

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 3335

STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JANUARY 27, 2023

SUMMARY

Synopsis:	Concerns electronic transmission of crash reports.
Type of Impact:	Decrease in annual State expenditures; indeterminate impact on local expenditures.
Agencies Affected:	Department of Transportation, New Jersey Motor Vehicle Commission, and law enforcement agencies.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual Impact</u>
State Expenditure Decrease	Approximately \$2.2 million
Local Expenditures	Indeterminate Impact

- The Office of Legislative Services (OLS) concludes that the bill would reduce annual State expenditures associated with the processing of motor vehicle accident reports by approximately \$2.2 million. These cost savings would be realized from the elimination of certain contracted labor, which is currently needed to convert handwritten accident reports into electronic form.
- By requiring local law enforcement agencies to electronically transmit accident reports, the bill may result in marginal, short-term cost increases for law enforcement agencies that currently do not submit electronic accident reports. However, the OLS notes that the adoption of electronic reporting by law enforcement agencies may also reduce annual expenditures through the elimination of certain labor costs.
- The Department of Transportation is not expected to incur increased expenditures associated with the development of an electronic platform because the department has already developed a platform (i.e., the New Jersey Crash Records Portal) to effectuate the electronic transmittal of these reports.

BILL DESCRIPTION

This bill provides that the Department of Transportation would be responsible for the collection of motor vehicle accident reports. The bill also requires law enforcement agencies to electronically transmit all accident reports to the department. The department would also be required to adopt rules and regulations to effectuate the electronic transmission of these reports.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill would reduce annual State expenditures associated with the processing of motor vehicle accident reports by approximately \$2.2 million. As noted below, the bill would also impact the expenditures of local law enforcement agencies depending on the manner in which each agency processes and electronically transmits its motor vehicle accident reports.

Under current law, the New Jersey Motor Vehicle Commission is required to supply law enforcement agencies with the forms necessary to document motor vehicle accidents. After a law enforcement agency investigates a motor vehicle accident, the agency is required to prepare a written report of the accident using the forms supplied by the commission and forward the written report to the commission. Under current practice, the department is responsible for collecting accident reports from State and local law enforcement agencies. Under this bill, all accident reports would be forwarded to the department using forms developed by the department. Importantly, law enforcement agencies would also be required to electronically transmit all accident reports to the department using an electronic format prescribed by the department.

Impact on State Expenditure

This bill is expected to impact State expenditures associated with the processing of motor accident reports by: (1) transferring the responsibility for performing these functions from the commission to the department; and (2) requiring each accident report to be submitted and processed through electronic means. As mentioned, the OLS notes that the department already oversees a Crash Records Unit within the Bureau of Transportation Data and Support, which unit is currently responsible for collecting motor vehicle accident reports from law enforcement agencies. Because the department already possesses substantial experience in performing these functions, the transfer of administrative responsibility is not expected to impact total State expenditures.

Importantly, the electronic processing of motor vehicle accident reports is expected to reduce annual State expenditure by approximately \$2.2 million due to the elimination of certain contracted labor. According to an audit report completed by the Office of the State Auditor on the operations of the Crash Records Unit, which report was submitted on September 28, 2022, the State Auditor noted that the processing of written accident reports is labor-intensive and time-consuming. Specifically, the audit report stated that “[a]fter the unit manually sorts the crash reports received, they are sent to a state contract vendor ... [who] converts the data to an electronic format and scans the paper crash reports to create a digital image. These services cost the department \$2.2 million

in calendar year 2019.” Based on this finding, the OLS determines that the electronic transmittal of motor vehicle accident reports would eliminate the need for a contracted vendor to convert written accident reports into electronic form, which contracted labor currently costs roughly \$2.2 million per year.

Additionally, the State Auditor’s report also noted that the department launched the New Jersey Crash Records Portal in July 2021 to enable law enforcement agencies to submit electronic accident reports, free of charge, to the department. Accordingly, the department is not expected to incur increased expenditures associated with the development of an electronic platform because the department has already developed a platform to effectuate the requirements of the bill.

Impact on Local Expenditure

Subject to any rules and regulations that may be adopted by the department, a local law enforcement agency may satisfy the requirement to electronically transmit motor vehicle accident reports by: (1) continuing to prepare handwritten accident reports and converting these reports into an electronic form for transmittal to the department; or (2) preparing only electronic accident reports and transmitting these reports to the department.

Depending on the manner in which these accident reports are prepared and transmitted, the fiscal impact of the bill may vary by law enforcement agency. For example, the bill may result in marginal, short-term cost increases for any local law enforcement agency that currently does not submit electronic accident reports. However, for any law enforcement agency that already prepares or submits electronic accident reports, the bill would not be expected to increase expenditures. For context, the State Auditor’s report indicated that as of March 31, 2022, 18 of 536 law enforcement agencies submitted accident reports through the New Jersey Crash Records Portal.

Additionally, the OLS notes that law enforcement agencies that exclusively prepare and transmit electronic accident reports may experience annual expenditure decreases due to the elimination of labor costs associated with the conversion of handwritten reports into electronic form. However, without knowing how many law enforcement agencies will elect to implement this practice, the OLS is unable to predict the magnitude of these potential cost savings.

Section: Authorities, Utilities, Transportation and Communications

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).