

LEGISLATIVE FISCAL ESTIMATE TO

[First Reprint]
SENATE, No. 2047

STATE OF NEW JERSEY

DATED: JUNE 19, 1997

Senate Bill No. 2047(1R) of 1997 establishes the Uninsured Motorist Database Program in the Division of Motor Vehicles (DMV) to compare, by computer matching, the motor vehicles registered in this State with the motor vehicles insured in this State. The bill also imposes an uninsured motorist identification fee of \$1 on each initial motor vehicle registration and renewal; the fees collected are to be deposited in the Uninsured Motorist Prevention Fund, established pursuant to section 2 of P.L.1983, c.141 (C.39:6B-3), and used for various program purposes related to controlling uninsured motorists. In addition, the bill authorizes DMV to impound uninsured motor vehicles, to collect reasonable costs associated with the removal and storage of uninsured vehicles, and to impose a \$500 administrative fee for a vehicle impoundment. Moreover, if the costs related to the impoundment of a vehicle are not paid by the vehicle's owner within 45 days, DMV would be authorized to sell the vehicle at public auction.

The Office of Legislative Services notes that the \$1 fee per motor vehicle registration should generate about \$6 million in annual revenue. Further, the impoundment and storage of uninsured vehicles, a DMV administrative fee of \$500 per vehicle impoundment, and the proceeds from a vehicle sale would generate additional, but difficult to quantify, revenue.

Regarding new expenditures, DMV has verbally indicated that it is still discussing/negotiating the cost of developing and maintaining a computer database to track uninsured motor vehicles with the Office of Telecommunications and Information Systems (OTIS). The problem of interfacing the proposed DMV computerized insurance matching program with the various insurance companies doing business in the State has not yet been resolved by DMV/OTIS. In addition, DMV is also still developing estimates of the costs involved with the impoundment, storage and sale of uninsured vehicles.

Until a reasonable expense estimate can be completed by DMV, it remains uncertain how much of the annual revenue generated by this bill would be needed to offset the annual expenses.

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.