

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

SENATE, No. 3221

STATE OF NEW JERSEY

DATED: DECEMBER 8, 2020

The Senate Transportation Committee reports favorably Senate Bill No. 3221.

As reported, this bill restructures the current system for issuance of special license plates, which may be issued to New Jersey drivers in place of standard license plates.

Under existing law, there are three main types of special registration plates that are issued by the New Jersey Motor Vehicle Commission (MVC):

- 1) statutorily-established special license plates, which honor or recognize a person's affiliation with a certain group or organization;
- 2) statutorily-established dedicated cause special license plates, which support statutorily-established funds or social causes; and
- 3) special organizational vehicle registration plates, which are approved by the MVC for certain nonprofit alumni, community, or service organizations upon application to the MVC.

The bill collectively refers to special license plates as "special registration plates," and divides the plates into two categories: "organization plates"; and "dedicated cause plates." The bill maintains elements of the current system by permitting a sponsoring organization to apply for and seek approval from the MVC for the issuance of an organization plate, but adds to that system by permitting a sponsoring organization to also apply directly to the MVC for the issuance of a dedicated cause plate and by permitting the MVC to phase out statutorily-established and MVC-established special registration plates that no longer meet certain criteria. Under the bill, the board of the MVC is to meet at least twice annually to consider the request of any sponsoring organization that has applied for a special registration plate.

Organization Plates

The bill defines "organization plate" to mean a license plate bearing the name, initials, logotype, graphic, or identifying phrase of a sponsoring organization, which comprises members of a community, alumni, or service organization with common or shared professions, interests, educational backgrounds, or military service and has a method of determining membership or good standing in the organization.

A sponsoring organization that seeks the approval for the issuance of an organization plate is required to provide prior to the meeting of the board of the MVC, in a form and following a procedure prescribed by the chief administrator, proof that the sponsoring organization has met the following conditions:

- The sponsoring organization has appointed a representative who will act as a liaison between the sponsoring organization and the MVC.

- The application includes a copy of the charter of the sponsoring organization that indicates the organization's lawful purpose and a copy of the approval letter issued to the sponsoring organization by the Internal Revenue Service to provide proof of its nonprofit status.

- The application includes a Certification of Membership, which contains the organization's official letterhead, the location of the sponsoring organization's headquarters or base of operations in New Jersey, the signature of the organization's representative, the total number of members in good standing residing in New Jersey, the names and addresses of organization members requesting organization plates as a part of the initial order, and the present registration plate numbers of the vehicles of the members requesting organization plates as a part of the initial order.

- The application includes the name or initials the organization wishes to be placed at the bottom of the plate and a logotype, graphic, or identifying phrase of the sponsoring organization. If the sponsoring organization is a chapter or branch of an international, national, or regional organization, the chapter or branch is required to obtain written authorization from the parent organization to use the name, initials, logotype, graphic, or identifying phrase of the parent organization; provided however, that the use and arrangement on the registration plates will be in the sole discretion of the chief administrator.

The chief administrator and a sponsoring organization that has been approved are to develop and enter into a memorandum of agreement setting forth the procedures to be followed in carrying out the respective responsibilities in the creation of the special registration plates, including the number of the special registration plates to establish the initial order, the amount of fees to offset the initial costs incurred by the MVC for designing, producing, issuing, and publicizing the availability of the special registration plates to be paid to the MVC prior to the manufacture of the special registration plates.

Any person who is a member in good standing of a sponsoring organization that has been approved for an organization plate may apply to receive a set of organization plates after the payment of a \$50 fee as well as all other fees required by law for the registration of a motor vehicle.

Dedicated Cause Plates

The bill defines “dedicated cause plate” to mean a license plate bearing the name, initials, logotype, graphic, or identifying phrase of a social cause that generally impacts New Jersey residents, including but not limited to, the promotion of public health, education, the arts, sports and athletics, the environment, the improvement of societal injustices, or issues that concern the general welfare of all New Jersey residents.

A sponsoring organization that seeks approval for the issuance of a dedicated cause plate is to provide prior to the meeting of the board of the MVC, in a form and following a procedure prescribed by the chief administrator, proof that the sponsoring organization has met the following conditions:

- The sponsoring organization has appointed a representative who will act as a liaison between the sponsoring organization and the MVC.

- The application includes: a copy of the charter of the sponsoring organization that indicates the organization's lawful purpose and a copy of the approval letter issued to the sponsoring organization by the Internal Revenue Service to provide proof of its nonprofit status; or, if the sponsoring organization is a government entity, the legal citation for the statute pursuant to which the government entity was established.

- The application includes an Explanation of Social Impact that contains the organization's official letterhead, the location of the sponsoring organization's headquarters or base of operations in New Jersey, the signature of the organization's representative, the social cause for which the dedicated cause plate will be used to promote, the ways in which the revenue from the dedicated cause plates will be utilized, the names and addresses of members of the public requesting sets of dedicated cause plates as a part of the initial order, and the present registration plate numbers of the vehicles of the members of the public requesting the dedicated cause plates as a part of the initial order.

Dedicated cause plates are to only be approved for a sponsoring organization that has as its primary purpose service to the general public or the promotion of a social cause that generally impacts New Jersey residents, including but not limited to, the promotion of public health, education, the arts, sports and athletics, the environment, the improvement of societal injustices, or issues that concern the general welfare of all New Jersey residents.

- The application includes the name or initials the organization wishes to be placed at the bottom of the plate and a logotype, graphic, or identifying phrase that identifies the social cause that the dedicated cause plate will promote. If the sponsoring organization is a chapter or branch of an international, national, or regional organization, the chapter or branch is required to obtain written

authorization from the parent organization to use the name, initials, logotype, graphic, or identifying phrase of the parent organization; provided however, that the use and arrangement on the registration plates are to be in the sole discretion of the chief administrator.

The chief administrator and the sponsoring organization that has been approved are to develop and enter into a memorandum of agreement setting forth the procedures to be followed in carrying out their respective responsibilities in the creation of the special registration plates, including the number of the special registration plates to establish the initial order, the amount of fees to offset the initial costs incurred by the MVC for designing, producing, issuing, and publicizing the availability of the special registration plates to be paid to the MVC prior to the manufacture of the special registration plates.

Any person may apply to receive a set of dedicated cause plates after the payment of a \$50 fee and a \$10 annual renewal fee, as well as all other fees required by law for the registration of a motor vehicle. The additional fees are to be deposited into a special non-lapsing fund created to support the approved social cause for which the dedicated cause plates were created. The chief administrator, in conjunction with the State Treasurer, is required to create a special non-lapsing fund before the MVC manufactures a dedicated cause plate.

Discontinuance of Special Registration Plates

Under existing law, the chief administrator has the authority to suspend previous approval of a special organization vehicle registration plate only if the organization no longer qualifies for a special plate under the law or has perpetrated fraud against the MVC in obtaining plates for its members.

The bill expands this authority by permitting, but not requiring, the MVC to discontinue, prohibit new sales of, and suspend any annual renewal fees of any special registration plates established by the MVC and certain statutorily-established special registration plates enumerated in the bill, if:

- for certain organization plates, the sponsoring organization of the organization plate fails to comply with the provisions of State law governing the use of special registration plates;
- fewer than 500 sets of the special registration plates have been sold in the first full fiscal year of sales after the effective date of the bill;
- in the most recent full fiscal year, the revenue derived from the fees, which are dedicated to the support of the particular fund or cause, is less than \$7,500;
- after a fiscal analysis conducted by the MVC, the chief administrator determines that it is no longer cost effective to produce the special registration plate and offer it for sale;

-- the MVC determines that the sponsoring organization is no longer qualified for the type of special registration plate for which the sponsoring organization has applied; or

-- the sponsoring organization has perpetrated fraud against the MVC in obtaining a special registration plate.

A person who owns a motor vehicle displaying valid, yet discontinued, special registration plates may continue to display those plates on the person's motor vehicle until the plates are recalled by the chief administrator, provided the motor vehicle's registration is properly renewed, the special registration plates remain legible, and the person is eligible to display the special registration plates pursuant to law.

Special Provisions for the Discontinuance of Dedicated Cause Plates

Prior to the discontinuance of any statutorily-established dedicated cause plate, the chief administrator is required to notify the sponsoring organization of the MVC's decision to discontinue the dedicated cause plate. Not later than the first day of the sixth month following the receipt of the MVC's notice to discontinue, an eligible sponsoring organization may apply to have the special registration plate reissued as an organization plate.

Upon the discontinuance of a dedicated cause plate, the MVC is to cease collecting any fee established by law for the renewal of the dedicated cause plate. The MVC is required to remit any remaining revenue generated through the annual renewal fees of the dedicated cause plates to the statutorily established funds or the causes those plates support in the first full fiscal year after discontinuance of the dedicated cause plates.

An entity or organization which receives revenues generated through the issuance or renewal fees of a dedicated cause plate which has been discontinued may, if approved by the chief administrator, solicit and collect voluntary donations from any registrant displaying discontinued plates, in accordance with any guidelines established by the chief administrator permitting solicitation and collection.

Other Provisions

The bill changes the fee for transferring personalized, courtesy, or special registration plates to another motor vehicle from \$4.50 to an amount to be determined by the chief administrator.

Under the bill, the chief administrator has the sole authority to determine which special registration plates are to be made available at MVC field offices and motor vehicle dealerships.

Finally, in order to prevent the potential abuse of certain special registrations that are issued by the MVC but are technically only valid for short durations of not more than 10 days, the bill repeals a

statutory provision permitting special registrations and special registration plates for motor vehicles used in connection with a convention, conference, meeting, pageant, parade, celebration, or similar function.