

# LEGISLATIVE FISCAL ESTIMATE TO

[First Reprint]  
**SENATE, No. 1682**

## **STATE OF NEW JERSEY**

DATED: JANUARY 2, 1998

Senate Bill No. 1682 (1R) of 1996 revises licensure requirements and eliminates the filing of tariffs for public movers and warehousemen. Under current law, tariffs (a schedule of rates) must be filed with and published annually by the Board of Public Movers and Warehousemen. The bill requires current licensees and applicants for licensure to pass a criminal history background check. The Board of Public Movers and Warehousemen would be required to disqualify persons who fail the check from licensure unless they successfully appeal their disqualification or demonstrate their rehabilitation. The bill further requires licensees to maintain a bond in the minimum amount of \$10,000 in order to protect individuals who suffer a loss resulting from contracting with a mover or warehouseman who has violated the law.

Information provided informally by the Division of Consumer Affairs in the Department of Law and Public Safety indicates that approximately 400 public movers and warehousemen are presently licensed by the board. The division estimates that there are 70 applicants for licensure per year, although the overall number of licensees has remained constant in recent years at approximately 400.

The division estimates the cost of administering this bill at \$60,000 in the first year following enactment. This amount includes \$44,000 in salary and fringe benefit costs for a management assistant to maintain records and review criminal background checks and \$10,000 for the part-time services of a deputy attorney general for enforcement purposes. After adjusting for inflation and one-time costs for materials and supplies, the division estimates the bill's second and third year costs at \$60,000 and \$65,000, respectively.

To offset the board's costs to implement the provisions of the bill, a licensing fee increase of approximately \$150 per licensee would be required over the current annual fee of \$400. In addition, the division assumes that the \$49 fee for State and federal criminal background checks would be imposed on the applicants or licensees, not the board.

The Office of Legislative Services (OLS) does not concur with this estimate, which is based on the assumption that current licensees would be subject to criminal background checks annually. Based on the division's experience with requirements of other licensing boards, the board's 400 current licensees will be required to undergo background checks only in the first year following enactment of this

bill. In subsequent years, only the estimated new 70 applicants for licenses per year will be subject to background checks. Due to this reduction in workload, OLS estimates that the services of a management assistant will be required only half-time in the second and third years. After making this adjustment, OLS estimates the cost of implementing this bill at \$60,000, \$36,500 and \$40,000 in the first three years following enactment, respectively. Thus the estimated license fee increase of \$150 in the first year for the board's 400 licensees could be reduced to \$100 in the second and third year.

OLS further notes that the bill's elimination of the requirement that movers' tariffs be filed and annually published should result in some reduction in administrative costs, although the amount of savings cannot be determined.

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