

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 1703
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: MAY 16, 2019

SUMMARY

Synopsis: Exempts disabled veterans from beach buggy permit fees.

Type of Impact: Annual decrease in State and municipal revenue.

Agencies Affected: Department of Environmental Protection and certain municipalities.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Revenue Decrease		Indeterminate	
Local Revenue Decrease		Indeterminate	

- The Office of Legislative Services (OLS) estimates that the bill would result in an indeterminate marginal decrease in revenue for the Department of Environmental Protection (DEP) and certain municipalities associated with reduced fee collection, as the bill prohibits public entities from imposing permit fees on qualifying disabled veterans for the operation of motorized vehicles on public beaches (beach buggies).
- Based on information from the United States Department of Veterans Affairs, approximately 57,000 disabled veterans in New Jersey would be eligible to obtain or renew a beach buggy permit free of charge. However, the OLS is unable to quantify the impact of this bill because it is unknown how many of these disabled veterans will obtain or renew a beach buggy permit or the price that would have been paid for the permit.

BILL DESCRIPTION

This bill would exempt an eligible disabled veteran from any fee to obtain, replace, or renew a permit to operate a beach buggy. Under current law, certain municipalities are permitted to regulate the operation of beach buggies through the issuance of permits and the collection of reasonable fees. Additionally, the DEP may collect permit fees for the operation of beach buggies in certain State parks.

Under the bill, these public entities would be prohibited from imposing beach buggy permit fees on disabled veterans. The bill defines a “disabled veteran” as any resident of the State who

has been honorably discharged or released under honorable circumstances from active service in any branch of the Armed Forces of the United States and who has been declared by the United States Department of Veterans Affairs, or its successor, to have a service-connected disability of any degree.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the enactment of the bill would result in an indeterminate marginal decrease in revenue for certain public entities, including municipalities and the DEP, due to the exemption of disabled veterans from beach buggy permit fees. These public entities are expected to experience a marginal decrease in revenue equal to (1) the price of the public entity's beach buggy permit fee, multiplied by (2) the number of disabled veterans who would obtain or renew a beach buggy permit. Public entities that currently waive the permit fee for disabled veterans would not experience a loss of revenue as a result of the bill.

At least 15 municipalities currently issue permits to regulate the operation of beach buggies. These municipalities include Berkeley, Harvey Cedars, Toms River, Seaside Heights, Seaside Park, Beach Haven, Long Beach, Lavallette, Brigantine, Surf City, Avalon, Stone Harbor, Sea Isle City, Ocean City, and Ship Bottom. Several State parks managed by the DEP, including Corson's Inlet State Park and Island Beach State Park, also require permits for use of certain motor vehicles on State park beaches.

The most common beach buggy permit fee among these public entities is \$50 (Harvey Cedars, Seaside Park, Long Beach, Sea Isle City, and Corson's Inlet State Park); however, beach buggy permit fees range from \$15 in Seaside Heights to \$125 in Ocean City. At least one municipality, Brigantine, currently exempts veterans and active military personnel from beach buggy permit fees. The remaining public entities are expected to experience marginal reductions in fee collections for every disabled veteran that obtains or renews a beach buggy permit, with municipalities having more expensive permit fees (e.g. Ocean City) experiencing larger marginal revenue losses compared to those municipalities with less expensive fees (e.g. Seaside Heights).

According to the United States Department of Veterans Affairs, there are approximately 57,000 veterans residing in New Jersey who received disability compensation due to a service-connected condition, as of September 30, 2017. As a result, approximately 57,000 veterans are expected to be eligible for the beach buggy fee exemption. However, the OLS is unable to estimate the number of disabled veterans who will obtain or renew a beach buggy permit and unable to determine the price they would have paid and so cannot quantify the impact of the bill on State and local fee collections.

Section: Local Government

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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.).