

LEGISLATIVE FISCAL ESTIMATE TO  
**ASSEMBLY, No. 1761**  
**STATE OF NEW JERSEY**

DATED: MAY 15, 1996

Assembly Bill No. 1761 of 1996 excludes farm tractors, traction equipment, farm machinery and farm implements which cannot attain speeds greater than 20 miles per hour from being registered as motor vehicles.

Currently, all farm tractors and equipment which travel upon the public highways are required to be registered with the Division of Motor Vehicles (DMV) in the Department of Transportation. The annual registration fee for farm tractors, traction equipment, farm machinery or farm implements is \$5.

In a previous estimate for a similar proposal, Senate Bill No. 176 of 1994, DMV assumed that all farm vehicles currently registered would become exempt from registration fees. Thus, approximately 4,300 farm tractors and other types of traction equipment and 4,600 motor vehicles used as farm machinery and farm implements would be excluded.

If that previous DMV assumption was continued, the exclusion would result in a total annual revenue loss of about \$57,000. This amount is composed of \$44,500 from registration fees, \$8,900 from emergency medical helicopter surcharges imposed pursuant to P.L.1992, c.87 (C.39:3-8.2) and \$3,600 from reflectorized license plate surcharges imposed pursuant to P.L.1989, c.202 (C.39:3-33.9).

As an offset, DMV previously estimated a savings of \$5,700 from various materials and supplies. Consequently, the apparent net cost to the State would be \$51,300 in foregone annual revenue.

The Office of Legislative Services finds that DMV's previous estimate may overstate the net cost to the State. The previous DMV estimate represents the maximum loss to the State. However, not all currently registered farm tractors and vehicles may meet the criteria established by this bill. In addition, DMV did not account for a possible reduction in administrative costs associated with processing a reduced number of registrations. Therefore, the actual "loss" to the State may be lower than the inferred \$51,300 amount.

The 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.