

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 4062

STATE OF NEW JERSEY

DATED: JANUARY 6, 2022

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 4062.

This bill prohibits the Chief Administrator of the New Jersey Motor Vehicle Commission (chief administrator) from charging a fee for the registration of a passenger motor vehicle that is owned by any resident of this State, individually or jointly with a spouse, who is an honorably discharged veteran. However, the bill provides that the exemption would not apply to passenger motor vehicles that are used for hire.

The bill requires the chief administrator, after consultation with the Adjutant General of the Department of Military and Veterans' Affairs (adjutant general), to determine the manner for application and the documentation that an honorably discharged veteran is required to use as proof of eligibility for the registration fee exemption. The bill also requires the adjutant general, in consultation with the chief administrator, to notify all eligible motorists of the availability of the fee exemption.

FISCAL IMPACT:

The Office of Legislative Services (OLS) finds that the Executive estimate for a \$27.6 million reduction in annual State revenue falls within the range of plausible outcomes, which the OLS determines to be between \$18.8 million and \$37.5 million per year. This revenue loss constitutes between 10 percent and 20 percent of projected FY 2022 passenger vehicle registration fee revenues. The Executive's estimate for a \$13.8 million revenue loss in FY 2022 assumes the bill will be in effect for six months of the current fiscal year.

The OLS also concurs with the Executive that the Motor Vehicle Commission may incur an indeterminate amount of information technology and administrative costs under the bill, although the OLS expects these costs to be marginal.

The State may also realize nominal costs for the Department of Military and Veteran Affairs to notify veterans of their eligibility for the registration fee exemption and to determine the manner and form of application for the exemption. These costs should be nominal due to the existing outreach infrastructure in place to communicate with veterans living in the State.