

20:46-1.1

LEGISLATIVE HISTORY CHECKLIST
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(Courts Computerized
Collection Fund)

NJSA: 20:46-1.1 and 20:46-1.2

LAWS OF: 1992 CHAPTER: 169

BILL NO: S633

SPONSOR(S) Smith

DATE INTRODUCED: March 26, 1992

COMMITTEE: ASSEMBLY: ---
SENATE: Judiciary; Budget and Appropriations

AMENDED DURING PASSAGE: Yes Amendments during passage
denoted by asterisks

DATE OF PASSAGE: ASSEMBLY: November 12, 1992
SENATE: October 15, 1992

DATE OF APPROVAL: December 3, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: No
SENATE: Yes 6-8-92 & 10-1-92

FISCAL NOTE: No

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MESSAGE ON SIGNING: No

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HEARINGS: No

KEG:PF

[SECOND REPRINT]

SENATE, No. 633

STATE OF NEW JERSEY

INTRODUCED MARCH 26, 1992

By Senator SMITH

1 AN ACT to fund the development, operation and maintenance of
2 an automated system for collection of assessments, restitutions
3 and fines, amending N.J.S.2C:46-1 and ²P.L.1991, c.329 and²
4 supplementing Title 2C of the New Jersey Statutes.

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

8 1. N.J.S.2C:46-1 is amended to read as follows:

9 2C:46-1. Time and Method of Payment; Disposition of Funds.

10 a. When a defendant is sentenced to pay an assessment
11 pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), a fine ¹, a
12 penalty imposed pursuant to N.J.S.2C:35-15, a forensic
13 laboratory fee imposed pursuant to N.J.S.2C:35-20¹ or to make
14 restitution, the court may grant permission for the payment to be
15 made within a specified period of time or in specified
16 installments. If no such permission is embodied in the sentence,
17 the assessment, fine ¹, penalty, fee¹ or restitution shall be
18 payable forthwith, and the court shall file a copy of the judgment
19 of conviction with the Clerk of the Superior Court who shall
20 enter the following information upon the record of docketed
21 judgments:

22 (1) the name of the convicted person as judgment debtor;

23 (2) the amount of the assessment imposed pursuant to section
24 2 of P.L.1979, c.396 (C.2C:43-3.1) and the Violent Crimes
25 Compensation Board as a judgment creditor in that amount;

26 (3) the amount of any restitution ordered and the name of any
27 persons entitled to receive payment as judgment creditors in the
28 amount and according to the priority set by the court;

29 (4) the amount of any fine and the governmental entity
30 entitled to receive payment pursuant to N.J.S.2C:46-4;

31 ¹(5) the amount of the mandatory Drug Enforcement and
32 Demand Reduction penalty imposed;

33 (6) the amount of the forensic laboratory fee imposed;¹ and

34 ¹[(5)][7]¹ the date of the order.

35 Where there is more than one judgment creditor the creditors
36 shall be given priority consistent with the provisions of section 13
37 of P.L.1991, c.329 (C.2C:46-4.1). These entries shall have the
38 same force as a civil judgment docketed in the Superior Court.

39 b. ¹(1)¹ When a defendant sentenced to pay an assessment
40 imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), a
41 fine ¹, a penalty imposed pursuant to N.J.S.2C:35-15, a forensic
42 laboratory fee imposed pursuant to N.J.S.2C:35-20¹ or to make

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SJU committee amendments adopted June 8, 1992.

² Senate SBA committee amendments adopted October 1, 1992.

1 restitution is also sentenced to probation, the court shall make
2 continuing payment of installments on the assessment and
3 restitution a condition of probation, and may make continuing
4 payment of installments on ¹[a fine] the fine, the mandatory Drug
5 Enforcement and Demand Reduction penalty or the forensic
6 laboratory fee¹ a condition of probation.

7 ¹(2) When a defendant sentenced to pay an assessment imposed
8 pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), a fine, a
9 penalty imposed pursuant to N.J.S.2C:35-15, a forensic
10 laboratory fee imposed pursuant to N.J.S.2C:35-20 or to make
11 restitution is also sentenced to a custodial term in a State
12 correctional facility, the court may require the defendant to pay
13 installments on the assessment, penalty, fee, fine and restitution.¹

14 c. The defendant shall pay an assessment imposed pursuant to
15 section 2 of P.L.1979, c.396 (C.2C:43-3.1), restitution, ¹penalty,
16 fee¹ or fine or any installment thereof to the officer entitled by
17 law to collect the payment. In the event of default in payment,
18 such agency shall take appropriate action for its collection.

19 d. ¹(1)¹ When ¹,in connection with a sentence of probation,¹ a
20 defendant is sentenced to pay an assessment imposed pursuant to
21 section 2 of P.L.1979, c.396 (C.2C:43-3.1), a fine ¹, a penalty
22 imposed pursuant to N.J.S.2C:35-15, a forensic laboratory fee
23 imposed pursuant to N.J.S.2C:35-20¹ or to make restitution, the
24 defendant, in addition, shall be sentenced to pay a transaction fee
25 ¹[of \$1.00]¹ on each occasion that the defendant makes a
26 payment or an installment payment, until the defendant has paid
27 the full amount he is sentenced to pay. ¹The Administrative
28 Office of the Courts shall promulgate a transaction fee schedule
29 for use in connection with installment payments made pursuant to
30 this paragraph; provided, however, the transaction fee on an
31 installment payment shall not exceed \$1.00.¹

32 ¹(2) When, in connection with a custodial sentence in a State
33 correctional institution, a defendant is sentenced to pay an
34 assessment imposed pursuant to section 2 of P.L.1979, c.396
35 (C.2C:43-3.1), a fine, a penalty imposed pursuant to
36 N.J.S.2C:35-15, a forensic laboratory fee imposed pursuant to
37 N.J.S.2C:35-20 or to make restitution, the defendant, in addition,
38 shall be sentenced to pay a transaction fee on each occasion that
39 the defendant makes a payment or an installment payment until
40 the defendant has paid the full amount he is sentenced to pay.
41 The Department of Corrections shall promulgate a transaction
42 fee schedule for use in connection with installments payments
43 made pursuant to this paragraph; provided, however, the
44 transaction fee on an installment payment shall not exceed
45 \$1.00.¹

46 (cf: P.L.1991, c.329, s.10)

47 2. (New section)¹a.¹ Transaction fees collected pursuant to
48 ¹paragraph (1) of¹ subsection d. of N.J.S.2C:46-1 shall be
49 deposited in the Courts Computerized Collection Fund, which is
50 hereby established as a separate fund in the General Fund, to be
51 administered by the Administrative Office of the Courts and
52 dedicated to the development, establishment, operation and
53 maintenance of a computerized system for use by the
54 Administrative Office of the Courts in developing, implementing,

1 operating and improving the judiciary's component of the
2 uniform system for tracking and collecting assessments,
3 restitutions ¹, penalties, fees¹ and fines imposed in accordance
4 with the provisions of Title 2C of the New Jersey Statutes, as
5 required by section 19 of P.L.1991, c. 329 ¹[(52:4B-8.1)]
6 (C.52:4B-8.1)¹.

7 ¹b. Transaction fees collected pursuant to paragraph (2) of
8 subsection d. of N.J.S.2C:46-1 shall be deposited in the
9 Corrections Computerized Collection Fund, which is hereby
10 established as a separate fund in the General Fund, to be
11 administered by the Department of Corrections and dedicated to
12 the development, establishment, operation and maintenance of a
13 computerized system for use by the Department of Corrections in
14 developing, implementing, operating and improving the
15 Department's component of the uniform system for tracking and
16 collecting assessments, restitutions, penalties, fees and fines
17 imposed in accordance with the provisions of Title 2C of the New
18 Jersey Statutes, as required by section 19 of P.L.1991, c.329
19 (C.52:4B-8.1).¹

20 3. (New section) ¹a.¹ The Supreme Court ¹of New Jersey¹
21 may issue Rules of Court to effectuate the purposes of this act.

22 ¹b. The Commissioner of the Department of Corrections shall
23 promulgate rules and regulations, pursuant to the "Administrative
24 Procedures Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary
25 to effectuate the purposes of this act.¹

26 ²4. Section 19 of P.L.1991, c.329 (C.52:4B-8.1) is amended to
27 read as follows:

28 19. a. Within 180 days of the effective date of this act, the
29 Violent Crimes Compensation Board, after consultation with the
30 Attorney General, the Department of Corrections, and the
31 Administrative Office of the Courts, on behalf of the county
32 probation departments and the municipal court clerks, shall
33 develop a uniform system for recording all information necessary
34 to ensure proper identification, tracking, collection and
35 disposition of moneys owed for:

36 (1) assessments imposed pursuant to section 2 of P.L.1979,
37 c.396 (C.2C:43-3.1);

38 (2) fines and restitutions imposed in accordance with
39 provisions of Title 2C of the New Jersey Statutes;

40 (3) fees imposed pursuant to N.J.S.2C:35-20;

41 (4) penalties imposed pursuant to N.J.S.2C:35-15.

42 b. The Violent Crimes Compensation Board shall use the
43 moneys deposited in the Criminal Disposition and Revenue
44 Collection Fund to defray the costs incurred by [governmental
45 agencies] the board in developing, implementing, operating and
46 improving the board's component of the uniform system for
47 tracking and collecting revenues described in subsection a. of this
48 section.

49 c. The Department of Corrections, and the Administrative
50 Office of the Courts, on behalf of the county probation
51 departments and the municipal court clerks, shall file such
52 reports with the Violent Crimes Compensation Board as required
53 for the operation of the uniform system described in subsection a.
54 of this section.

1 d. The Violent Crimes Compensation Board shall report
2 annually to the Governor, the Attorney General, the
3 Administrative Director of the Administrative Office of the
4 Courts, the Commissioner of the Department of Corrections, and
5 the Legislature on the development, implementation,
6 improvement and effectiveness of the uniform system and on
7 moneys received, deposited and identified as receivable.²

8 (cf: P.L.1991, c.329, s.19)

9 ²[4.] 5.² This act shall take effect ¹[immediately] on the 60th
10 day following enactment¹.

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15 Creates Courts Computerized Collection Fund; provides for \$1.00
16 transaction fee for assessments, fines and restitution.

1 imposed pursuant to section 2 of P.L.1979, c.396 (C.2C:43-3.1), a
2 fine or to make restitution, the defendant, in addition, shall be
3 sentenced to pay a transaction fee of \$1.00 on each occasion that
4 the defendant makes a payment or installment payment, until the
5 defendant has paid the full amount he is sentenced to pay.

6 (cf: P.L.1991, c.329, s.10)

7 2. (New section) Transaction fees collected pursuant to
8 subsection d. of N.J.S.2C:46-1 shall be deposited in the Courts
9 Computerized Collection Fund, which is hereby established as a
10 separate fund in the General Fund, to be administered by the
11 Administrative Office of the Courts and dedicated to the
12 development, establishment, operation and maintenance of a
13 computerized system for use by the Administrative Office of the
14 Courts in developing, implementing, operating and improving the
15 judiciary's component of the uniform system for tracking and
16 collecting assessments, restitutions and fines imposed in
17 accordance with the provisions of Title 2C of the New Jersey
18 Statutes, as required by section 19 of P.L.1991, c. 329 (52:4B-8.1).

19 3. (New section) The Supreme Court may issue Rules of Court
20 to effectuate the purposes of this act.

21 4. This act shall take effect immediately.

22 23 24 STATEMENT

25
26 This bill provides for \$1.00 transaction fees for payments of
27 assessments, fines and restitution collected pursuant to
28 N.J.S.2C:46-1 to be deposited in the Courts Computerized
29 Collection Fund to be administered by the Administrative Office
30 of the Courts and dedicated to the development, establishment,
31 operation and maintenance of a computerized system for use by
32 the Administrative Office of the Courts in developing,
33 implementing, operating and improving the judiciary's component
34 of the uniform system for tracking and collecting assessments,
35 restitutions and fines.

36 The judiciary imposes thousands of financial obligations each
37 year in the form of fees, fines, and penalties which accrue to the
38 benefit of a variety of funds and agencies. In Fiscal Year 1990,
39 more than a quarter of a million such assessments were levied
40 totaling well over \$50 million. Because of a reliance upon manual
41 processing systems and problems associated with manual
42 recordkeeping, the exact amount is not known. The judiciary was
43 able to collect \$23.4 million in court year 1990, about 45% of
44 estimated assessments. This collection rate leaves nearly \$27
45 million additionally to be collected. Automation of an
46 integrated, Statewide financial system would increase collections
47 by a minimum of 15 to 20%, an additional \$3.5 to \$4.7 million
48 each year.

49 A fully integrated, Statewide judicial collections enforcement
50 system is proposed to provide an accurate accounting of all
51 financial obligations imposed by the courts. Implementation will
52 enable the judiciary to improve collection strategies and thereby
53 increase revenues garnered. This computerized system will set
54 up individual accounts, monitor adherence to payment schedules,

1 and track amounts paid, pending, and in arrears. It will provide
2 for the automatic generation of payment notices and dunning
3 letters for missed installments as well as the information
4 management needs to facilitate planning, project revenues,
5 identify trends, evaluate collection techniques, and in general,
6 have the most effective means for enforcing court-imposed
7 financial obligations. Automation will permit direct access to
8 other State systems including wage reporting, tax refund offset
9 programs, and parent locator systems to aid in the collection
10 process.

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15 Creates Courts Computerized Collection Fund; provides for \$1.00
16 transaction fee for assessments, fines and restitution.

SENATE JUDICIARY COMMITTEE

STATEMENT TO

SENATE, No. 633

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JUNE 8, 1992

The Senate Judiciary Committee reports favorably and with committee amendments Senate Bill No. 633.

Under the provisions of P.L.1991, c.329 (C.52:4B-8.1), the Administrative Office of the Courts together with the Violent Crimes Compensation Board and the Department of Corrections is require to develop a uniform system for recording all information necessary to ensure proper identification, tracking, collection and disposition of money owed for victim compensation assessments, fines, restitutions, drug enforcement penalties and forensic lab fees. This bill would establish a transaction fee for payment of assessments, fines and restitution collected by the courts. These fees would be deposited in a fund to be known as the "Courts Computerized Collection Fund." This fund would be administered by the AOC and would be dedicated to the development, establishment, operation and maintenance of a computerized system for use by the AOC in connection with the uniform system for tracking and collecting assessments, restitutions and fines.

The amendments adopted by the committee would permit the Department of Correction to charge a transaction fee for installment payments of assessments and restitution made by inmates and parolees. These fees would be used to upgrade the system used by the Department in collecting these payments. The amendments also clarify that Drug Enforcement and Demand Reduction penalties and forensic laboratory fees may be paid and collected through installment payments.

The amendments also authorize Corrections and the AOC to promulgate transaction fee schedules provided that the transaction fee on an installment payment may not exceed \$1.00 may not exceed \$1.00.

In addition, these amendments would delay the bill's effective date for 60 days. This delay would allow time to establish those procedures and other changes which may be necessary to implement the bill's provisions.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

SENATE, No. 633

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 1, 1992

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 633 (1R), with committee amendments.

Senate Bill No. 633 (1R), as amended, would impose a transaction fee, not to exceed \$1.00, on each payment made by a probationer, state sentenced inmate or parolee on a court-ordered financial penalty (exclusive of child support). Revenues obtained from the imposition of the transaction fee would be deposited in the Courts Computerized Collection Fund, if the defendant is a probationer, or in the Corrections Computerized Collections Fund, if the defendant receives a state custodial sentence or is on parole. The two funds would be administered by the Administrative Office of the Courts (AOC) and the Department of Corrections (DOC), respectively. Funds would be used solely to develop, implement, operate and maintain a computerized system for use by the AOC and the DOC in improving their systems of tracking and collecting assessments, restitutions and fines.

It is the committee's understanding that the use of these funds for the computerized system will be coordinated with the Information Technology Task Force.

As amended, this bill is identical to Assembly Bill No. 1266 (1R).

COMMITTEE AMENDMENTS

The committee amendments insert in the bill a new section that amends section 19 of P.L.1991, c.329 (C.52:4B-8.1) to clarify the use of moneys in the Criminal Disposition and Revenue Collection Fund to defray costs incurred by the VCCB.

FISCAL IMPACT

The AOC has projected revenues of \$693,000 in FY 1993, \$1,524,000 in FY 1994 and \$1,677,000 in FY 1995. These projected revenues assume a November 1, 1992 enactment date, and therefore a January 1, 1993 effective date. Thus, revenues in FY 1993 will only be collected for the second half of the year. The AOC also assumes that collections will grow at a rate of 10 percent annually. One-time start-up costs are also projected at both the state and local levels for changes to forms and record keeping systems to implement collection and tracking of the transaction fee. The AOC estimates State start-up costs of \$4,500 and local start-up costs of \$127,000 in the first year of implementation. The AOC indicates that the \$1.00 transaction fee will be adequate to cover the costs of system development and implementation, although initial design and development will depend on collection of the fee through current methods (i.e., without the new system in place).

The Department of Corrections has estimated that approximately \$170,000 to \$180,000 in transaction fees per year could be collected from inmates and parolees. The DOC assumes that it will charge \$.50 per transaction under \$10.00 and \$1.00 per transaction over \$10.00. The DOC states that the fee will be adequate to cover the necessary record keeping, software development and ongoing maintenance costs associated with implementation.