

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

SENATE, No. 3560

STATE OF NEW JERSEY

DATED: JUNE 10, 2021

The Senate Transportation Committee reports favorably Senate Bill No. 3560.

As reported, this bill authorizes the New Jersey Motor Vehicle Commission (MVC) to enter into a contract with an experienced private vendor for the marketing and sale of personalized, courtesy, or special license plates, including plates that the public may compete to obtain by auction, for a period of not less than five years with the initial contract term commencing upon the public advertisement of the license plate program but may be renewed for up to two additional contract terms for a period of not less than five years each in duration.

Any contract that MVC enters into with a private vendor is required to provide for the recovery of all costs incurred by MVC in implementing the provisions of this bill but may also require that the private vendor reimburse MVC in advance for: not more than one-half of MVC's anticipated costs in connection with the contract; and MVC's anticipated costs in connection with the introduction of a new personalized, courtesy, or specialty license plate.

Under the bill, instead of the fees and the license plate year terms for the registration of motor vehicles established for personalized, courtesy, and special license plates authorized by statute, including plates that the public may compete to obtain by auction, the MVC may, by rule, establish fees and license plate year terms for the registration of motor vehicles for the issuance or renewal of personalized, courtesy, or special license plates, including plates that the public may compete to obtain by auction, that are marketed and sold by the private vendor. The fees are to be reasonable and not less than the amounts necessary to allow the MVC to recover all reasonable costs associated with the implementation and enforcement of the contract, including direct, indirect, and administrative costs. License plate year terms for the registration of motor vehicles are to be offered at annual and various multi-year term lengths as approved by the MVC. The fee is to be in addition to the registration fee prescribed by law for the registration of a motor vehicle; and any renewal fee established for a special license plate by the provision of law that authorizes the issuance of the special license plate.

The bill provides that any contract with a private vendor for the marketing and sale of personalized, courtesy, or special license plates, including plates that the public may compete to obtain by auction, is payable only from amounts derived from the collection of the fees established by the bill. Any fees collected in excess of the minimum fees established by MVC are to be deposited as a credit to the General Fund.

The bill also provides that the MVC may approve a new design and color combinations for personalized, courtesy, or special license plates, including plates that the public may compete to obtain by auction, that are marketed and sold by a private vendor under a contract entered into with the private vendor. Each approved license plate design and color combination remains the property of the MVC and is to be in accordance with the provisions of law and the regulations promulgated pursuant thereto concerning the style and form of license plates in this State.

Nothing in the bill, however, is to be construed to authorize or permit:

- (1) the MVC to approve a design or color combination for a special license plate that is inconsistent with the design or color combination specified for the special license plate by the provision of law that authorizes the issuance of the special license plate; or
- (2) the private vendor to market and sell a special license plate with a design or color combination that is inconsistent with the design or color combination specified by the provision of law that authorizes the issuance of the special license plate.

The bill permits the MVC to cancel a license plate or require the discontinuation of an approved license plate design or color combination that is marketed and sold by a private vendor under contract at any time if the MVC determines that the cancellation or discontinuation is in the best interest of this State or the motoring public.