

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 165
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: MARCH 1, 2000

SUMMARY

Synopsis: Authorizes law enforcement officer memorial license plates for college scholarships for children of law enforcement officers killed in the line of duty.

Type of Impact: New expenditure from General Fund offset by new revenue

Agencies Affected: Division of Motor Vehicles, Department of Transportation

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$136,000 for startup costs, includes initial production run of 5,000 plate sets	\$12 per plate set (Variable production run)	\$12 per plate set (Variable production run)
State Revenue	unknown	unknown	unknown

- ! Authorizes issuance of special license plates to honor law enforcement officers killed in the line of duty.
- ! Special plate application fee of \$50, and an annual renewal fee of \$10; these fees are in addition to fees otherwise charged for vehicle registration.
- ! Special license plate fees used to reimburse division for costs associated with producing and issuing the special plates, and to award college scholarships to children of law enforcement officers killed in the line of duty.

BILL DESCRIPTION

Senate Bill No. 165 of 2000 authorizes the Director of the Division of Motor Vehicles to issue special license plates to commemorate and honor law enforcement officers killed in the line of duty in New Jersey.

There would be an application fee of \$50 for the special plate and an annual renewal fee of \$10. These fees are in addition to fees otherwise charged for vehicle registration. The application and renewal fees would be used to: (1) reimburse the division for costs associated with producing and issuing the special law enforcement commemoration plates; and (2) finance the "Law Enforcement Memorial Fund" which is established by this bill to award college scholarships to children of law enforcement officers killed in the line of duty.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Division of Motor Vehicles has previously estimated that "cause" plates, e.g. Shore Protection, Animal Friendly, Cancer Research, etc. have the following costs: (1) about \$12 per set to produce and issue; (2) about \$46,000 for marketing inserts and advertising the availability of new "cause" plates; and (3) about \$30,000 for one-time computer programming expenses. Therefore, given an initial production run of 5,000 plates costing about \$60,000 and one-time costs of \$76,000 for marketing and computer related activities, the Office of Legislative Services (OLS) estimates a total first-year cost of \$136,000 to begin issuance of these special law enforcement memorial plates.

To offset these State costs, the division would receive the revenues from the \$50 application fee, and the \$10 renewal fee. If the entire 5,000 initial license plate production run was issued in the first year, the State would receive \$250,000 in revenue. The subsequent allocation of \$136,000 from that revenue to reimburse the division for its startup costs would make \$114,000 available for deposit in the "Law Enforcement Memorial Fund."

Future State costs and contributions to the fund would be dependent on the actual demand for these plates. Although OLS cannot estimate this demand, OLS would note that there are over 45,000 members of the Police and Firemen's Retirement System of New Jersey who have a police affiliation. There are also about 4,300 members of the State Police Retirement System of New Jersey. Disregarding probable interest by the general public, if only 10 percent of the members of these two police retirement systems were to purchase the special plates, then an initial production run of 5,000 plate sets could be sold the first year.

Section: *Authorities, Utilities, Transportation and Communications*

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This fiscal estimate has been prepared pursuant to P.L.1980, c.67.