

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 652

STATE OF NEW JERSEY

DATED: MAY 18, 2021

The Assembly Appropriations Committee reports favorably Assembly Bill No. 652.

This bill exempts certain veterans from fees for a basic driver's license, motorcycle license or endorsement, and digitized picture. In addition, the bill clarifies that this exemption applies to the fees for a replacement license, two-year license, updated license following reconstructive or cosmetic surgery, and one-year license extension for certain medical reasons. Veterans who qualify for the exemptions are individuals who have been honorably discharged from military service and who also have a service-connected disability of 60 percent or greater.

FISCAL IMPACT:

The Office of Legislative Services (OLS) finds that this bill will likely result in a reduction of State revenues of approximately \$300,000 per year. This amount could be higher or lower depending upon the frequency of license changes by disabled veterans and the percentage of disabled veterans who obtain licenses.

Public documents from the Department of Military and Veterans Affairs (DMAVA) estimates that there are about 53,000 disabled veterans in the State. A State automobile or motorcycle driver's license costs \$24 including the digital picture fee and is valid for four years. If disabled veterans are licensed at the same rate as the Statewide adult population, about 94 percent, then the annual reduction in revenues will be about \$300,000.

Driver's license revenue is subject to a statutory formula that dedicates a portion of the revenue to the Motor Vehicle Commission (MVC) to cover its own costs with the remainder accruing to the State General Fund. The provisions of this bill would not change the MVC's underlying cost structure, so despite the formula, the full reduction in revenue will be realized in the amount available to the General Fund for other State purposes, not the base revenues of the MVC.