

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5240

STATE OF NEW JERSEY

222nd LEGISLATURE

DATED: SEPTEMBER 28, 2026

SUMMARY

- Synopsis:** Prohibits purposeful obstruction of license plate and possession or transfer of merchandise that obstructs license plate.
- Type of Impact:** Annual State and local revenue increases.
- Agencies Affected:** Department of Law and Public Safety; State, County, and Municipal Law Enforcement; the Judiciary.

Office of Legislative Services Estimate

Fiscal Impact	Annual
State Revenue Increase	Indeterminate
Local Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) anticipates that the bill would result in indeterminate annual State and local revenue increases from the increased penalties established in the bill.
- The bill increases penalties for violators of the bill’s provisions from a fine not to exceed \$100 for a driver having an obscured license plate and a fine not exceeding \$500 for possession or transfer of merchandise which is designed or intended to be used to obscure a license plate to a fine not exceeding: (1) \$500 for the first offense; and (2) \$750 for the second or subsequent offense.

BILL DESCRIPTION

This bill prohibits a person from operating a motor vehicle with an obstructed license plate and from selling, offering for sale, distributing, transferring, purchasing, receiving, or possessing merchandise that a person knows is designed or intended to obstruct a license plate, including certain merchandise as outlined in the bill.

Under the bill, “obstructed license plate” means a registration plate, temporary registration certificate, temporary registration plate, or registration plate insert issued by the commission that a person has purposely concealed or obfuscated with the intention of evading law enforcement or payment of tolls or other charges issued pursuant to Title 27 or Title 32 of the Revised Statutes.

Under the bill, a person who operates a motor vehicle with an obstructed license plate or who sells, offers for sale, distributes, transfers, purchases, receives, or possesses merchandise that a person knows is designed or intended to obstruct a license plate is subject to a fine not to exceed: (1) \$500 for the first offense; and (2) \$750 for the second or subsequent offense.

In addition, a person who operates a motor vehicle with an obstructed license plate three or more times is subject to two motor vehicle penalty points and two automobile insurance eligibility points. However, a person who is fined pursuant to the bill is not subject to the fines issued pursuant to current law for driving with an unintentionally obstructed license plate.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS anticipates that the bill would result in indeterminate annual State and local revenue increases from the increased penalties established in the bill. Current law requires the Attorney General to issue guidance as necessary for law enforcement officers to enforce obscuring a motor vehicle license plate.

State, County, and Municipal Revenues: Pursuant to current law, New Jersey prohibits driving with an obstructed license plate and the penalty is a fine not to exceed \$100. Additionally, pursuant to current law, New Jersey prohibits the sale, transfer, or possession of merchandise intended to conceal or degrade motor vehicle license plate legibility and imposes a fine not to exceed \$500. This includes retractable license plate holders, reflective spray, or anti-photograph license plate covers.

The bill provides further clarification for law enforcement, drivers, and individuals selling merchandise and in certain cases the bill increases penalties for violators of the bill's provisions from a fine not to exceed \$100 for a driver having an obscured license plate and a fine not to exceed \$500 for sale, transfer, or possession of merchandise which is designed or intended to be used to obscure a license plate to a fine not exceeding: (1) \$500 for the first offense and (2) \$750 for the second or subsequent offense. Additionally, repeat offenders may receive two motor vehicle penalty points and two automobile insurance eligibility points.

The OLS estimates the increased penalty on drivers with obstructed licenses plates will increase revenues for the State and municipalities.

Section: Law and Public Safety

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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.).