

ASSEMBLY TRANSPORTATION AND INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO **ASSEMBLY, No. 5240**

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 14, 2026

The Assembly Transportation and Independent Authorities Committee reports favorably and with committee amendments Assembly Bill No. 5240.

As amended and reported, this bill prohibits operating a motor vehicle with an obstructed license plate and the sale, distribution, transfer, purchase, receipt, or possession of merchandise that a person knows is designed or intended to obstruct a license plate, including, but not limited to, retractable license plate holders, reflective spray, tinted or blackout license plate covers, and license plate flipping devices. An “obstructed license plate” means a registration plate, temporary registration certificate, temporary registration plate, or registration plate insert issued by the New Jersey Motor Vehicle Commission that a person has purposely concealed or obfuscated with the intention of evading law enforcement or payment of tolls or other charges issued under certain provisions of current law.

Under the bill, a person who violates the bill’s provisions is to be subject to a fine not exceeding \$500 for a first offense and a fine not exceeding \$750 for a second or subsequent offense. In addition, a person who operates a motor vehicle with an obstructed license plate three or more times is to be subject to two motor vehicle and two automobile insurance eligibility points. If fined pursuant to the bill’s provisions, a person is not to be subject to the fines issued pursuant to R.S.39:3-33 for driving with an unintentionally obstructed license plate.

Finally, this bill repeals section 1 of P.L.2015, c.49, which concerns merchandise that a person knows is designed or intended to obstruct a license plate.

As amended and reported by the committee, Assembly Bill No. 5240 is identical to Senate Bill No. 4265 (1R), which was reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- (1) clarify that the bill only concerns license plates that are purposely concealed or obfuscated with the intention of evading law enforcement or payment of a toll or other charges; and
- (2) make other clarifying and technical changes.