

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 1022
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: JULY 31, 2024

SUMMARY

Synopsis: Establishes special license plates for honorably discharged veterans.

Type of Impact: Annual State revenue and expenditure increases.

Agencies Affected: New Jersey Motor Vehicle Commission.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Thereafter</u>
State Expenditure Increase	\$46,423	Indeterminate
State Revenue Increase	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) finds that the bill will produce annual State revenue and expenditure increases that may offset one another. The OLS cannot quantify the potential annual increases because it is unclear how many applications the New Jersey Motor Vehicle Commission will receive for the new honorably discharged veterans license plates.

BILL DESCRIPTION

This bill would require the Motor Vehicle Commission to issue special license plates to honorably discharged veterans upon application of any person classified as a veteran.

In addition to other markings or identification otherwise prescribed by law, the license plates are required to bear a design determined by the Adjutant General of the Department of Military and Veterans' Affairs, in consultation with the commission, bear the word "veteran," and designate, by name and insignia, the branch of the military in which the veteran served. The bill requires a \$15 application fee to obtain the special plates, in addition to the normal registration fee, and the bill requires the commission to retain from the fees collected the necessary monies to defray all costs incurred in producing and issuing the special license plates. The bill authorizes the commission to promulgate rules and regulations governing the issuance and use of these plates and to notify motorists of the opportunity to obtain the plates.

The bill also allows surviving spouses of deceased veterans to retain the special license plates obtained by the deceased spouse.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will produce annual State revenue and expenditure increases that may offset one another. The OLS cannot quantify these potential annual increases because it is unclear how many applications the commission will receive for the new specialty license plate. The bill establishes the honorably discharged veterans license plate program in such a manner that the commission may fully recover the expenses it incurs in administering the program because the bill requires it to retain fees in an amount necessary to defray the costs incurred to produce and issue the specialty license plates.

Motor Vehicle Commission: Computer Programming and Other Costs for New Plate Design		
Description of Work	Hours	Total
Scope of Work Specifications	85	\$11,197.41
Development	145	\$16,255.45
System Testing	89.5	\$10,033.54
Production Implementation	24	\$2,705.47
Total Computer Programming Costs	343.5	\$40,191.87
Plate Costs		
Sample Plates (10 plates @\$3.90 each)		\$39.00
Initial Acquisition Plates (900 plates @ \$6.88 each)		\$6,192.00
Total Specialty License Plate Costs		\$46,422.87

In response to an FY 2025 OLS Discussion Point, the commission indicated that it faced an upfront cost of \$46,423 to establish a license plate program, which includes computer changes and an initial print run of 900 license plates.

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.).