

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

SENATE, No. 2038

STATE OF NEW JERSEY

DATED: OCTOBER 8, 2020

The Senate Transportation Committee reports favorably Senate Bill No. 2038.

As reported, this bill authorizes the Chief Administrator (chief administrator) of the New Jersey Motor Vehicle Commission (commission) to issue special Kappa Alpha Psi license plates.

The bill provides that the design of the Kappa Alpha Psi license plate is to display appropriate words or a slogan and an emblem honoring the Kappa Alpha Psi Fraternity, Inc. The chief administrator, in consultation with the Northeastern Province Polemarch of Kappa Alpha Psi Fraternity, Inc., is to select the design and color scheme of the Kappa Alpha Psi license plates.

In addition to all fees otherwise required by law for the registration of a motor vehicle, there is an application fee of \$50 and an annual renewal fee of \$10 for the Kappa Alpha Psi license plates. After the deduction of the cost of designing, producing, issuing, renewing, and publicizing the plates and of any computer programming changes that are necessary to implement the license plate program, in an amount not to exceed \$150,000, the additional fees are to be deposited into a special non-lapsing fund known as the "Kappa Alpha Psi License Plate Fund." The proceeds of the fund are to be annually appropriated to the Kappa Alpha Psi Fraternity, Inc., to be used to support the organization's mission and programs.

The chief administrator is required to annually certify the average cost of producing, issuing, renewing, and publicizing the availability of the specialty license plates. If the average cost per plate exceeds \$50 in two consecutive fiscal years, the chief administrator may discontinue the Kappa Alpha Psi license plate program. The bill also requires that the Northeastern Province Polemarch of Kappa Alpha Psi Fraternity, Inc. appoint a liaison to represent the Northeastern Province of Kappa Alpha Psi Fraternity, Inc. (Northeastern Province) in all communications with the commission regarding the Kappa Alpha Psi license plates.

The bill provides that State or other public funds are not to be used by the commission for the initial cost to implement the Kappa Alpha Psi license plate program. The bill requires the Northeastern Province or an individual or entity designated by the Northeastern Province to contribute non-public monies, not to exceed \$25,000, to

offset the initial costs to design, produce, issue, and publicize the license plates and for computer programming changes which may be necessary to implement the program. The bill authorizes the Northeastern Province to receive funds from private sources to be used to offset the initial costs.

The commission is not required to design, produce, issue, or publicize the availability of the Kappa Alpha Psi license plates, or make any necessary programming changes, until: (1) the Northeastern Province or the individual or entity designated by the Northeastern Province has provided the commission with the money necessary to offset the initial costs incurred by the commission in establishing the Kappa Alpha Psi license plate program; and (2) the Northeastern Province liaison has provided the commission with a minimum of 500 completed applications for the Kappa Alpha Psi license plates.

The provisions of the bill will remain inoperative until the first day of the seventh month after the appropriate applications and fees required to offset the initial costs incurred by the commission are provided by the Northeastern Province liaison. The bill expires on the last day of the 12th month after enactment if sufficient applications and fees to offset the initial costs are not received by that date.