

SENATE, No. 2531

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED FEBRUARY 4, 2013

Sponsored by:
Senator JIM WHELAN
District 2 (Atlantic)

SYNOPSIS

Establishes mileage-based fee on passenger vehicles; exempts passenger vehicles from motor fuels tax.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning fees imposed on passenger vehicles
2 supplementing Titles 39 and 54 of the Revised Statutes.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. a. The vehicle miles traveled fee established pursuant to
8 section 2 of P.L. , c. (C.) (pending before the Legislature
9 as this bill) shall be administered by the Chief Administrator of the
10 New Jersey Motor Vehicle Commission in a manner in which the
11 chief administrator shall deem appropriate, and at a minimum, shall
12 permit a vehicle owner to remit payment to the commission on a
13 monthly or an annual basis.

14 b. The calculation of vehicle miles traveled shall be made in
15 the following manner:

16 (1) At the time of purchase, the odometer reading from the
17 vehicle's title shall be recorded by the commission.

18 (2) During any passenger vehicle inspection conducted pursuant
19 to R.S.39:8-1 et seq., the odometer of the vehicle subject to
20 inspection shall be recorded by the commission.

21 (3) At the time of sale, the odometer reading from the vehicle's
22 title shall be recorded by the commission.

23 (4) The owner of the vehicle shall be responsible for annually
24 reporting the odometer reading to the commission in a manner
25 prescribed by the commission.

26 (5) The commission may audit a vehicle by requiring a vehicle
27 owner to report to an inspection station to review and verify the
28 odometer reading.

29 (a) In the event that a self-reported reading is deemed fraudulent
30 by the chief administrator, the chief administrator shall administer a
31 fine in addition to collecting unpaid fees and appropriate late
32 payment penalties.

33 (b) The chief administrator shall administer a fine to any vehicle
34 owner required to submit to an odometer audit if the vehicle owner
35 does not report to an inspection station within a reasonable time
36 period, as determined by the chief administrator.

37 c. The chief administrator shall issue a sticker to be affixed to
38 the license plate of a motor vehicle indicating that the vehicle is
39 exempt from the motor fuels tax and is subject to the vehicle miles
40 traveled fee established pursuant to section 2 of P.L. , c. (C.)
41 (pending before the Legislature as this bill).

42 d. All funds collected pursuant to this section shall be credited
43 to the "Transportation Trust Fund Account" established pursuant to
44 section 20 of P.L.1984, c.73 (C.27:1B-20).

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 2. Every passenger vehicle registered and titled in the State
2 shall be subject to a vehicle miles traveled fee in an amount equal to
3 0.83906 cents per mile.

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5 3. a. Fuel used by passenger vehicles subject to the vehicle
6 miles traveled fee imposed by section 2 of P.L. , c. (C.)
7 (pending before the Legislature as this bill) shall be exempt from
8 the tax imposed by the “Motor Fuel Tax Act,” P.L.2010, c.22
9 (C.54:39-101 et seq.).

10 b. Only fuel dispensed into a motor vehicle’s fuel supply tank
11 at the point of sale shall be exempt from the tax imposed by the
12 “Motor Fuel Tax Act,” P.L.2010, c.22 (C.54:39-101 et seq.).

13 c. Retail dealers, having made sales of motor fuel to consumers
14 exempt from the tax, may apply for a refund from the director by
15 submitting an application and supporting documentation as the
16 director shall reasonably prescribe.

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18 4. This act shall take effect on the first day of the 18th month
19 after the date of enactment.

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STATEMENT

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24 This bill imposes a fee on passenger vehicles registered and
25 titled in the State of New Jersey on the miles traveled by those
26 vehicles. The fee is set at 0.83906 cents per mile traveled and is to
27 be administered by the New Jersey Motor Vehicle Commission
28 (MVC). The MVC will calculate the fee owed by each vehicle
29 owner through odometer readings. The first and last odometer
30 reading for each vehicle will be recorded by the MVC from the
31 vehicle title at the time that the vehicle is purchased or sold.
32 Subsequent readings will be self-reported by vehicle owners, with
33 verification of those self-reported readings taking place each time a
34 vehicle is inspected or upon an audit by the MVC if it suspects
35 fraudulently reported odometer readings. If an odometer reading is
36 found to be fraudulently reported, a vehicle owner will be subject to
37 a fine, payment of fees owed, and late payment penalties as
38 determined by the chief administrator. A vehicle owner that does
39 not report for the odometer audit in a timely fashion shall also be
40 subject to a fine. All funds collected through this fee shall be
41 deposited into the Transportation Trust Fund Account.

42 This bill also exempts a vehicle subject to the vehicle miles
43 traveled fee from the State motor fuels tax. Each vehicle in the
44 program is required to have a sticker on its license plate indicating
45 that it is subject to the fee and is not to be charged any motor fuels

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1 taxes by a gas station. Any gas purchased that is not for use in the
2 vehicle is still subject to the motor fuels tax. Gas stations are
3 permitted to apply for a refund of any motor fuels taxes paid on the
4 sales of motor fuels to exempt vehicles. The bill is scheduled to
5 take effect 18 months after the date of enactment.