, including  
32 interest and costs, if any, is paid to the commission. If a certificate  
33 of debt is satisfied following a credit card payment, debit card  
34 payment or payment by other electronic payment device and that  
35 payment is reversed, a new certificate of debt shall be filed against  
36 the surcharged driver unless the original is reinstated.

37 If the administrator or his designee approves a special payment  
38 plan, of such duration as the administrator or his designee deems  
39 appropriate, for repayment of the certificate of debt, and the driver  
40 is complying with the approved plan, the plan may be continued for  
41 any new surcharge not part of the certificate of debt.

42 All moneys collectible by the commission under subparagraph  
43 (b) of paragraph (2) of this subsection b. shall be billed and  
44 collected by the commission except as provided in P.L.1997, c.280  
45 (C.2B:19-10 et al.) for the collection of unpaid surcharges.  
46 Commencing on September 1, 1996, or such earlier time as the  
47 Commissioner of Banking and Insurance shall certify to the State  
48 Treasurer that amounts on deposit in the New Jersey Automobile

1 Insurance Guaranty Fund are sufficient to satisfy the current and  
2 anticipated financial obligations of the New Jersey Automobile Full  
3 Insurance Underwriting Association, all **[plan]** surcharges collected  
4 by the commission under subparagraph (b) of paragraph (2) of this  
5 subsection b. shall be remitted to the Division of Motor Vehicles  
6 Surcharge Fund:

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

15 (ii) from and after the date of certification by the Commissioner  
16 of Banking and Insurance that the moneys collectible under  
17 subparagraph (b) of paragraph (2) of this subsection b. are no longer  
18 needed to fund the association or at such time as all Market  
19 Transition Facility bonds, notes and obligations and all Motor  
20 Vehicle Commission bonds, notes and obligations issued pursuant  
21 to section 4 of P.L.1994, c.57 (C.34:1B-21.4) and the costs thereof  
22 are discharged and no longer outstanding, for transfer to the Motor  
23 Vehicle Surcharges Revenue Fund established pursuant to section 6  
24 of the "Motor Vehicle Surcharges Securitization Act of 2004,"  
25 P.L.2004, c.70 (C.34:1B-21.28) to be applied as set forth in section  
26 6 that act. From and after such time as all bonds issued under  
27 section 4 of the "Motor Vehicle Surcharges Securitization Act of  
28 2004," P.L.2004, c.70 (C.34:1B-21.26) and the costs thereof are  
29 discharged and no longer outstanding, all **[plan]** surcharges  
30 collected by the commission under subparagraph (b) of paragraph  
31 (2) of this subsection b. shall, subject to appropriation, be remitted  
32 to the New Jersey Property-Liability Insurance Guaranty  
33 Association created pursuant to section 6 of P.L.1974, c.17  
34 (C.17:30A-6) to be used for payment of any loans made by that  
35 association to the New Jersey Automobile Insurance Guaranty Fund  
36 pursuant to paragraph (10) of subsection a. of section 8 of P.L.1974,  
37 c.17 (C.17:30A-8); provided that all such payments shall be subject  
38 to and dependent upon appropriation by the State Legislature.

39 All surcharges collected by the courts **[as plan surcharges]**  
40 pursuant to subparagraph (a) of paragraph (2) of this subsection b.  
41 shall be forwarded not less frequently than monthly to the Division  
42 of Revenue. The Division of Revenue shall transfer: all such  
43 surcharges received prior to July 1, 2006, to the General Fund, and  
44 commencing July 1, 2006, all such surcharges to the Unsafe Driving  
45 Surcharge Revenue Fund established pursuant to section 5 of the  
46 "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004,  
47 c.70 (C.34:1B-21.27) to be applied as set forth in section 5 of that  
48 act. From and after such time as all bonds (including refunding

1 bonds), notes and other obligations issued under section 4 of the  
2 "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004,  
3 c.70 (C.34:1B-21.26), and the costs thereof are discharged and no  
4 longer outstanding, all such **【plan】** surcharges collected by the  
5 courts pursuant to subparagraph (a) of paragraph (2) of this  
6 subsection b. and forwarded to the Division of Revenue shall be  
7 transferred to the General Fund.

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

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

37 c. No motor vehicle violation surcharges shall be levied on an  
38 automobile insurance policy issued or renewed on or after January  
39 1, 1984, except in accordance with the **【New Jersey Merit Rating**  
40 **Plan】** Motor Vehicle Violations Surcharge System, and all  
41 surcharges levied thereunder shall be assessed, collected and  
42 distributed in accordance with subsection b. of this section.

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

44 e. The Commissioner of Banking and Insurance and the  
45 commission as may be appropriate, shall adopt any rules and  
46 regulations necessary or appropriate to effectuate the purposes of  
47 this section.

48 (cf: P.L.2004, c.70, s.10)

1       2. This act shall take effect on the first day of the sixth month  
2 after enactment.

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STATEMENT

6

7       This bill amends the law creating the New Jersey Merit Rating  
8 Plan to change the name of the plan to the Motor Vehicle Violations  
9 Surcharge System. The bill further changes the term "plan  
10 surcharges" to "surcharges." It is the sponsor's belief that this  
11 change will better describe the plan.

12       In addition, the bill amends the "Merit Rating Plan" (now the  
13 "Surcharge System") to provide that a driver failing to pay a  
14 surcharge under the Surcharge System may, by paying at least five  
15 percent of each outstanding surcharge assessment owed, remove the  
16 driver's suspension for failure to pay. Currently the Motor Vehicle  
17 Commission may authorize payment of surcharges on an  
18 installment basis for a period not to exceed 12 months for  
19 assessments under \$2300, or not exceeding 24 months for  
20 assessments of \$2500 or more. The bill provides that the  
21 commission may, for good cause, authorize installment payments  
22 for a period not exceeding 36 months irrespective of the surcharge  
23 assessment. The other permissible installment periods are 12 and  
24 24 months.

25       The bill further provides that a surcharged driver against whom a  
26 certificate of debt has been filed for non-payment of a surcharge  
27 shall not be eligible for the restoration of his driving privilege until  
28 at least five percent of each outstanding surcharge assessment that  
29 his resulted in the suspension, including interests and costs, if any,  
30 has been paid to the commission.

31

32

33

34

35       Renames New Jersey Rating Plan and provides for changes in  
36 procedures for payment of outstanding surcharges.



# SENATE, No. 2331

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED NOVEMBER 13, 2006

**Sponsored by:**

**Senator SHIRLEY K. TURNER**

**District 15 (Mercer)**

**Senator NICHOLAS J. SACCO**

**District 32 (Bergen and Hudson)**

**Assemblywoman JOAN M. QUIGLEY**

**District 32 (Bergen and Hudson)**

**Assemblyman JOHN S. WISNIEWSKI**

**District 19 (Middlesex)**

**SYNOPSIS**

Renames New Jersey Rating Plan and provides for changes in procedures for payment of outstanding surcharges.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 1/8/2008)

S2331 TURNER, SACCO

2

1 AN ACT renaming the New Jersey Merit Rating Plan, changing  
2 procedures for payment of outstanding surcharges, and amending  
3 P.L.1983, c.65.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. Section 6 of P.L.1983, c.65 (C.17:29A-35) is amended to read  
9 as follows:

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

11 b. There is created a **[New Jersey Merit Rating Plan]** Motor  
12 Vehicle Violations Surcharge System which shall apply to all  
13 drivers and shall include, but not be limited to, the following  
14 provisions:

15 (1) (a) **[Plan surcharges]** Surcharges shall be levied, beginning  
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19 36-month period, has accumulated six or more motor vehicle points,  
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21 allowance for a reduction of points in Title 39 of the Revised  
22 Statutes shall not apply for the purpose of determining surcharges  
23 under this paragraph. The accumulation of points shall be  
24 calculated as of the date the point violation is posted to the driver  
25 history record and shall be levied pursuant to rules promulgated by  
26 the commission. Surcharges assessed pursuant to this paragraph  
27 shall be \$150.00 for six points, and \$25.00 for each additional  
28 point. No offense shall be selected for billing which occurred prior  
29 to February 10, 1983. No offense shall be considered for billing in  
30 more than three annual assessments.

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32 (2) (a) **[Plan surcharges]** Surcharges shall be levied pursuant to  
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38 50.4a), or for offenses committed in other jurisdictions of a  
39 substantially similar nature to those under R.S.39:4-50 or section 2  
40 of P.L.1981, c.512 (C.39:4-50.4a), for violations occurring on or  
41 after January 26, 1984. Except as hereinafter provided, surcharges  
42 under this subparagraph (b) shall be levied annually for a three-year  
43 period, and shall be \$1,000.00 per year for each of the first two  
44 convictions, for a total surcharge of \$3,000 for each conviction, and  
45 \$1,500.00 per year for the third conviction occurring within a three-

**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 year period, for a total surcharge of \$4,500 for the third conviction.  
2 If a driver is convicted under both R.S.39:4-50 and section 2 of  
3 P.L.1981, c.512 (C.39:4-50.4a) for offenses arising out of the same  
4 incident, the driver shall be assessed only one surcharge for the two  
5 offenses.

6 If, upon written notification from the commission or its designee,  
7 mailed to the last address of record with the commission, a driver  
8 fails to pay a surcharge levied under 【subparagraph (b) of  
9 paragraph (2) of】 this 【subsection b.】 section and collectible by the  
10 commission, the driving privilege of the driver shall be suspended  
11 forthwith until 【the minimum payment requirement as set forth by  
12 rule by the commission】 at least five percent of each outstanding  
13 surcharge assessment that has resulted in suspension is paid to the  
14 commission; except that the commission may authorize payment of  
15 the surcharge on an installment basis over a period 【not to exceed】  
16 of 12 months for assessments under \$2,300 or 24 months for  
17 assessments of \$2,300 or more. The commission, for good cause,  
18 may authorize payment of any surcharge on an installment basis  
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20 surcharge or any installments on the surcharge, the total surcharge  
21 shall become due immediately, except as otherwise prescribed by  
22 rule of the commission.

23 The commission may authorize any person to pay the surcharge  
24 levied under this section and collectible by the commission by use  
25 of a credit card, debit card or other electronic payment device, and  
26 the administrator is authorized to require the person to pay all costs  
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39 this section 【that】 and collectible by the commission that is unpaid  
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42 Court stating that the person identified in the certificate is indebted  
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45 the indebtedness arises. Thereupon the clerk to whom such  
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42 (b) of paragraph (2) of this subsection b. shall be billed and  
43 collected by the commission except as provided in P.L.1997, c.280  
44 (C.2B:19-10 et al.) for the collection of unpaid surcharges.  
45 Commencing on September 1, 1996, or such earlier time as the  
46 Commissioner of Banking and Insurance shall certify to the State  
47 Treasurer that amounts on deposit in the New Jersey Automobile  
48 Insurance Guaranty Fund are sufficient to satisfy the current and

1 anticipated financial obligations of the New Jersey Automobile Full  
2 Insurance Underwriting Association, all **[plan]** surcharges collected  
3 by the commission under subparagraph (b) of paragraph (2) of this  
4 subsection b. shall be remitted to the Division of Motor Vehicles  
5 Surcharge Fund:

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

14 (ii) from and after the date of certification by the Commissioner  
15 of Banking and Insurance that the moneys collectible under  
16 subparagraph (b) of paragraph (2) of this subsection b. are no longer  
17 needed to fund the association or at such time as all Market  
18 Transition Facility bonds, notes and obligations and all Motor  
19 Vehicle Commission bonds, notes and obligations issued pursuant  
20 to section 4 of P.L.1994, c.57 (C.34:1B-21.4) and the costs thereof  
21 are discharged and no longer outstanding, for transfer to the Motor  
22 Vehicle Surcharges Revenue Fund established pursuant to section 6  
23 of the "Motor Vehicle Surcharges Securitization Act of 2004,"  
24 P.L.2004, c.70 (C.34:1B-21.28) to be applied as set forth in section  
25 6 that act. From and after such time as all bonds issued under  
26 section 4 of the "Motor Vehicle Surcharges Securitization Act of  
27 2004," P.L.2004, c.70 (C.34:1B-21.26) and the costs thereof are  
28 discharged and no longer outstanding, all **[plan]** surcharges  
29 collected by the commission under subparagraph (b) of paragraph  
30 (2) of this subsection b. shall, subject to appropriation, be remitted  
31 to the New Jersey Property-Liability Insurance Guaranty  
32 Association created pursuant to section 6 of P.L.1974, c.17  
33 (C.17:30A-6) to be used for payment of any loans made by that  
34 association to the New Jersey Automobile Insurance Guaranty Fund  
35 pursuant to paragraph (10) of subsection a. of section 8 of P.L.1974,  
36 c.17 (C.17:30A-8); provided that all such payments shall be subject  
37 to and dependent upon appropriation by the State Legislature.

38 All surcharges collected by the courts **[as plan surcharges]**  
39 pursuant to subparagraph (a) of paragraph (2) of this subsection b.  
40 shall be forwarded not less frequently than monthly to the Division  
41 of Revenue. The Division of Revenue shall transfer: all such  
42 surcharges received prior to July 1, 2006, to the General Fund, and  
43 commencing July 1, 2006, all such surcharges to the Unsafe Driving  
44 Surcharge Revenue Fund established pursuant to section 5 of the  
45 "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004,  
46 c.70 (C.34:1B-21.27) to be applied as set forth in section 5 of that  
47 act. From and after such time as all bonds (including refunding  
48 bonds), notes and other obligations issued under section 4 of the

1 "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004,  
2 c.70 (C.34:1B-21.26), and the costs thereof are discharged and no  
3 longer outstanding, all such **【plan】** surcharges collected by the  
4 courts pursuant to subparagraph (a) of paragraph (2) of this  
5 subsection b. and forwarded to the Division of Revenue shall be  
6 transferred to the General Fund.

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

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

36 c. No motor vehicle violation surcharges shall be levied on an  
37 automobile insurance policy issued or renewed on or after January  
38 1, 1984, except in accordance with the **【New Jersey Merit Rating**  
39 **Plan】** Motor Vehicle Violations Surcharge System, and all  
40 surcharges levied thereunder shall be assessed, collected and  
41 distributed in accordance with subsection b. of this section.

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

43 e. The Commissioner of Banking and Insurance and the  
44 commission as may be appropriate, shall adopt any rules and  
45 regulations necessary or appropriate to effectuate the purposes of  
46 this section.

47 (cf: P.L.2004, c.70, s.10)

1       2. This act shall take effect on the first day of the sixth month  
2 after enactment.

3

4

5

STATEMENT

6

7       This bill amends the law creating the New Jersey Merit Rating  
8 Plan to change the name of the plan to the Motor Vehicle Violations  
9 Surcharge System. The bill further changes the term "plan  
10 surcharges" to "surcharges." It is the sponsor's belief that this  
11 change will better describe the plan.

12       In addition, the bill amends the "Merit Rating Plan" (now the  
13 "Surcharge System") to provide that a driver failing to pay a  
14 surcharge under the Surcharge System may, by paying at least five  
15 percent of each outstanding surcharge assessment owed, remove the  
16 driver's suspension for failure to pay. Currently the Motor Vehicle  
17 Commission may authorize payment of surcharges on an  
18 installment basis for a period not to exceed 12 months for  
19 assessments under \$2300, or not exceeding 24 months for  
20 assessments of \$2500 or more. The bill provides that the  
21 commission may, for good cause, authorize installment payments  
22 for a period not exceeding 36 months irrespective of the surcharge  
23 assessment. The other permissible installment periods are 12 and  
24 24 months.

25       The bill further provides that a surcharged driver against whom a  
26 certificate of debt has been filed for non-payment of a surcharge  
27 shall not be eligible for the restoration of his driving privilege until  
28 at least five percent of each outstanding surcharge assessment that  
29 his resulted in the suspension, including interests and costs, if any,  
30 has been paid to the commission.

# SENATE TRANSPORTATION COMMITTEE

## STATEMENT TO

### SENATE, No. 2331

# STATE OF NEW JERSEY

DATED: NOVEMBER 27, 2006

The Senate Transportation Committee favorably reports Senate Bill No. 2331.

This bill amends the law creating the New Jersey Merit Rating Plan to change the name of the plan to the Motor Vehicle Violations Surcharge System. The bill further changes the term "plan surcharges" to "surcharges." These changes are intended to make the terminology of the statute establishing the surcharge regime more closely reflective of the character of that regime.

In addition, the bill amends the "Merit Rating Plan" (now the "Surcharge System") to provide that a driver failing to pay a surcharge under the Surcharge System may, by paying at least five percent of each outstanding surcharge assessment owed, remove the driver's suspension for failure to pay. Currently the Motor Vehicle Commission may authorize payment of surcharges on an installment basis for a period not to exceed 12 months for assessments under \$2,300, or not exceeding 24 months for assessments of \$2,300 or more. The bill provides that the commission may, for good cause, authorize installment payments for a period not exceeding 36 months irrespective of the surcharge assessment. The other permissible installment periods are 12 and 24 months.

The bill further provides that a surcharged driver against whom a certificate of debt has been filed for non-payment of a surcharge shall not be eligible for the restoration of his driving privilege until at least five percent of each outstanding surcharge assessment that his resulted in the suspension, including interests and costs, if any, has been paid to the commission.



# ASSEMBLY, No. 3524

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED OCTOBER 19, 2006

**Sponsored by:**

**Assemblywoman JOAN M. QUIGLEY**

**District 32 (Bergen and Hudson)**

**Assemblyman JOHN S. WISNIEWSKI**

**District 19 (Middlesex)**

**SYNOPSIS**

Renames New Jersey Merit Rating Plan.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT renaming the New Jersey Merit Rating Plan and amending  
2 P.L.1983, c.65.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. Section b. of P.L.1983, c.65 (C.17:29A-35) is amended to  
8 read as follows:

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

10 b. There is created a **【New Jersey Merit Rating Plan】** Motor  
11 Vehicle Violations and Accidents Surcharge System which shall  
12 apply to all drivers and shall include, but not be limited to, the  
13 following provisions

14 (1) (a) **【Plan surcharges】** Surcharges shall be levied, beginning  
15 on or after January 1, 1984, by the New Jersey Motor Vehicle  
16 Commission (hereafter the "commission") established by section 4  
17 of P.L.2003, c.13 (C.39:2A-4) on any driver who, in the preceding  
18 36-month period, has accumulated six or more motor vehicle points,  
19 as provided in Title 39 of the Revised Statutes; except that the  
20 allowance for a reduction of points in Title 39 of the Revised  
21 Statutes shall not apply for the purpose of determining surcharges  
22 under this paragraph. The accumulation of points shall be  
23 calculated as of the date the point violation is posted to the driver  
24 history record and shall be levied pursuant to rules promulgated by  
25 the commission. Surcharges assessed pursuant to this paragraph  
26 shall be \$150.00 for six points, and \$25.00 for each additional  
27 point. No offense shall be selected for billing which occurred prior  
28 to February 10, 1983. No offense shall be considered for billing in  
29 more than three annual assessments.

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

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

34 (b) **【Plan surcharges】** Surcharges shall be levied for convictions  
35 (i) under R.S.39:4-50 for violations occurring on or after February  
36 10, 1983, and (ii) under section 2 of P.L.1981, c.512 (C.39:4-  
37 50.4a), or for offenses committed in other jurisdictions of a  
38 substantially similar nature to those under R.S.39:4-50 or section 2  
39 of P.L.1981, c.512 (C.39:4-50.4a), for violations occurring on or  
40 after January 26, 1984. Except as hereinafter provided, surcharges  
41 under this subparagraph (b) shall be levied annually for a three-year  
42 period, and shall be \$1,000.00 per year for each of the first two  
43 convictions, for a total surcharge of \$3,000 for each conviction, and  
44 \$1,500.00 per year for the third conviction occurring within a three-  
45 year period, for a total surcharge of \$4,500 for the third conviction.

**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 If a driver is convicted under both R.S.39:4-50 and section 2 of  
2 P.L.1981, c.512 (C.39:4-50.4a) for offenses arising out of the same  
3 incident, the driver shall be assessed only one surcharge for the two  
4 offenses.

5 If, upon written notification from the commission or its designee,  
6 mailed to the last address of record with the commission, a driver  
7 fails to pay a surcharge levied under subparagraph (b) of paragraph  
8 (2) of this subsection b., the driving privilege of the driver shall be  
9 suspended forthwith until the minimum payment requirement as set  
10 forth by rule by the commission is paid to the commission; except  
11 that the commission may authorize payment of the surcharge on an  
12 installment basis over a period not to exceed 12 months for  
13 assessments under \$2,300 or 24 months for assessments of \$2,300  
14 or more. If a driver fails to pay the surcharge or any installments on  
15 the surcharge, the total surcharge shall become due immediately,  
16 except as otherwise prescribed by rule of the commission.

17 The commission may authorize any person to pay the surcharge  
18 levied under this section and collectible by the commission by use  
19 of a credit card, debit card or other electronic payment device, and  
20 the administrator is authorized to require the person to pay all costs  
21 incurred by the commission in connection with the acceptance of  
22 the credit card, debit card or other electronic payment device. If a  
23 surcharge or related administrative fee is paid by credit or debit  
24 cards or any other electronic payment device and the amount is  
25 subsequently reversed by the credit card company or bank, the  
26 driving privilege of the surcharged driver shall be suspended and  
27 the driver shall be subject to the fee imposed for dishonored checks  
28 pursuant to section 31 of P.L.1994, c.60 (C.39:5-36.1).

29 In addition to any other remedy provided by law, the commission  
30 is authorized to utilize the provisions of the SOIL (Set off of  
31 Individual Liability) program established pursuant to P.L.1981,  
32 c.239 (C.54A:9-8.1 et seq.) to collect any surcharge levied under  
33 this section that and collectible by the commission is unpaid on or  
34 after the effective date of this act. As an additional remedy, the  
35 commission may issue a certificate to the Clerk of the Superior  
36 Court stating that the person identified in the certificate is indebted  
37 under this surcharge law in such amount as shall be stated in the  
38 certificate. The certificate shall reference the statute under which  
39 the indebtedness arises. Thereupon the clerk to whom such  
40 certificate shall have been issued shall immediately enter upon the  
41 record of docketed judgments the name of such person as debtor;  
42 the State as creditor; the address of such person, if shown in the  
43 certificate; the amount of the debt so certified; a reference to the  
44 statute under which the surcharge is assessed, and the date of  
45 making such entries. The docketing of the entries shall have the  
46 same force and effect as a civil judgment docketed in the Superior  
47 Court, and the commission shall have all the remedies and may take  
48 all of the proceedings for the collection thereof which may be had

1 or taken upon the recovery of a judgment in an action, but without  
2 prejudice to any right of appeal. Upon entry by the clerk of the  
3 certificate in the record of docketed judgments in accordance with  
4 this provision, interest in the amount specified by the court rules for  
5 post-judgment interest shall accrue from the date of the docketing  
6 of the certificate, however payment of the interest may be waived  
7 by the commission or its designee. In the event that the surcharge  
8 remains unpaid following the issuance of the certificate of debt and  
9 the commission takes any further collection action including  
10 referral of the matter to the Attorney General or his designee, the  
11 fee imposed, in lieu of the actual cost of collection, may be 20  
12 percent of surcharges of \$1,000 or more. The administrator or his  
13 designee may establish a sliding scale, not to exceed a maximum  
14 amount of \$200, for surcharge principal amounts of less than \$1,000  
15 at the time the certificate of debt is forwarded to the Superior Court  
16 for filing. The commission shall provide written notification to a  
17 driver of the proposed filing of the certificate of debt at least 10  
18 days prior to the proposed filing; such notice shall be mailed to the  
19 driver's last address of record with the commission. If a certificate  
20 of debt is satisfied following a credit card payment, debit card  
21 payment or payment by other electronic payment device and that  
22 payment is reversed, a new certificate of debt shall be filed against  
23 the surcharged driver unless the original is reinstated.

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

28 All moneys collectible by the commission under subparagraph  
29 (b) of paragraph (2) of this subsection b. shall be billed and  
30 collected by the commission except as provided in P.L.1997, c.280  
31 (C.2B:19-10 et al.) for the collection of unpaid surcharges.  
32 Commencing on September 1, 1996, or such earlier time as the  
33 Commissioner of Banking and Insurance shall certify to the State  
34 Treasurer that amounts on deposit in the New Jersey Automobile  
35 Insurance Guaranty Fund are sufficient to satisfy the current and  
36 anticipated financial obligations of the New Jersey Automobile Full  
37 Insurance Underwriting Association, all **[plan]** surcharges collected  
38 by the commission under subparagraph (b) of paragraph (2) of this  
39 subsection b. shall be remitted to the Division of Motor Vehicles  
40 Surcharge Fund:

41 (i) for transfer to the Market Transition Facility Revenue Fund,  
42 as provided in section 12 of P.L.1994, c.57 (C.34:1B-21.12), for the  
43 purposes of section 4 of P.L.1994, c.57 (C.34:1B-21.4) until such a  
44 time as all the Market Transition Facility bonds, notes and  
45 obligations and all Motor Vehicle Commission bonds, notes and  
46 obligations issued pursuant to that section 4 of P.L.1994, c.57  
47 (C.34:1B-21.4) and the costs thereof are discharged and no longer  
48 outstanding; and

1 (ii) from and after the date of certification by the Commissioner  
2 of Banking and Insurance that the moneys collectible under  
3 subparagraph (b) of paragraph (2) of this subsection b. are no longer  
4 needed to fund the association or at such time as all Market  
5 Transition Facility bonds, notes and obligations and all Motor  
6 Vehicle Commission bonds, notes and obligations issued pursuant  
7 to section 4 of P.L.1994, c.57 (C.34:1B-21.4) and the costs thereof  
8 are discharged and no longer outstanding, for transfer to the Motor  
9 Vehicle Surcharges Revenue Fund established pursuant to section 6  
10 of the "Motor Vehicle Surcharges Securitization Act of 2004,"  
11 P.L.2004, c.70 (C.34:1B-21.28) to be applied as set forth in section  
12 6 that act. From and after such time as all bonds issued under  
13 section 4 of the "Motor Vehicle Surcharges Securitization Act of  
14 2004," P.L.2004, c.70 (C.34:1B-21.26) and the costs thereof are  
15 discharged and no longer outstanding, all **[plan]** surcharges  
16 collected by the commission under subparagraph (b) of paragraph  
17 (2) of this subsection b. shall, subject to appropriation, be remitted  
18 to the New Jersey Property-Liability Insurance Guaranty  
19 Association created pursuant to section 6 of P.L.1974, c.17  
20 (C.17:30A-6) to be used for payment of any loans made by that  
21 association to the New Jersey Automobile Insurance Guaranty Fund  
22 pursuant to paragraph (10) of subsection a. of section 8 of P.L.1974,  
23 c.17 (C.17:30A-8); provided that all such payments shall be subject  
24 to and dependent upon appropriation by the State Legislature.

25 All surcharges collected by the courts **[as plan surcharges]**  
26 pursuant to subparagraph (a) of paragraph (2) of this subsection b.  
27 shall be forwarded not less frequently than monthly to the Division  
28 of Revenue. The Division of Revenue shall transfer: all such  
29 surcharges received prior to July 1, 2006, to the General Fund, and  
30 commencing July 1, 2006, all such surcharges to the Unsafe Driving  
31 Surcharge Revenue Fund established pursuant to section 5 of the  
32 "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004,  
33 c.70 (C.34:1B-21.27) to be applied as set forth in section 5 of that  
34 act. From and after such time as all bonds (including refunding  
35 bonds), notes and other obligations issued under section 4 of the  
36 "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004,  
37 c.70 (C.34:1B-21.26), and the costs thereof are discharged and no  
38 longer outstanding, all such **[plan]** surcharges collected by the  
39 courts pursuant to subparagraph (a) of paragraph (2) of this  
40 subsection b. and forwarded to the Division of Revenue shall be  
41 transferred to the General Fund.

42 Upon request, the Administrative Office of the Courts shall  
43 provide a monthly report to the Division of Revenue containing  
44 information on the number of convictions for the offense of unsafe  
45 driving pursuant to section 1 of P.L.2000, c.75 (C.39:4-97.2) that  
46 were entered during such month, the amount of the surcharges that  
47 were assessed by the courts pursuant to subsection f. of section 1 of  
48 P.L.2000, c.75 (C.39:4-97.2) for such month, and the amount of the

1 surcharges collected by the courts pursuant to subsection f. of  
2 section 1 of P.L.2000, c.75 (C.39:4-97.2) during such month.

3 (3) In addition to any other authority provided in P.L.1983, c.65  
4 (C.17:29A-33 et al.), the commissioner, after consultation with the  
5 commission, is specifically authorized (a) (Deleted by amendment,  
6 P.L.1994, c.64), (b) to impose, in accordance with subparagraph (a)  
7 of paragraph (1) of this subsection b., surcharges for motor vehicle  
8 violations or convictions for which motor vehicle points are not  
9 assessed under Title 39 of the Revised Statutes, or (c) to reduce the  
10 number of points for which surcharges may be assessed below the  
11 level provided in subparagraph (a) of paragraph (1) of this  
12 subsection b., except that the dollar amount of all surcharges levied  
13 under the **【New Jersey Merit Rating Plan】** Motor Vehicle  
14 Violations and Accidents Surcharge System shall be uniform on a  
15 Statewide basis for each filer, without regard to classification or  
16 territory. Surcharges adopted by the commissioner on or after  
17 January 1, 1984 for motor vehicle violations or convictions for  
18 which motor vehicle points are not assessable under Title 39 of the  
19 Revised Statutes shall not be retroactively applied but shall take  
20 effect on the date of the New Jersey Register in which notice of  
21 adoption appears or the effective date set forth in that notice,  
22 whichever is later.

23 c. No motor vehicle violation surcharges shall be levied on an  
24 automobile insurance policy issued or renewed on or after January  
25 1, 1984, except in accordance with the **【New Jersey Merit Rating**  
26 **Plan】** Motor Vehicle Violations and Accidents Surcharge System,  
27 and all surcharges levied thereunder shall be assessed, collected and  
28 distributed in accordance with subsection b. of this section.

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

30 e. The Commissioner of Banking and Insurance and the  
31 commission as may be appropriate, shall adopt any rules and  
32 regulations necessary or appropriate to effectuate the purposes of  
33 this section.

34 (cf: P.L.2004, c.70, s.10)

35

36 2. This act shall take effect immediately.

37

38

39

#### STATEMENT

40

41 The bill would change the name of the New Jersey Merit Rating  
42 Plan to the Motor Vehicle Violations and Accidents Surcharge  
43 System. The bill further changes the term “plan surcharges” to  
44 “surcharges.” It is the sponsor’s belief that this change will better  
45 describe the plan.

46 This bill was prompted by a recommendation from the Motor  
47 Vehicles Affordability and Fairness Task Force.

ASSEMBLY TRANSPORTATION AND PUBLIC WORKS  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3524**

with committee amendments

**STATE OF NEW JERSEY**

DATED: DECEMBER 7, 2006

The Assembly Transportation and Public Works Committee reports favorably and with amendments Assembly Bill No. 3524.

As reported, this amended bill would change the name of the New Jersey Merit Rating Plan to the Motor Vehicle Violations Surcharge System. The bill further changes the term “plan surcharges” to “surcharges.”

The bill also amends the current law to provide that a driver failing to pay a surcharge may, by paying at least five percent of each outstanding surcharge assessment owed, remove the driver’s suspension for failure to pay. Currently the Motor Vehicle Commission may authorize payment of surcharges on an installment basis for a period not to exceed 12 months for assessments under \$2300, or not exceeding 24 months for assessments of \$2300 or more. The bill provides that, in addition, the commission may, for good cause, authorize installment payments for a period not exceeding 36 months irrespective of the surcharge assessment. The bill further provides that a surcharged driver against whom a certificate of debt has been filed for non-payment of a surcharge shall not be eligible for the restoration of his driving privilege until at least five percent of each outstanding surcharge assessment that his resulted in the suspension, including interests and costs, if any, has been paid to the commission.

This bill was prompted by a recommendation from the Motor Vehicles Affordability and Fairness Task Force.

COMMITTEE AMENDMENTS

The committee amended the bill to remove the term “accidents” from the new name of the “Motor Vehicle Violations Surcharge System.” The committee also amended the bill to provide that the commission may, for good cause, authorize installment payments for a period not exceeding 36 months irrespective of the surcharge assessment. The bill further provides that a surcharged driver against whom a certificate of debt has been filed for non-payment of a surcharge shall not be eligible for the restoration of his driving

privilege until at least five percent of each outstanding surcharge assessment that has resulted in the suspension, including interests and costs, if any, has been paid to the commission.

The committee amended the effective date of the bill to provide that the bill will take effect on the first day of the sixth month after enactment and made minor editorial corrections.