SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR
**SENATE, No. 914**

# STATE OF NEW JERSEY

DATED: FEBRUARY 11, 2021

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 914 SCS.

As reported by the committee, this bill establishes a "Motor Vehicle Surcharge Community Service Program" to be administered by the Commissioner of Labor and Workforce Development. The program allows a person who is unemployed but enrolled in an education or job training program to perform community service in lieu of paying motor vehicle surcharges. The commissioner is to coordinate with the Chief Administrator of the Motor Vehicle Commission (MVC) to waive certain motor vehicle surcharges imposed on applicants who complete a community service project in participating counties and municipalities.

To be eligible to participate in the program, an applicant is required to demonstrate that he or she is unemployed, has been assessed and is unable to pay a motor vehicle surcharge, and is enrolled in a job training or education program. The process of applying for a commercial driver license or endorsement constitutes job training under the committee substitute. If the driving privilege of an applicant has been suspended for failure to pay surcharges, the chief administrator is required to reinstate the applicant's driving privilege upon the applicant's commencement of the community service project. If an applicant fails to complete the project, the total outstanding motor vehicle surcharges and any interest accrued become immediately due, and the applicant's driving privilege is to be suspended until the outstanding surcharge assessment is satisfied.

The bill authorizes the governing body of any county or municipality to enroll through the Department of Labor and Workforce Development. The eligible community service projects are to include, but not be limited to, improvements to county and municipal buildings, grounds, roads, streams, and other county or municipal property, provided that the volunteer labor used by a municipality or county does not displace or remove from employment any paid public or private employee or in any way reduce the workforce within a county or municipality. The committee substitute further provides that a qualifying applicant may not be denied participation in the program due to a lack of volunteer labor projects.

After a driver has completed a community service project under the program, the chief administrator is to waive all surcharges and interest levied for accumulating more than six points in a three year period, unsafe driving, or certain other surcharges imposed at the discretion of the chief administrator for motor vehicle violations or convictions for which points are not assessed.

The bill specifically excludes from participation in the program those drivers whose outstanding surcharges were incurred for convictions of drunk driving or refusing to submit to a breathalyzer test.

FISCAL IMPACT:

The Office of Legislative Services (OLS) finds that allowing individuals to have surcharges forgiven through community service will reduce the total surcharge revenues collected by the Motor Vehicle Commission (MVC). There is insufficient data upon which to base an estimate of the amount of surcharges potentially forgiven and resultant impact on total State revenue collections.

The community service that can be performed in lieu of surcharge payments are improvements to county and municipal assets that presumably would not have otherwise taken place, represent a benefit to the local governments, and indirectly reduce their costs. The Department of Labor and Workforce Development (DOLWD) will face increased costs as a result of the staff labor needed to administer the community service program.