

LEGISLATIVE FISCAL ESTIMATE

SENATE, No. 1423

STATE OF NEW JERSEY

222nd LEGISLATURE

DATED: MAY 29, 2026

SUMMARY

Synopsis: Concerns facilities used by new motor vehicle dealer licenses; establishes provisional new motor vehicle dealer licenses.

Type of Impact: Annual increase in State expenditures; Potential increase in State revenues.

Agencies Affected: New Jersey Motor Vehicle Commission.

Office of Legislative Services Estimate

Fiscal Impact	Annual
State Expenditure Increase	Indeterminate
Potential State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) finds that this bill will result in an indeterminate increase in annual expenditures for the New Jersey Motor Vehicle Commission associated with the revision and oversight of the provisional new motor vehicle dealer license.
- The commission will incur initial and ongoing costs to revise dealer licensing forms, review provisional license applications, and track the 90-day provisional license period and any extension if applicable. Because the bill uses the existing new motor vehicle dealer licensing framework, the OLS anticipates that the increased costs associated with implementing the provisions of this bill may be absorbed within existing commission resources.
- The bill may also result in an indeterminate change in State revenues if the provisional license process allows more applicants to obtain full new motor vehicle dealer licenses or obtain them sooner than under current law.

BILL DESCRIPTION

This bill requires that an applicant for a new motor vehicle dealer license establish a place of business to be used principally for the servicing or display of motor vehicles rather than for both servicing and display of motor vehicles as required under current law. The bill permits each applicant to utilize space attached to the applicant’s established place of business or a separate space on the same property as the established place of business or to establish an offsite facility

within the relevant market area of the applicant's established place of business for the servicing of motor vehicles.

Additionally, this bill requires the commission to issue a provisional new motor vehicle dealer license upon the applicant's substantial completion of the application and is not to withhold the provisional license pending the receipt of a franchise agreement or the installation of a permanent sign that has been ordered, nor charge an additional fee for the provisional license. The provisional license is to be valid for a period of 90 days, which period may be extended by an additional 90 days at the discretion of the commission. This bill amends current law to change the definition of "new motor vehicle dealer" to mean, an authorized dealer of a motor vehicle franchisor of a new motor vehicle who has an established place of business. Under current law, the term means the agent, distributor, or authorized dealer of the manufacturer of the new motor vehicle who has an established place of business. This bill also amends current law to include a definition of "motor vehicle franchisor."

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that this bill will result in an indeterminate increase in annual expenditures for the commission associated with the revision and oversight of the provisional new motor vehicle dealer license.

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The bill may also result in an indeterminate change in State revenues if the provisional license process allows more applicants to obtain full new motor vehicle dealer licenses or obtain them sooner than under current law. The bill does not authorize an additional fee for the provisional license itself, so any revenue impact would be limited to existing dealer license fee structures.

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.).