LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2528
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JUNE 29, 2020

SUMMARY

Synopsis: Grants driving privileges to certain individuals without road test during COVID-19 public health emergency and state of emergency.

Type of Impact: Delayed State revenue; increased State cost.

Agencies Affected: New Jersey Motor Vehicle Commission.

Office of Legislative Services Estimate

Fiscal Impact	Year 1
State Cost Increase	Indeterminate
State Revenue Impact	Indeterminate

- The Office of Legislative Services (OLS) finds that the bill is likely to result an indeterminate increase in one-time costs for the Motor Vehicle Commission (MVC) to electronically issue a form granting driving privileges to eligible applicants and record those applicants in the license database.

- By issuing temporary driving privileges comparable to a probationary license, the MVC may realize a delay in the receipt of revenues from driver's license and testing related fees depending upon when they require these applicants to complete the normal application process after resuming operations. That delayed revenue impact is likely to be minor.

BILL DESCRIPTION

The bill requires the MVC to grant driving privileges to individuals during the State's ongoing public health emergency and state of emergency without the need to take a road test. The MVC is required to grant these driving privileges if all of the following circumstances exist: the MVC is not offering road tests for applicants for a driver's license; the applicant is at least 17 years old; applicants under the age of 21 have completed at least 40 hours of supervised driving or applicants

21 years of age and over have completed at least 20 hours of supervised driving; the applicant did not have any reportable accidents during the permit period; and the applicant was not cited for any moving violations during the permit period.

The MVC is to electronically issue a form to each eligible applicant that indicates that the individual is authorized to operate a motor vehicle in the State, subject to the restrictions of a probationary driver's license. The applicant is required to carry this form, along with the applicant's permit, at all times when operating a motor vehicle. The MVC is required to update its records to indicate that the person is authorized to drive and is subject to the restrictions applicable to a holder of a probationary driver's license.

If the MVC opens its locations and begins offering road tests, the applicant is required to visit an MVC location to replace the form with an official driver's license, at a time and in a manner determined by the MVC, subject to all requirements for renewal of a driver's license.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill is likely to result an indeterminate increase in one-time costs for the MVC to electronically issue a form granting driving privileges to eligible applicants and add those applicants to the license database.

The issuance of these temporary driving privileges to applicants will have two primary components: the electronic issuance of a printable document that the driver will physically keep with them and the entering of information in MVC databases to indicate that these applicants are eligible to drive. The MVC is likely to have greater than normal internal staffing resources available during the closure of service facilities and the resulting reduction in transactions. It is likely that those existing resources can be used to develop a printable electronic form that indicates that a driver's license applicant is temporarily able to drive until MVC agencies reopen. Those staff resources are also likely going to be able to check an individual driver's history to verify that the applicant has completed their supervised driving requirement and not had any accidents or moving violations.

Information is not available about the nature of the current MVC database systems to determine whether the existing coding structure is capable of recording these applicants with a temporary probationary license status or not. The MVC may face indeterminate IT labor costs to create this status within the database programming, or the MVC may face additional internal staffing costs to manually monitor these individuals by providing them with probationary driver license status within the database and then having to manually identify these individuals and remove them from the database when this temporary status ends and the MVC requires these applicants to return to MVC facilities once they resume operations in order to complete the standard driver's license application process.

The MVC is already experiencing a delay in the realization of a variety of revenues from the closure of offices due to COVID-19. In addition to those delays in revenue, depending upon how long the MVC provides an applicant to return to the MVC after reopening to complete their application, the revenue related to driver's license applications could be delayed even further. The

length of that delay in revenue is likely to be minor as the MVC has reported in the press that even without this program, it expected to resolve the backlog in driving tests within three to five weeks of reopening.

Section:	*Authorities, Utilities, Transportation and Communications*
Analyst:	*Patrick Brennan* *Principal Fiscal Analyst*
Approved:	*Frank W. Haines III* *Legislative Budget and Finance Officer*

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.).