

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 4084

STATE OF NEW JERSEY  
220th LEGISLATURE

DATED: DECEMBER 28, 2023

SUMMARY

- Synopsis:** Concerns temporary registration certificates and license plates.
- Type of Impact:** Annual State and local expenditure and revenue increases.
- Agencies Affected:** New Jersey Motor Vehicle Commission; Department of Law and Public Safety; State, county, and municipal Law Enforcement; Administrative Office of the Courts; Superior Court.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State and Local Expenditure Increases	Indeterminate
State and Local Revenue Increases	Indeterminate

- The Office of Legislative Services (OLS) anticipates an initial State expenditure by the Motor Vehicle Commission to implement the bill’s provisions and finds the bill’s establishment of crimes of the fourth degree, disorderly persons offenses, and petty disorderly persons offenses will expand the workload of the Department of Law and Public Safety, county prosecutor’s offices, the Administrative Office of the Courts, and Superior and municipal courts, as additional defendants will be prosecuted and tried.
- The OLS further notes that the bill will increase annual State and municipal revenue collections from fine and penalty payments from convicted violators of new and expanded statutory provisions. The bill increases the fine for violations related to temporary registration certificates and license plates from \$100 to \$2,500 for the first offense and \$5,000 for subsequent offenses. The bill also imposes the penalties for fourth-degree crimes, disorderly persons offenses, and petty disorderly persons offenses. A fourth-degree crime is punishable by up to 18 months imprisonment, a fine of up to \$10,000, or both. A disorderly persons offense is punishable by up to six months imprisonment, a fine of up to \$1,000, or both. A petty disorderly persons offense is punishable by up to 30 days imprisonment, a fine of up to \$500, or both.

## **BILL DESCRIPTION**

This bill establishes an application process and certain security procedures for licensed motor vehicle dealers seeking to provide temporary license plates to buyers.

Under the bill, a licensed motor vehicle dealer is required to apply to the New Jersey Motor Vehicle Commission before the dealer is permitted to issue temporary registration certificates and temporary license plates. The bill requires the Motor Vehicle Commission to establish a vehicle registry for licensed motor vehicle dealers to upload information as required by the provisions of this bill.

The bill requires that for each temporary license plate requested from the Motor Vehicle Commission, in addition to any information required by the Chief Administrator of the Motor Vehicle Commission, the dealer is to collect certain information from the purchaser as well as additional documentation and maintain that documentation for three years. The bill requires licensed motor vehicle dealers to print temporary license plates on certain paper, as established by the commission.

The bill increases penalties for licensed motor vehicle dealers who violate the provisions of the bill or the provisions of any rule or regulation prescribed by the chief administrator related to the issuance of temporary license plates and temporary registration certificates. Under the bill, a violator would be liable to a penalty of \$2,500 for a first offense and \$5,000 for any subsequent offense. Currently, the penalty is \$100. Each temporary license plate issued in violation of this bill is to constitute a separate offense. The bill grants the chief administrator the discretion to permanently prohibit any member, officer, agent, employee, or other representative of a licensed dealer who violates the provisions of this bill from obtaining a position as an owner, officer or director, or employee at any licensed dealership.

In addition, this bill establishes:

1) a crime of the fourth degree for any person who knowingly produces, sells, offers, or exposes for sale a temporary license plate or temporary registration certificate obtained by providing false information to the Motor Vehicle Commission;

2) a disorderly persons offense for any person who knowingly exhibits or displays or produces a temporary license plate or temporary registration certificate obtained by providing false information;

3) a petty disorderly persons offense for any person possessing a temporary license plate or temporary registration certificate obtained by providing false information;

4) a crime of the fourth degree for any person who knowingly produces, sells, offers, or exposes for sale a forged, altered, counterfeited, or simulated temporary registration certificate or temporary license plate;

5) a disorderly persons offense for any person who exhibits or displays on a motor vehicle a falsely made, forged, altered, counterfeited or simulated temporary registration certificate or temporary license plate, knowing that the temporary registration certificate or temporary license plate was falsely made, forged, altered, counterfeited or simulated; and

6) a petty disorderly persons offense for any person who possesses a falsely made, forged, altered, counterfeited, or simulated temporary registration certificate or temporary license plate, knowing that the temporary registration certificate or temporary license plate was falsely made, forged, altered, counterfeited, or simulated.

A fourth-degree crime is punishable by up to 18 months imprisonment, a fine of up to \$10,000, or both. A disorderly persons offense is punishable by up to six months imprisonment, a fine of up to \$1,000, or both. A petty disorderly persons offense is punishable by up to 30 days imprisonment, a fine of up to \$500, or both.

Further, the clerk of the court in which a conviction is rendered or any other person designated by the court is to forward to the Motor Vehicle Commission a certified copy of the conviction or a transcript.

Under the bill, the Motor Vehicle Commission may suspend or revoke the dealer license of a dealer who commits multiple violations of the provisions of this bill or who is convicted of a criminal violation of the provisions of this bill. The commission is required to provide certain notice for any hearing held by the chief administrator in response to a violation of the bill's provisions.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS anticipates an initial State expenditure by the Motor Vehicle Commission to implement the bill's provisions and finds the bill's establishment of crimes of the fourth degree, disorderly persons offenses, and petty disorderly persons offenses will expand the workload of the Department of Law and Public Safety, county prosecutor's offices, the Administrative Office of the Courts, and Superior and municipal courts, as additional defendants will be prosecuted and tried.

The OLS further notes that the bill will increase annual State and municipal revenue collections from fines and penalties by indeterminate amounts.

**Expenditure Increases:** The OLS anticipates that the Motor Vehicle Commission will expend resources initially to adopt the provisions in the bill, especially the establishment of the licensed dealer vehicle registry. The bill's expansion of crimes of the fourth degree, disorderly persons offenses, and petty disorderly persons offenses will increase the workload of the Division of Criminal Justice in the Department of Law and Public Safety, county prosecutor's offices, the Administrative Office of the Courts, and municipal courts, as additional defendants will be prosecuted and tried. The Superior Court adjudicates crimes of the fourth degree. Disorderly person offenses and petty disorderly persons are adjudicated by municipal courts, in most circumstances. Depending on the resource allocation policies of the commission and court, the added initial workload may or may not augment State administrative expenditures.

A presumption of non-incarceration generally applies to first-time offenders of crimes of the fourth degree and disorderly persons cases. Repeat offenders, however, could be incarcerated. The OLS notes that to the extent that the bill will result in additional incarcerations, according to an informal estimate provided by the Department of Corrections, the average annual cost of housing an inmate in a State correctional facility is \$75,574. The cost was based on FY 2023 actual expenditures and is an average of all facilities. The OLS, however, cannot project the number of future prosecutions, trials, and incarcerations related to the crimes established by the bill. Any additional State cost from the expansion of the law may be offset, in part, by criminal fines and penalties imposed by the courts on persons convicted of having violated the expanded law; however, the State's ability to collect criminal fines and penalties has historically been limited.

**Revenue Gains:** Additional indeterminate annual State and municipal revenue will accrue from fine and penalty payments from convicted violators of new and expanded statutory provisions.

***Fine payments:*** The Administrative Office of the Courts indicated that in calendar year 2022, there were 56 violations of section 1 of P.L.1989, c.301 and 16 convictions. In calendar year 2019 there were 53 violations and 12 convictions. The current fine for a conviction is \$100. Under the bill, this fine would increase to \$2,500 for the first offense and \$5,000 for subsequent offenses. Hypothetically, the increase in revenue from this fine would be between \$38,400 and \$78,400 annually depending on whether a conviction was for a first or subsequent offense.

***Penalty payments:*** This bill establishes penalties for various offenses related to the temporary registration certificates and license plates. In establishing new fourth-degree crime, disorderly persons, and petty disorderly persons offenses, the bill creates the potential for recurring State and municipal revenue gains.

Under the bill, it would be a fourth-degree crime for any person to knowingly produce, sell, offer, or expose for sale a temporary license plate or temporary registration certificate obtained by providing false information to the chief administrator and for any person to knowingly produce, sell, offer, or expose for sale a forged, altered, counterfeited, or simulated temporary registration certificate or temporary license plate. Fourth-degree crimes are punishable by a term of imprisonment of up to 18 months, a fine of up to \$10,000, or both.

Under the bill, it would be a disorderly persons offense for any person to knowingly exhibit, display, or produce a temporary license plate or temporary registration certificate obtained by providing false information and for any person to exhibit or display on a motor vehicle a falsely made, forged, altered, counterfeited or simulated temporary registration certificate or temporary license plate, knowing that the temporary registration certificate or temporary license plate was falsely made, forged, altered, counterfeited or simulated. A disorderly persons offense is punishable by up to six months' imprisonment, a fine of up to \$1,000, or both. Disorderly person offenses are adjudicated by municipal courts, in most circumstances.

Under the bill it would be a petty disorderly persons offense for any person to possess a temporary license plate or temporary registration certificate obtained by providing false information and for any person to possess a falsely made, forged, altered, counterfeited, or simulated temporary registration certificate or temporary license plate, knowing that the temporary registration certificate or temporary license plate was falsely made, forged, altered, counterfeited, or simulated. A petty disorderly persons offense is punishable by up to 30 days imprisonment, a fine of up to \$500, or both.

Typically, pursuant to State law, all fines and penalties imposed as a result of a conviction for a disorderly persons, petty disorderly persons, or other crime in a municipal court, that are not otherwise exempted by that statute, are retained by the municipality, unless the municipal court was a central municipal court, in which case the county retains the funds.

The OLS cannot determine the number of convictions the bill's provisions may generate, and by extension, the total of any resultant fine and penalty revenue.

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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.).