

[CORRECTED COPY]
CHAPTER 70

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

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

C.34:1B-21.23 Short title.

1. This act shall be known and may be cited as the "Motor Vehicle Surcharges Securitization Act of 2004."

C.34:1B-21.24 Definitions relative to motor vehicle surcharges securitization bonds.

2. The following words or terms as used in this act shall have the following meanings unless a different meaning clearly appears from the context:

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

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

"Dedicated Motor Vehicle Surcharge Revenues" means:

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

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

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

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

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

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

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

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

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

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

C.34:1B-21.25 "Motor Vehicle Surcharges Securitization Proceeds Fund."

3. a. The authority shall establish and maintain a special nonlapsing fund to be known as the "Motor Vehicle Surcharges Securitization Proceeds Fund" into which shall be deposited the

following moneys:

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

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

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

b. Amounts on deposit in the Motor Vehicle Surcharges Securitization Proceeds Fund shall be withdrawn by the authority from time to time, upon written request of the State Treasurer or as otherwise provided in any contract between the authority and the State Treasurer authorized and entered into pursuant to section 7 of this act, and paid to the State Treasurer for deposit either into the General Fund of the State or into the Motor Vehicle Surcharges Securitization Fund, as determined by the State Treasurer, and used for any lawful purpose of the State for which moneys on deposit in the General Fund may be used. All amounts withdrawn from the Motor Vehicle Surcharges Securitization Proceeds Fund and deposited into the General Fund of the State as provided in this paragraph shall represent financial resources and revenues of the State upon deposit into the General Fund. Notwithstanding any provision of this subparagraph to the contrary, the State Treasurer shall not request the authority to pay, and the authority shall not pay, to the State Treasurer during any State fiscal year for deposit into the General Fund of the State, amounts on deposit in the Motor Vehicle Surcharges Securitization Proceeds Fund which are in excess of the amounts anticipated as revenues from that fund as certified by the Governor pursuant to Article VIII, Section II, paragraph 2 of the State Constitution for the State annual appropriation act for such State fiscal year, and as may be applicable for such annual appropriation act as may be amended and supplemented from time to time.

C.34:1B-21.26 Powers of authority.

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

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

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

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

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

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

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

b. The authority may, in any resolution authorizing the issuance of bonds or refunding bonds issued by the authority pursuant to this act, or the execution and delivery of any agreement authorized pursuant to subsection c. of this section, pledge the amounts from time to time on deposit in the Motor Vehicle Surcharges Revenue Fund and any contract entered into with the State Treasurer pursuant to section 7 of this act, or any part thereof, to secure the payment, purchase or redemption of the bonds or refunding bonds issued pursuant to this act or any obligations of the authority under any agreement entered into pursuant to subsection c. of this

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

c. In connection with any bonds or refunding bonds issued or to be issued pursuant to this act, the authority may also enter into any revolving credit agreement, agreement establishing a line of credit or letter of credit, reimbursement agreement, interest rate exchange agreement, currency exchange agreement, interest rate floor or cap, options, puts or calls to hedge payment, currency, rate, spread or similar exposure, or similar agreements, float agreements, forward agreements, insurance contract, surety bond, commitment to purchase or sell bonds, purchase or sale agreement, or commitments or other contracts or agreements and other security agreements approved by the authority.

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

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

f. The authority is authorized to engage, subject to the approval of the State Treasurer and in such manner as the State Treasurer shall determine, the services of bond counsel, financial

advisors and experts, placement agents, underwriters, trustees, verification agents, remarketing agents, auction agents, broker-dealers, appraisers, and such other advisors, consultants and agents as may be necessary to effectuate the purposes of this act.

g. All bonds or refunding bonds issued by the authority pursuant to this act are deemed to be issued by a body corporate and politic of the State for an essential governmental purpose, and the interest thereon and the income derived from all funds, revenues, incomes and other moneys received for or to be received by the authority and pledged and available to pay or secure the payment of bonds or refunding bonds and the interest thereon, shall be exempt from all taxes levied pursuant to the provisions of Title 54 of the Revised Statutes or Title 54A of the New Jersey Statutes, except for transfer inheritance and estate taxes levied pursuant to Subtitle 5 of Title 54 of the Revised Statutes.

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

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

C.34:1B-21.27 "Unsafe Driving Surcharges Fund."

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

C.34:1B-21.28 "Motor Vehicle Surcharges Revenue Fund."

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

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

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

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

b. In each State fiscal year during which the authority has outstanding bonds or refunding bonds which have been issued pursuant to this act, moneys in the Motor Vehicle Surcharges Revenue Fund may be used by the authority, in accordance with the provisions of any bond resolutions authorizing the issuance of bonds or refunding bonds pursuant to this act and any contract between the authority and the State Treasurer authorized and entered into pursuant to section 7 of this act, to pay debt service payable on the authority's then outstanding bonds or refunding bonds issued pursuant to this act and any amounts due in connection with any agreements entered into pursuant to subsection c. of section 4 of this act due in such fiscal year, to replenish any reserve or other fund established for such bonds or refunding bonds issued in accordance with subsection a. of section 4 of this act, and to pay any and all other additional amounts as shall be authorized by this act and required to be paid by the authority during such fiscal year, provided however, that the payment of all such amounts to the authority by the State Treasurer shall be subject to and dependent upon appropriations being made from time to time by the Legislature of the amounts thereof for the purposes of this act. Notwithstanding any other provision of any law, rule, regulation or order to the contrary, the authority shall be paid only such amounts as shall be required by the provisions of any contract between the authority and the State Treasurer authorized and entered into pursuant to section 7 of this act and the incurrence of any obligation of the State under any such contract, including any payments to be made thereunder, shall be subject to and dependent upon appropriations being made from time to time by the Legislature for the purposes of this act.

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

C.34:1B-21.29 Contracts to implement payment arrangement.

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

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

C.34:1B-21.7 "Market Transition Facility Revenue Fund."

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

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

21.14);

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

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

(2) in each fiscal year commencing on or after July 1, 2006, to the Motor Vehicle Surcharges Revenue Fund established pursuant to section 6 of the "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004, c.70 (C.34:1B-21.28), to be applied as set forth therein, until such time as all bonds, notes and other obligations issued or entered into pursuant to section 4 of P.L.2004, c.70 (C.34:1B-21.26) and the costs thereof are discharged and no longer outstanding;

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

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

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

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

C.34:1B-21.12 "Division of Motor Vehicles Surcharge Fund."

12. There is created within the Department of the Treasury a special nonlapsing fund to be known as the "Division of Motor Vehicles Surcharge Fund," which, beginning September 1, 1996 or earlier as provided pursuant to this section, shall be comprised of moneys transferred to the DMV Surcharge Fund from the Market Transition Facility which, notwithstanding the provisions of this section to the contrary, may be appropriated, immediately upon receipt from the Market Transition Facility, by the Legislature to the Facility Revenue Fund and all moneys collected pursuant to subsection b. of section 6 of P.L.1983, c.65 (C.17:29A-35) and any interest or other income earned thereon. Moneys in the DMV Surcharge Fund shall be managed and invested by the Division of Investment in the Department of the Treasury. Commencing September 1, 1996, or at such earlier time as may be certified by the commissioner that moneys on deposit in the New Jersey Automobile Insurance Guaranty Fund created pursuant to section 23 of P.L.1990, c.8 (C.17:33B-5) are sufficient to satisfy the current and anticipated financial obligations of the New Jersey Automobile Full Insurance Underwriting Association, the moneys in the DMV Surcharge Fund shall be disbursed from time to time by the State Treasurer, upon appropriation by the Legislature, to the Market Transition Facility Revenue Fund, for payment of principal, interest and premium on the Market Transition Facility bonds or notes and New Jersey Motor Vehicle Commission bonds or notes issued by the authority pursuant to section 4 of P.L.1994, c.57 (C.34:1B-21.4). From and after such time as all Market Transition Facility bonds, notes and obligations and all New Jersey Motor Vehicle Commission bonds, notes and obligations issued pursuant to section 4 of P.L.1994, c.57 (C.34:1B-21.4) and the costs thereof are discharged and no longer outstanding, all amounts on deposit in the DMV Surcharge Fund shall be disbursed from time to time by the State Treasurer, upon appropriation by the Legislature, to the Motor Vehicle Surcharges Revenue Fund established pursuant to section 6 of the "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004, c.70 (C.34:1B-21.28) to be applied as set forth in section 6 of P.L.2004, c.70 (C.34:1B-21.28) until such time as all bonds (including refunding bonds), notes and other obligations issued or entered into pursuant to section 4 of P.L.2004, c.70 (C.34:1B-21.26) and the costs thereof are discharged and no longer outstanding.

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

C.17:29A-35 New Jersey Merit Rating Plan.

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

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

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

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

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

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

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

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

In addition to any other remedy provided by law, the commission is authorized to utilize the provisions of the SOIL (Set off of Individual Liability) program established pursuant to P.L.1981, c.239 (C.54A:9-8.1 et seq.) to collect any surcharge levied under this section that and collectible by the commission is unpaid on or after the effective date of this act. As an additional remedy, the commission may issue a certificate to the Clerk of the Superior Court stating that the person identified in the certificate is indebted under this surcharge law in such amount as

shall be stated in the certificate. The certificate shall reference the statute under which the indebtedness arises. Thereupon the clerk to whom such certificate shall have been issued shall immediately enter upon the record of docketed judgments the name of such person as debtor; the State as creditor; the address of such person, if shown in the certificate; the amount of the debt so certified; a reference to the statute under which the surcharge is assessed, and the date of making such entries. The docketing of the entries shall have the same force and effect as a civil judgment docketed in the Superior Court, and the commission shall have all the remedies and may take all of the proceedings for the collection thereof which may be had or taken upon the recovery of a judgment in an action, but without prejudice to any right of appeal. Upon entry by the clerk of the certificate in the record of docketed judgments in accordance with this provision, interest in the amount specified by the court rules for post-judgment interest shall accrue from the date of the docketing of the certificate, however payment of the interest may be waived by the commission or its designee. In the event that the surcharge remains unpaid following the issuance of the certificate of debt and the commission takes any further collection action including referral of the matter to the Attorney General or his designee, the fee imposed, in lieu of the actual cost of collection, may be 20 percent of surcharges of \$1,000 or more. The administrator or his designee may establish a sliding scale, not to exceed a maximum amount of \$200, for surcharge principal amounts of less than \$1,000 at the time the certificate of debt is forwarded to the Superior Court for filing. The commission shall provide written notification to a driver of the proposed filing of the certificate of debt at least 10 days prior to the proposed filing; such notice shall be mailed to the driver's last address of record with the commission. If a certificate of debt is satisfied following a credit card payment, debit card payment or payment by other electronic payment device and that payment is reversed, a new certificate of debt shall be filed against the surcharged driver unless the original is reinstated.

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

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

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

(ii) from and after the date of certification by the Commissioner of Banking and Insurance that the moneys collectible under subparagraph (b) of paragraph (2) of this subsection b. are no longer needed to fund the association or at such time as all Market Transition Facility bonds, notes and obligations and all Motor Vehicle Commission bonds, notes and obligations issued pursuant to section 4 of P.L.1994, c.57 (C.34:1B-21.4) and the costs thereof are discharged and no longer outstanding, for transfer to the Motor Vehicle Surcharges Revenue Fund established pursuant to section 6 of the "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004, c.70 (C.34:1B-21.28) to be applied as set forth in section 6 that act. From and after such time as all bonds issued under section 4 of the "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004, c.70 (C.34:1B-21.26) and the costs thereof are discharged and no longer outstanding, all plan surcharges collected by the commission under subparagraph (b) of paragraph (2) of this subsection b. shall, subject to appropriation, be remitted to the New Jersey Property-Liability Insurance Guaranty Association created pursuant to section 6 of P.L.1974,

c.17 (C.17:30A-6) to be used for payment of any loans made by that association to the New Jersey Automobile Insurance Guaranty Fund pursuant to paragraph (10) of subsection a. of section 8 of P.L.1974, c.17 (C.17:30A-8); provided that all such payments shall be subject to and dependent upon appropriation by the State Legislature.

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

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

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

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

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

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

C.34:1B-21.30 Motor Vehicle Surcharges Securitization Fund.

11. There is hereby created in the Department of the Treasury a separate nonlapsing fund to be known as the Motor Vehicle Surcharges Securitization Fund. Revenue derived from bonds issued under the "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004, c.70 (C.34:1B-21.23 et al.) may be deposited into the Motor Vehicle Surcharges Securitization Fund and balances therein may be transferred to the General Fund.

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

13. This act shall take effect immediately.

Approved June 30, 2004.