

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 92**  
**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

DATED: SEPTEMBER 2, 2020

**SUMMARY**

**Synopsis:** Authorizes issuance of Protect Pollinators license plates.

**Type of Impact:** Annual State revenue and cost increases.

**Agencies Affected:** New Jersey Motor Vehicle Commission; Department of Transportation.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Thereafter</u></b>
<b>State Cost Increase</b>	\$65,700	Indeterminate
<b>State Revenue Increase</b>	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) finds that the bill will produce annual State revenue and expenditure increases that will largely offset one another. The OLS cannot quantify the annual increases because it is unclear how many applications for the new specialty license plate the New Jersey Motor Vehicle Commission (MVC) will receive.
- The bill establishes the Protect Pollinators license plate program in a manner that does not guarantee that the MVC will fully recover the expenses incurred in administering the program. The MVC has identified its initial cost of designing and establishing a new license plate series as \$65,700 for computer system changes and the initial print of 550 license plates. The OLS notes, however, that the implementation of the bill is not conditioned upon the receipt by the MVC of a minimum of 550 applications for the new specialty license plate.
- The MVC will receive a \$50 application fee and a \$10 annual renewal fee per license plate. The application and annual fee collections will likely be used to reimburse the MVC for the expenses it incurs in administering the license plate program as the MVC is permitted to retain additional fee amounts until its costs are fully reimbursed. The bill permits the MVC to end the program if cost of the license plates, which includes the administration of the license plate program, exceeds the application fee in two consecutive fiscal years.

- After the MVC recovers the license program administration costs, the Conserve Wildlife Foundation of New Jersey (CWF), a non-profit organization, and the Integrated Roadside Vegetation Management Program, (IRVM program) administered by the Department of Transportation, may realize any positive revenue generated by the plate fees, estimated between \$5,000 and \$275,000, as the recipients of the dedicated cause funds.

## **BILL DESCRIPTION**

The bill requires the MVC to create Protect Pollinators license plates, to be issued upon application for any motor vehicle registered in the State. Under the bill, applicants for the license plate are required to pay an initial fee of \$50 and a subsequent \$10 fee to renew the license plates.

The bill also establishes the Protect Pollinators License Plate Fund in the Department of the Treasury. Any monies from application fees that are not used to administer the license plate program are to be deposited in this fund and annually appropriated to the Conserve Wildlife Foundation of New Jersey and to the Integrated Roadside Vegetation Management Program.

The license plate program may be discontinued by the Chief Administrator of the MVC in the event that the average cost per plate of the program exceeds \$50 in two consecutive fiscal years.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS finds that the bill will produce indeterminate annual State revenue and expenditure increases. However, the OLS cannot quantify the annual effects these increases will have on each other because it is unclear how many applications for the new specialty license plate the MVC will receive.

In response to an OLS Discussion Point in the FY 2017-2018, the MVC indicated that its upfront cost was \$65,700 to set up a license plate program, which includes computer changes and the initial print run of 550 plates.

The bill establishes the Protect Pollinators license plate program in such a manner that does not guarantee that the MVC will fully recover the expenses that it incurs in administration of the license plate program. The MVC indicated in response to an FY 2017-2018 OLS Discussion Point that it faced an upfront cost of \$65,700 to initiate a license plate program, which includes computer changes and the initial print of 550 license plates. If the number of license plate applications is below 550 in the first 12 months following the effective date, the MVC may not fully recover its expenditures.

However, if the number of applications is equal to or greater than 550, the MVC is likely to recover its costs within approximately seven years of the creation of the license plate program. Pursuant to the bill, the MVC could obtain the first \$27,500 of its costs through the initial application fee of \$50 received from the individual license plate sales. The remaining \$38,200 will likely be recovered through the sale of additional Protect Pollinator license plates or by

retaining the \$10 annual fee from the original license plate customers. The first 550 license plate sales will generate \$5,500 per year from the \$10 annual renewal fee. Under this scenario, in the event that no other plates were purchased under the program, the MVC would recover the remaining costs after seven years of collecting the annual fee.

*Section: Authorities, Utilities, Transportation and Communication*

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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.).