

VETO MESSAGE:

Yes

GOVERNOR'S PRESS RELEASE ON SIGNING:

Yes

FOLLOWING WERE PRINTED:

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REPORTS:

HEARINGS:

NEWSPAPER ARTICLES:

Yes

"Soaking in the budget - With shutdown avoided, here's what it will cost you," The Star-Ledger, July 2, 2018

"Budget compromise spreads the hurt around," The Times, July 2, 2018

"Soaking in the budget - With shutdown avoided, here's what it will cost you," South Jersey Times, July 2, 2018

§§1&5 -
C.39:5H-4.1 &
39:5H-4.2
§6 - Note

P.L. 2018, CHAPTER 47, *approved July 1, 2018*
Assembly Committee Substitute (*First Reprint*) for
Assembly, No. 4061

1 AN ACT ¹imposing a surcharge on prearranged rides provided by
2 transportation network companies] concerning transportation-
3 related surcharges¹, supplementing Title 54 of the Revised
4 Statutes, and amending ¹R.S.39:5-41 and¹ P.L.2017, c.26
5 (C.39:5H-1 et seq.).
6

7 **BE IT ENACTED** by the Senate and General Assembly of the State
8 of New Jersey:
9

10 1. (New Section) a. As used in this section:

11 “Prearranged ride,” “Rider,” and “Transportation network
12 company,” shall have the same meanings as provided in section 2 of
13 P.L.2017, c.26 (C.39:5H-2).

14 “Shared ride” means a prearranged ride in which:

15 (1) prior to commencement of the prearranged ride, the rider
16 requested to share the prearranged ride with one or more riders; and

17 (2) the rider is charged a fare that is calculated, in part, based on
18 the rider’s request to share all or part of the prearranged ride with
19 one or more riders, regardless of whether the rider actually shares
20 all or part of the ride with one or more riders.

21 b. ¹**There** Commencing October 1, 2018, there¹ is imposed
22 on a transportation network company rider a surcharge of ¹**[\$0.30]**
23 \$0.50¹ upon every prearranged ride that originates and terminates
24 within the State, except that only a ¹**[\$0.15]** \$0.25¹ surcharge is
25 imposed on the rider of a shared ride ¹**;**; provided, however, that no
26 surcharge shall be imposed on a ride that originates and ends in a
27 county with a population of fewer than 200,000 people, according
28 to the latest federal decennial census¹. The surcharge imposed
29 under this section shall be collected by the transportation network
30 company, and shall be separately stated on the electronic receipt
31 provided to the rider pursuant to section 9 of P.L.2017, c.26
32 (C.39:5H-9).

33 c. Each transportation network company required to collect the
34 surcharge imposed by this section shall be personally liable for the
35 surcharge imposed, collected, or required to be collected under this

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly amendments adopted in accordance with Governor's
recommendations June 30, 2018.

1 section. Any such transportation network company shall have the
2 same right with respect to collecting the surcharge from a rider as if
3 the surcharge were a part of the sales price and payable at the same
4 time.

5 d. In carrying out the provisions of this section, the Director of
6 the Division of Taxation in the Department of the Treasury shall
7 have all of the powers and authority granted in P.L.1966,
8 c.30 (C.54:32B-1 et seq.). The surcharge shall be filed and paid by
9 the transportation network company on a monthly basis in a manner
10 prescribed by the director. The director shall promulgate such rules
11 and regulations as the director determines are necessary to
12 effectuate the provisions of this section.

13 e. The surcharge imposed by this section shall be governed by
14 the provisions of the "State Uniform Tax Procedure Law,"
15 R.S.54:48-1 et seq.

16

17 2. Section 9 of P.L.2017, c.26 (C.39:5H-9) is amended to read
18 as follows:

19 9. Within 48 hours following completion of a prearranged ride,
20 a transportation network company shall provide a transportation
21 network company rider with an electronic receipt which shall
22 include:

- 23 a. the points of origin and destination of the prearranged ride;
24 b. the total time and distance of the prearranged ride; **[and]**
25 c. an itemization of the total fare paid, if any; and
26 d. the surcharge imposed pursuant to section 1 of P.L. , c.
27 (C.) (pending before the Legislature as this bill).
28 (cf: P.L.2017, c.26, s.9)

29

30 3. Section 26 of P.L.2017, c.26 (C.39:5H-26) is amended to
31 read as follows:

32 26. Notwithstanding any other provision of law, a transportation
33 network company and a transportation network company driver
34 shall be governed exclusively by P.L.2017, c.26 (C.39:5H-1 et
35 seq.), any supplements or amendments thereto, and any rules
36 promulgated by the commission or division pursuant to P.L.2017,
37 c.26 (C.39:5H-1 et seq.).

38 A county or municipality shall not require a transportation
39 network company or transportation network company driver to
40 obtain a license or permit to provide a prearranged ride in that
41 county or municipality, or require a driver to obtain a license or
42 permit for the driver's personal vehicle in order to provide a
43 prearranged ride in that county or municipality.

44 A county or municipality shall not impose a tax or fee that only
45 applies to a transportation network company or transportation
46 network company driver; provided that a transportation network
47 company or driver shall be subject to a tax or fee that applies

1 generally to all businesses or residents of the county or
2 municipality.

3 Except for the initial and annual permit fee imposed pursuant to
4 subsection b. of section 4 of P.L.2017, c.26 (C.39:5H-4) and the
5 surcharge imposed pursuant to section 1 of P.L. , c. (C.)
6 (pending before the Legislature as this bill), the State shall not
7 impose a tax or fee that only applies to a transportation network
8 company or transportation network company driver; provided that,
9 a transportation network company or driver shall be subject to a tax
10 or fee that applies generally to all businesses or residents of the
11 State.

12 Nothing in this section shall be construed to alter, supersede, or
13 prohibit a financial access agreement between a transportation
14 network company and a city of the first class with an international
15 airport terminal, provided the transportation network company
16 complies with all other provisions of P.L.2017, c.26 (C.39:5H-1 et
17 seq.).

18 (cf: P.L.2017, c.26, s.26)

19

20 ¹4. R.S. 39:5-41 is amended to read as follows:

21 39:5-41. a. All fines, penalties and forfeitures imposed and
22 collected under authority of law for any violations of R.S.39:4-63
23 and R.S.39:4-64 shall be forwarded by the judge to whom the same
24 have been paid to the proper financial officer of a county, if the
25 violation occurred within the jurisdiction of that county's central
26 municipal court, established pursuant to N.J.S.2B:12-1 et seq. or the
27 municipality wherein the violation occurred, to be used by the
28 county or municipality to help finance litter control activities in
29 addition to or supplementing existing litter pickup and removal
30 activities in the municipality.

31 b. Except as otherwise provided by subsection a. of this
32 section, all fines, penalties and forfeitures imposed and collected
33 under authority of law for any violations of the provisions of this
34 Title, other than those violations in which the complaining witness
35 is the chief administrator, a member of his staff, a member of the
36 State Police, a member of a county police department and force, a
37 county park police system, or a sheriff's office in a county that has
38 established a central municipal court, an inspector of the Board of
39 Public Utilities, or a law enforcement officer of any other State
40 agency, shall be forwarded by the judge to whom the same have
41 been paid as follows: one-half of the total amount collected to the
42 financial officer, as designated by the local governing body, of the
43 respective municipalities wherein the violations occurred, to be
44 used by the municipality for general municipal use and to defray the
45 cost of operating the municipal court; and one-half of the total
46 amount collected to the proper financial officer of the county
47 wherein they were collected, to be used by the county as a fund for

1 the construction, reconstruction, maintenance and repair of roads
2 and bridges, snow removal, the acquisition and purchase of rights-
3 of-way, and the purchase, replacement and repair of equipment for
4 use on said roads and bridges therein. Up to 25% of the money
5 received by a municipality pursuant to this subsection, but not more
6 than the actual amount budgeted for the municipal court, whichever
7 is less, may be used to upgrade case processing.

8 All fines, penalties and forfeitures imposed and collected under
9 authority of law for any violations of the provisions of this Title, in
10 which the complaining witness is a member of a county police
11 department and force, a county park police system, or a county
12 sheriff's office in a county that has established a central municipal
13 court, shall be forwarded by the judge to whom the same have been
14 paid to the financial officer, designated by the governing body of
15 the county, for all violations occurring within the jurisdiction of that
16 court, to be used for general county use and to defray the cost of
17 operating the central municipal court.

18 Whenever any county has deposited moneys collected pursuant
19 to this section in a special trust fund in lieu of expending the same
20 for the purposes authorized by this section, it may withdraw from
21 said special trust fund in any year an amount which is not in excess
22 of the amount expended by the county over the immediately
23 preceding three-year period from general county revenues for said
24 purposes. Such moneys withdrawn from the trust fund shall be
25 accounted for and used as are other general county revenues.

26 c. (Deleted by amendment, P.L.1993, c.293.)

27 d. Notwithstanding the provisions of subsections a. and b. of
28 this section, \$1 shall be added to the amount of each fine and
29 penalty imposed and collected through a court under authority of
30 any law for any violation of the provisions of Title 39 of the
31 Revised Statutes or any other motor vehicle or traffic violation in
32 this State and shall be forwarded by the person to whom the same
33 are paid to the State Treasurer. In addition, upon the forfeiture of
34 bail, \$1 of that forfeiture shall be forwarded to the State Treasurer.
35 The State Treasurer shall annually deposit those moneys so
36 forwarded in the "Body Armor Replacement" fund established
37 pursuant to section 1 of P.L.1997, c.177 (C.52:17B-4.4). Beginning
38 in the fiscal year next following the effective date of this act, the
39 State Treasurer annually shall allocate from those moneys so
40 forwarded an amount not to exceed \$400,000 to the Department of
41 the Treasury to be expended exclusively for the purposes of funding
42 the operation of the "Law Enforcement Officer Crisis Intervention
43 Services" telephone hotline established and maintained under the
44 provisions of sections 115 and 116 of P.L.2008, c.29 (C.26:2NN-1
45 and C.26:2NN-2).

46 e. Notwithstanding the provisions of subsections a. and b. of
47 this section, \$1 shall be added to the amount of each fine and

1 penalty imposed and collected through a court under authority of
2 any law for any violation of the provisions of Title 39 of the
3 Revised Statutes or any other motor vehicle or traffic violation in
4 this State and shall be forwarded by the person to whom the same
5 are paid to the State Treasurer. The State Treasurer shall annually
6 deposit those moneys so forwarded in the "New Jersey Spinal Cord
7 Research Fund" established pursuant to section 9 of P.L.1999, c.201
8 (C.52:9E-9). In order to comply with the provisions of Article VIII,
9 Section II, paragraph 5 of the State Constitution, a municipal or
10 county agency which forwards moneys to the State Treasurer
11 pursuant to this subsection may retain an amount equal to 2% of the
12 moneys which it collects pursuant to this subsection as
13 compensation for its administrative costs associated with
14 implementing the provisions of this subsection.

15 f. Notwithstanding the provisions of subsections a. and b. of
16 this section, \$1 shall be added to the amount of each fine and
17 penalty imposed and collected through a court under authority of
18 any law for any violation of the provisions of Title 39 of the
19 Revised Statutes or any other motor vehicle or traffic violation in
20 this State and shall be forwarded by the person to whom the same
21 are paid to the State Treasurer. The State Treasurer shall annually
22 deposit those moneys so forwarded in the "Autism Medical
23 Research and Treatment Fund" established pursuant to section 1 of
24 P.L.2003, c.144 (C.30:6D-62.2).

25 g. Notwithstanding the provisions of subsections a. and b. of
26 this section, ~~[\$2]~~ \$3 shall be added to the amount of each fine and
27 penalty imposed and collected by a court under authority of any law
28 for any violation of the provisions of Title 39 of the Revised
29 Statutes or any other motor vehicle or traffic violation in this State
30 and shall be forwarded by the person to whom the same are paid to
31 the State Treasurer. The State Treasurer shall annually deposit
32 those moneys so forwarded in the "New Jersey Forensic DNA
33 Laboratory Fund" established pursuant to P.L.2003, c.183. Prior to
34 depositing the moneys into the fund, the State Treasurer shall
35 forward to the Administrative Office of the Courts an amount not to
36 exceed \$475,000 from moneys initially collected pursuant to this
37 subsection to be used exclusively to establish a collection
38 mechanism and to provide funding to update the Automated Traffic
39 System Fund created pursuant to N.J.S.2B:12-30 to implement the
40 provisions of this subsection.

41 h. Notwithstanding the provisions of subsections a. and b. of
42 this section, \$1 shall be added to the amount of each fine and
43 penalty imposed and collected under authority of any law for any
44 violation of the provisions of Title 39 of the Revised Statutes or any
45 other motor vehicle or traffic violation in this State and shall be
46 forwarded by the person to whom the same are paid to the State
47 Treasurer. The State Treasurer shall annually deposit those moneys

1 so forwarded in the "New Jersey Brain Injury Research Fund"
2 established pursuant to section 9 of P.L.2003, c.200 (C.52:9EE-9).
3 The Administrative Office of the Courts may retain an amount
4 equal to \$475,000 from the moneys which it initially collects
5 pursuant to this subsection, prior to depositing any moneys in the
6 "New Jersey Brain Injury Research Fund," in order to meet the
7 expenses associated with utilizing the Automated Traffic System
8 Fund created pursuant to N.J.S.2B:12-30 to implement the
9 provisions of this subsection and serve other statutory purposes.

10 i. Notwithstanding the provisions of subsections a. and b. of
11 this section, all fines and penalties imposed and collected under
12 authority of law for any violation related to the unlawful operation
13 or the sale of a vehicle under section 1 of P.L.1955, c.53 (C.39:3-
14 17.1) shall be forwarded by the judge to whom the same have been
15 paid to the State Treasurer, if the complaining witness is the chief
16 administrator, a member of his staff, a member of the State Police,
17 an inspector of the Board of Public Utilities, or a law enforcement
18 officer or other official of any other State agency; or, if the
19 complaining witness is not one of the foregoing, one-half to the
20 chief financial officer of the county and one-half to the chief
21 financial officer of the municipality wherein the violation
22 occurred.¹

23 (cf: P.L.2015, c.103, s.2)

24

25 ¹**[4.] 5.**¹ Notwithstanding the provisions of the
26 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
27 seq.), to the contrary, the Director of the Division of Taxation may
28 adopt immediately upon filing with the Office of Administrative
29 Law such rules and regulations as the director determines to be
30 necessary to effectuate the purposes of P.L. , c. (C.)
31 (pending before the Legislature as this bill), which rules and
32 regulations shall be effective for a period not to exceed 360 days
33 following the effective date of P.L. , c. (C.) (pending
34 before the Legislature as this bill) and may thereafter be amended,
35 adopted, or readopted by the director in accordance with the
36 requirements of the "Administrative Procedure Act," P.L.1968,
37 c.410 (C.52:14B-1 et seq.).

38

39 ¹**[5.] 6.**¹ This act shall take effect immediately ¹**[and apply to**
40 **all prearranged rides beginning on or after October 1, 2018.]**₂
41 except that section 4 shall take effect on the first day of the third
42 month following enactment.¹

43

44

45

46 Imposes surcharge on prearranged rides and increases certain fee
47 associated with motor vehicle violations.

ASSEMBLY, No. 4061

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JUNE 4, 2018

Sponsored by:

Assemblyman NICHOLAS CHIARAVALLOTI

District 31 (Hudson)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

SYNOPSIS

Imposes \$0.20 per ride fee on certain prearranged rides; dedicates revenue to schools.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/19/2018)

1 AN ACT imposing a fee on certain transportation services and
2 dedicating revenue to schools, supplementing and amending
3 P.L.2017, c.26.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. (New section) a. There is imposed a transportation service
9 fee of \$0.20 upon every prearranged ride that is provided wholly
10 within the boundaries of this State. The fee imposed under this
11 section shall be adjusted annually for inflation by the Director of
12 the Division of Taxation in the Department of the Treasury, and
13 shall be collected by the transportation network company and paid
14 to the director on a quarterly basis in a manner prescribed by the
15 director.

16 b. No later than 30 days after the end of a calendar quarter, a
17 transportation network company shall file the transportation service
18 fees on a form prescribed and furnished by the director, and at that
19 time shall indicate the number of prearranged rides provided during
20 the previous quarter that are subject to the fee imposed pursuant to
21 this section and pay the full amount due as required by this section.

22 c. Each transportation network company required to collect
23 transportation service fees shall be liable for the fees imposed,
24 collected, or required to be collected under this section. Any such
25 transportation network company shall have the same right in respect
26 to collecting the fees from a purchaser of a prearranged ride as if
27 the fees were part of the sales price and payable at the same time.

28 d. The director shall remit all revenues collected pursuant to
29 this section to the Property Tax Relief Fund. Revenues collected
30 pursuant to this section shall be appropriated annually as aid to
31 school districts.

32 e. The fees imposed by this section shall be governed by the
33 provisions of the "State Uniform Tax Procedure Law," R.S.54:48-1
34 et seq., to the extent that the provisions of that law are not
35 inconsistent with any provisions of P.L. , c. (C.) (pending
36 before the Legislature as this bill).

37
38 2. Section 26 of P.L.2017, c.26 (C.39:5H-26) is amended to
39 read as follows:

40 26. Notwithstanding any other provision of law, a transportation
41 network company and a transportation network company driver
42 shall be governed exclusively by P.L.2017, c.26 (C.39:5H-1 et
43 seq.), any supplements or amendments thereto, and any rules
44 promulgated by the commission or division pursuant to P.L.2017,
45 c.26 (C.39:5H-1 et seq.).

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 A county or municipality shall not require a transportation
2 network company or transportation network company driver to
3 obtain a license or permit to provide a prearranged ride in that
4 county or municipality, or require a driver to obtain a license or
5 permit for the driver's personal vehicle in order to provide a
6 prearranged ride in that county or municipality.

7 A county or municipality shall not impose a tax or fee that only
8 applies to a transportation network company or transportation
9 network company driver; provided that a transportation network
10 company or driver shall be subject to a tax or fee that applies
11 generally to all businesses or residents of the county or
12 municipality.

13 Except for the initial and annual permit fee imposed pursuant to
14 subsection b. of section 4 of P.L.2017, c.26 (C.39:5H-4) and the
15 transportation service fee imposed pursuant to section 1 of P.L. ,
16 c. (C.) (pending before the Legislature as this bill), the State
17 shall not impose a tax or fee that only applies to a transportation
18 network company or transportation network company driver;
19 provided that, a transportation network company or driver shall be
20 subject to a tax or fee that applies generally to all businesses or
21 residents of the State.

22 Nothing in this section shall be construed to alter, supersede, or
23 prohibit a financial access agreement between a transportation
24 network company and a city of the first class with an international
25 airport terminal, provided the transportation network company
26 complies with all other provisions of P.L.2017, c.26 (C.39:5H-1 et
27 seq.).

28 (cf: P.L.2017, c.26, s.26)

29

30 3. Notwithstanding the provisions of the “Administrative
31 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to the
32 contrary, the Director of the Division of Taxation may adopt
33 immediately upon filing with the Office of Administrative Law
34 such rules and regulations as the director determines to be necessary
35 to effectuate the purposes of P.L. , c. (C.) (pending before
36 the Legislature as this bill), which rules and regulations shall be
37 effective for a period not to exceed 360 days following the effective
38 date of P.L. , c. (C.) (pending before the Legislature as this
39 bill) and may thereafter be amended, adopted, or readopted by the
40 director in accordance with the requirements of the “Administrative
41 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.).

42

43 4. This act shall take effect immediately, but shall remain
44 inoperative until the first day of the third month following
45 enactment.

STATEMENT

1

2

3 This bill imposes a 20-cent fee on certain prearranged rides
4 provided by transportation network companies. The fee is to be
5 adjusted annually for inflation, and is only imposed if the ride is
6 provided entirely within the State.

7 The bill requires transportation network companies to collect the
8 fees and pay them quarterly. The fees are governed by the State
9 Uniform Tax Procedure Law, and the Director of the Division of
10 Taxation is authorized to immediately issue rules to effectuate the
11 purpose of the bill.

12 The money collected from the fee is to be deposited in the
13 Property Tax Relief Fund and be used as aid to school districts.

14 Extra time is given before the bill becomes operative to allow
15 transportation network companies and the Division of Taxation to
16 take necessary preparatory action to comply with the bill.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4061

STATE OF NEW JERSEY

DATED: JUNE 18, 2018

The Assembly Budget Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 4061.

This substitute bill imposes a \$0.30 surcharge on prearranged rides that are not shared prearranged rides, and a \$0.15 surcharge on shared prearranged rides, that are provided by transportation network companies. For purposes of this surcharge a ride is treated as a shared prearranged ride if the rider requested a shared ride, even if no other rider actually shared the ride. The surcharge is only imposed if the ride starts and ends in the State. No surcharge is imposed on rides that originate and end in the most rural counties of the State, meaning the counties with fewer than 200,000 people

The surcharge would be owed by the rider, but collected and paid to the State by the transportation network company. The surcharge is governed by the State Uniform Tax Procedure Law, and the director is authorized to immediately issue rules to effectuate the purpose of the bill.

The substitute bill also amends the “Transportation Network Company Safety and Regulatory Act,” N.J.S.A.39:5H-1 et seq. to reflect the imposition of the surcharge, and require the inclusion of the surcharge on electronic receipts for prearranged rides.

FISCAL IMPACT:

The Office of Legislative Services projects that this bill will raise between \$5.4 million and \$12.0 million in State revenue in FY 2019. This represents nine months of collections, given the October 1, 2018 effective date.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4061
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: JUNE 28, 2018

SUMMARY

Synopsis: Imposes surcharge on prearranged rides.

Type of Impact: Annual State revenue increase, General Fund.

Agencies Affected: Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2019</u>
Annual State Revenue Increase	\$5.4 million to \$12.0 million

- The Office of Legislative Services (OLS) projects that this bill will raise between \$5.4 million and \$12.0 million in State revenue in FY 2019. The amount represents nine months of collections, given the October 1, 2018 effective date. If the surcharge were in effect for the full fiscal year, it would raise between \$7.2 million and \$16.0 million. These ranges rely on information provided by the Executive and industry sources.
- The OLS notes that each fiscal year's revenue collections following FY 2019 will vary depending on changes in the number of rides that will be subject to the surcharge.

BILL DESCRIPTION

This bill imposes a 30-cent surcharge on the rider of every prearranged ride provided by a transportation network company that originates and terminates in the State, except that a rider in a shared prearranged ride is only charged a 15-cent surcharge. There is no surcharge imposed on rider-trips that originate and terminate in a county with a population of fewer than 200,000 people. The bill applies to all riders in prearranged rides beginning on or after October 1, 2018.

FISCAL ANALYSIS

EXECUTIVE BRANCH

*Office of Legislative Services
State House Annex
P.O. Box 068
Trenton, New Jersey 08625*



*Legislative Budget and Finance Office
Phone (609) 847-3105
Fax (609) 777-2442
www.njleg.state.nj.us*

The Executive has not submitted a formal, written fiscal note for this bill. However, information provided by the Executive in support of the Governor's FY 2019 Budget proposal indicates that the Department of the Treasury projects a \$12.0 million revenue gain in FY 2019 from a 50-cent per trip charge on ridesharing companies effective as of July 1, 2018.

OFFICE OF LEGISLATIVE SERVICES

The OLS projects that this bill will raise between \$5.4 million and \$12.0 million in State revenue in FY 2019. This represents nine months of collections, given the October 1, 2018 effective date. If the surcharge were in effect for the full fiscal year, it would raise between \$7.2 million and \$16.0 million.

The lower end of the ranges relies upon the Executive estimate that a 50-cent surcharge on all prearranged trips would generate \$12.0 million. That equates to 24 million trips statewide in FY 2019. Assuming that all of those trips involve a single rider, there would be 24 million riders who would be subject to the 30-cent surcharge under this bill. Information provided by the industry estimates that the counties in the State with fewer than 200,000 people represent approximately 0.6 percent of total trips. All of these variables yield the lower-end estimate of a \$5.4 million revenue gain from imposing the surcharge for nine months in FY 2019 (24,000,000 single-rider trips * 99.4 percent * 30 cents * $\frac{3}{4}$ of the fiscal year). If the surcharge were in effect for the full fiscal year, the lower-end estimate would equal \$7.2 million.

The upper end of the ranges relies upon industry data provided to the OLS which indicate that there will be 62.5 million rider-trips in FY 2019, of which 44.6 million riders will be in non-shared ride trips and 17.9 million riders will be in shared ride trips. This information generates an estimated \$10.0 million revenue gain from imposing the surcharge on non-shared rider trips for nine months in FY 2019 (44,600,000 single rider trips * 99.4 percent * 30 cents * $\frac{3}{4}$ of the fiscal year); and an estimated \$2.0 million revenue gain from imposing the surcharge on riders in shared rider trips for nine months in FY 2019 (17,900,000 riders in shared rider trips * 99.4 percent * 15 cents * $\frac{3}{4}$ of the fiscal year); for an FY 2019 total revenue of \$12.0 million. If the surcharge were in effect for the full fiscal year, the higher-end estimate would be \$16.0 million.

The OLS has no information that would allow for an independent assessment of the accuracy of the Department of Treasury or industry estimates, given that major transportation network companies are private companies that have not made their State ridership data available to the public.

The OLS notes that each fiscal year's revenue collections following FY 2019 will vary depending on changes in the number of riders in prearranged trips that will be subject to the surcharge. The ridesharing industry is a young industry that is growing rapidly. While there is ample public information indicating that the major transportation network companies are growing rapidly in terms of private valuation, user counts, drivers, app downloads, etc., it does not appear that public data are currently available concerning their State trip counts and the likely growth therein.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Patrick Brennan
Lead Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR

ASSEMBLY, No. 4061

STATE OF NEW JERSEY

218th LEGISLATURE

DATED: AUGUST 29, 2018

SUMMARY

- Synopsis:** Imposes surcharge on prearranged rides and increases certain fee associated with motor vehicle violations.
- Types of Impact:** Annual State revenue and expenditure increases, General Fund.
- Agencies Affected:** Department of the Treasury.
New Jersey Motor Vehicle Commission.
Department of Law and Public Safety.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2019</u>
Annual State Revenue Increase	\$10,500,000 to \$23,000,000
Annual State Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) projects that this bill will raise between \$10.5 million and \$23.0 million in State revenue in FY 2019. The range represents nine months of collections, reflecting the October 1, 2018 start date for the new surcharge on prearranged rides and the increased surcharge on court-imposed fines and penalties for motor vehicle and traffic violations. If the bill were in effect for the full fiscal year, it would raise between \$14.1 million and \$30.7 million.
- The OLS projects that this bill will raise between \$7.7 million and \$20.1 million in State revenue in FY 2019 from imposing a surcharge on prearranged rides as of October 1, 2018. If the surcharge were in effect for the full fiscal year, it would raise between \$10.3 million and \$26.8 million. The OLS notes that each fiscal year's collections following FY 2019 will vary depending on changes in the number of rides that will be subject to the surcharge.
- The OLS estimates that the \$1 increase in the surcharge on fines and penalties for motor vehicle and traffic violations will generate an additional \$2.8 million to \$2.9 million in State

revenue in FY 2019. If the increase were in effect for the full fiscal year, it would raise between \$3.8 million and \$3.9 million.

- The OLS anticipates that the State Department of the Treasury will incur indeterminate additional annual expenditures in administering the new surcharge on prearranged rides.

BILL DESCRIPTION

This bill imposes a 50-cent surcharge on the rider of every prearranged ride provided by a transportation network company that originates and terminates in the State, except that a rider in a shared prearranged ride is only charged a 25-cent surcharge. The bill applies to all riders in prearranged rides beginning on or after October 1, 2018.

The bill also increases from \$2 to \$3 the surcharge on all court-imposed fines and penalties for motor vehicle and traffic violations whose collections are dedicated to the “New Jersey Forensic DNA Laboratory Fund.” The increase takes effect on the first day of the third month after enactment, or October 1, 2018.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Executive has not submitted a formal, written fiscal note for this bill. However, information provided by the Executive in support of the Governor’s FY 2019 Budget proposal indicated that the Department of the Treasury projected an FY 2019 revenue gain of \$12.0 million from a 50-cent per ride charge on ridesharing companies and of \$3.7 million from the increased surcharge on all court-imposed fines and penalties for motor vehicle and traffic violations. The Department of the Treasury assumed a July 1, 2018 effective date and did not elaborate on the methods and data underlying its estimates.

OFFICE OF LEGISLATIVE SERVICES

The OLS projects that this bill will raise between \$10.5 million and \$23.0 million in State revenue in FY 2019. The range represents nine months of collections, reflecting the October 1, 2018 start date for the new surcharge on prearranged rides and the increased surcharge on court-imposed fines and penalties for motor vehicle and traffic violations. If the bill were in effect for the full fiscal year, it would raise between \$14.1 million and \$30.7 million.

Moreover, the OLS anticipates that the State will incur indeterminate additional annual expenditures in administering the new surcharge on prearranged rides.

Surcharge on Prearranged Rides

The OLS estimates that the new surcharge on prearranged rides will raise between \$7.7 million and \$20.1 million in State revenue in FY 2019. This represents nine months of collections as the surcharge will not be imposed until October 1, 2018. If the surcharge were in effect for the full fiscal year, it would yield between \$10.3 million and \$26.8 million.

The lower-end estimates are based on the Executive projection that a 50-cent surcharge on all prearranged rides would generate \$12.0 million over 12 months in FY 2019. That equates to an

estimated 24 million surchargeable events statewide in FY 2019. The Executive's treatment of shared-ride trips, however, is unclear. That treatment matters because the bill imposes a 50-cent surcharge on a rider in a single-ride trip and a 25-cent surcharge on a rider in a shared-ride trip. For purposes of calculating a lower-end estimate, the OLS adopts the revenue-minimizing interpretation that the Executive extended the 50-cent rate to each shared-ride booking, and that the rate ought to be reduced to 25 cents under the bill. In performing the calculation, the OLS accepts industry data that 71.4 percent of rides involve a single rider. Applying this percentage to the 24 million rides estimated by the Executive as being subject to the surcharge, the OLS calculates that 17.1 million riders in single-ride trips will pay the 50-cent surcharge and 6.9 million riders in shared-ride trips will pay the 25-cent surcharge. These variables generate an estimated \$6.4 million revenue gain from imposing the surcharge on single-ride trips for nine months in FY 2019 (17,100,000 single-ride trips * 50 cents * $\frac{3}{4}$ of the fiscal year); and an estimated \$1.3 million revenue gain from imposing the surcharge on riders in shared-ride trips for nine months in FY 2019 (6,900,000 riders in shared-ride trips * 25 cents * $\frac{3}{4}$ of the fiscal year); for an FY 2019 total revenue of \$7.7 million. If the surcharge were in effect for the full fiscal year, the lower-end estimate would be \$10.3 million.

The upper-end estimates rely upon industry data provided to the OLS which indicate that there will be 62.5 million rider-trips in FY 2019, of which 44.6 million riders will be in single-ride trips and 17.9 million riders will be in shared-ride trips. This information generates an estimated \$16.7 million revenue gain from imposing the surcharge on single-ride trips for nine months in FY 2019 (44,600,000 single-ride trips * 50 cents * $\frac{3}{4}$ of the fiscal year); and an estimated \$3.4 million revenue gain from imposing the surcharge on riders in shared-ride trips for nine months in FY 2019 (17,900,000 riders in shared-ride trips * 25 cents * $\frac{3}{4}$ of the fiscal year); for an FY 2019 total revenue of \$20.1 million. If the surcharge were in effect for the full fiscal year, the higher-end estimate would be \$26.8 million.

The OLS is unable to independently assess the accuracy of the Executive or industry estimates, given that major transportation network companies are private companies that have not made their State ridership data available to the public.

The OLS notes further that each fiscal year's revenue collections following FY 2019 will vary depending on changes in the number of prearranged rides that will be subject to the surcharge. While there is ample public information indicating that the major transportation network companies are growing rapidly in terms of private valuation, user counts, drivers, app downloads, etc., it does not appear that public data are currently available concerning their State trip counts and the likely growth therein.

In addition, the OLS anticipates that the Department of the Treasury will incur indeterminate additional annual expenditures in administering the new surcharge.

Surcharge on Motor Vehicle and Traffic Violations

The OLS projects that the \$1 increase in the surcharge on court-imposed fines and penalties for motor vehicle and traffic violations will grow annual State revenue collections by \$3.7 million to \$3.8 million. This estimate is consistent with the informal Executive projection that this bill will raise \$3.7 million annually. In FY 2019, however, the additional revenue will range between \$2.8 million and \$2.9 million, given that the increase in the surcharge will not take effect until October 1, 2018.

The current \$2 surcharge on fines and penalties for motor vehicle and traffic violations raised \$7.6 million in FY 2017 for deposit into the dedicated "New Jersey Forensic DNA Laboratory Fund." The bill's 50-percent increase in the surcharge amount would thus have raised an additional \$3.8 million in FY 2017.

Annual surcharge collections are dependent upon the number of motor vehicle and traffic violations that occur each year. The OLS expects this number to be somewhat consistent, changing in proportion to Statewide population and travel. Given that both Statewide population and vehicle travel have had very little growth in recent years and are not projected to grow notably in the near future, the annual revenue from this source is unlikely to grow substantially over the next three years. Additionally, there are no new motor vehicle or traffic violations that could be expected to significantly add to this revenue stream.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Patrick Brennan
Lead Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE, No. 2767

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED JUNE 18, 2018

Sponsored by:

Senator NILSA CRUZ-PEREZ

District 5 (Camden and Gloucester)

SYNOPSIS

Imposes surcharge on prearranged rides.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT imposing a surcharge on prearranged rides provided by
2 transportation network companies, supplementing Title 54 of the
3 Revised Statutes, and amending P.L.2017, c.26 (C.39:5H-1 et
4 seq.).

5
6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8
9 1. (New Section) a. As used in this section:
10 “Prearranged ride,” “Rider,” and “Transportation network
11 company,” shall have the same meanings as provided in section 2 of
12 P.L.2017, c.26 (C.39:5H-2).

13 “Shared ride” means a prearranged ride in which:

14 (1) prior to commencement of the prearranged ride, the rider
15 requested to share the prearranged ride with one or more riders; and
16 (2) the rider is charged a fare that is calculated, in part, based on the
17 rider’s request to share all or part of the prearranged ride with one
18 or more riders, regardless of whether the rider actually shares all or
19 part of the ride with one or more riders.

20 b. There is imposed on a transportation network company rider
21 a surcharge of \$0.30 upon every prearranged ride that originates and
22 terminates within the State, except that only a \$0.15 surcharge is
23 imposed on the rider of a shared ride; provided, however, that no
24 surcharge shall be imposed on a ride that originates and ends in a
25 county with a population of fewer than 200,000 people, according
26 to the latest federal decennial census. The surcharge imposed under
27 this section shall be collected by the transportation network
28 company, and shall be separately stated on the electronic receipt
29 provided to the rider pursuant to section 9 of P.L.2017, c.26
30 (C.39:5H-9).

31 c. Each transportation network company required to collect the
32 surcharge imposed by this section shall be personally liable for the
33 surcharge imposed, collected, or required to be collected under this
34 section. Any such transportation network company shall have the
35 same right with respect to collecting the surcharge from a rider as if
36 the surcharge were a part of the sales price and payable at the same
37 time.

38 d. In carrying out the provisions of this section, the Director of
39 the Division of Taxation in the Department of the Treasury shall
40 have all of the powers and authority granted in P.L.1966, c.30
41 (C.54:32B-1 et seq.). The surcharge shall be filed and paid by the
42 transportation network company on a monthly basis in a manner
43 prescribed by the director. The director shall promulgate such rules
44 and regulations as the director determines are necessary to
45 effectuate the provisions of this section.

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 e. The surcharge imposed by this section shall be governed by
2 the provisions of the “State Uniform Tax Procedure Law,”
3 R.S.54:48-1 et seq.

4
5 2. Section 9 of P.L.2017, c.26 (C.39:5H-9) is amended to read
6 as follows:

7 9. Within 48 hours following completion of a prearranged ride,
8 a transportation network company shall provide a transportation
9 network company rider with an electronic receipt which shall
10 include:

- 11 a. the points of origin and destination of the prearranged ride;
- 12 b. the total time and distance of the prearranged ride; **[and]**
- 13 c. an itemization of the total fare paid, if any; and
- 14 d. the surcharge imposed pursuant to section 1 of P.L. , c.
15 (C.) (pending before the Legislature as this bill).
16 (cf: P.L.2017, c.26, s.9)

17
18 3. Section 26 of P.L.2017, c.26 (C.39:5H-26) is amended to
19 read as follows:

20 26. Notwithstanding any other provision of law, a transportation
21 network company and a transportation network company driver
22 shall be governed exclusively by P.L.2017, c.26 (C.39:5H-1 et
23 seq.), any supplements or amendments thereto, and any rules
24 promulgated by the commission or division pursuant to P.L.2017,
25 c.26 (C.39:5H-1 et seq.).

26 A county or municipality shall not require a transportation
27 network company or transportation network company driver to
28 obtain a license or permit to provide a prearranged ride in that
29 county or municipality, or require a driver to obtain a license or
30 permit for the driver's personal vehicle in order to provide a
31 prearranged ride in that county or municipality.

32 A county or municipality shall not impose a tax or fee that only
33 applies to a transportation network company or transportation
34 network company driver; provided that a transportation network
35 company or driver shall be subject to a tax or fee that applies
36 generally to all businesses or residents of the county or
37 municipality.

38 Except for the initial and annual permit fee imposed pursuant to
39 subsection b. of section 4 of P.L.2017, c.26 (C.39:5H-4) and the
40 surcharge imposed pursuant to section 1 of P.L. , c. (C.)
41 (pending before the Legislature as this bill), the State shall not
42 impose a tax or fee that only applies to a transportation network
43 company or transportation network company driver; provided that,
44 a transportation network company or driver shall be subject to a tax
45 or fee that applies generally to all businesses or residents of the
46 State.

47 Nothing in this section shall be construed to alter, supersede, or
48 prohibit a financial access agreement between a transportation

1 network company and a city of the first class with an international
2 airport terminal, provided the transportation network company
3 complies with all other provisions of P.L.2017, c.26 (C.39:5H-1 et
4 seq.).

5 (cf: P.L.2017, c.26, s.26)

6
7 4. Notwithstanding the provisions of the “Administrative
8 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to the
9 contrary, the Director of the Division of Taxation may adopt
10 immediately upon filing with the Office of Administrative Law
11 such rules and regulations as the director determines to be necessary
12 to effectuate the purposes of P.L. , c. (C.) (pending before
13 the Legislature as this bill), which rules and regulations shall be
14 effective for a period not to exceed 360 days following the effective
15 date of P.L. , c. (C.) (pending before the Legislature as this
16 bill) and may thereafter be amended, adopted, or readopted by the
17 director in accordance with the requirements of the “Administrative
18 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.).

19
20 5. This act shall take effect immediately and apply to all
21 prearranged rides beginning on or after October 1, 2018.

22
23

24 STATEMENT

25

26 This bill imposes a \$0.30 surcharge on prearranged rides that are
27 not shared prearranged rides, and a \$0.15 surcharge on shared
28 prearranged rides, that are provided by transportation network
29 companies. For purposes of this surcharge a ride is treated as a
30 shared prearranged ride if the rider requested a shared ride, even if
31 no other rider actually shared the ride. The surcharge is only
32 imposed if the ride starts and ends in the State. No surcharge is
33 imposed on rides that originate and end in the most rural counties of
34 the State, meaning the counties with fewer than 200,000 people

35 The surcharge would be owed by the rider, but collected and paid
36 to the State by the transportation network company. The surcharge
37 is governed by the State Uniform Tax Procedure Law, and the
38 director is authorized to immediately issue rules to effectuate the
39 purpose of the bill.

40 The bill also amends the “Transportation Network Company
41 Safety and Regulatory Act,” N.J.S.A.39:5H-1 et seq. to reflect the
42 imposition of the surcharge, and require the inclusion of the
43 surcharge on electronic receipts for prearranged rides.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2767

STATE OF NEW JERSEY

DATED: JUNE 18, 2018

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2767.

This bill imposes a \$0.30 surcharge on prearranged rides that are not shared prearranged rides, and a \$0.15 surcharge on shared prearranged rides, that are provided by transportation network companies. For purposes of this surcharge a ride is treated as a shared prearranged ride if the rider requested a shared ride, even if no other rider actually shared the ride. The surcharge is only imposed if the ride starts and ends in the State. No surcharge is imposed on rides that originate and end in the most rural counties of the State, meaning the counties with fewer than 200,000 people

The surcharge would be owed by the rider, but collected and paid to the State by the transportation network company. The surcharge is governed by the State Uniform Tax Procedure Law, and the director is authorized to immediately issue rules to effectuate the purpose of the bill.

The bill also amends the “Transportation Network Company Safety and Regulatory Act,” N.J.S.A.39:5H-1 et seq. to reflect the imposition of the surcharge, and require the inclusion of the surcharge on electronic receipts for prearranged rides.

FISCAL IMPACT:

The Office of Legislative Services projects that this bill will raise between \$5.4 million and \$12.0 million in State revenue in FY 2019. This represents nine months of collections, given the October 1, 2018 effective date.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2767
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: JUNE 26, 2018

SUMMARY

Synopsis: Imposes surcharge on prearranged rides.

Type of Impact: Annual State revenue increase.

Agencies Affected: Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2019</u>
Annual State Revenue Increase	\$5.4 million to \$12.0 million

- The Office of Legislative Services (OLS) projects that this bill will raise between \$5.4 million and \$12.0 million in State revenue in FY 2019. This projection reflects a range with a Statewide estimate of 12 million rider-trips with all rider-trips being on non-shared trips forming the lower range. The upper range assumes 62.5 million riders with 44.6 million consisting of single rider trips, and 17.9 million being shared ride rider-trips. This range relies on imputing information provided by the Executive Branch and from information made available from industry sources. The amount for FY 2019 represents nine months of collections given the October 1, 2018 effective date.
- The OLS notes that each fiscal year's revenue collections following FY 2019 will vary depending on changes in the number of prearranged rides that will be subject to the surcharge, given that the ride sharing industry is currently growing rapidly.

BILL DESCRIPTION

This bill imposes a 30-cent surcharge on the rider for every prearranged ride that originates and terminates in the State, except that a rider in a shared prearranged ride is only charged a 15-cent surcharge. There is no surcharge imposed on rider-trips that originate and terminate in a county with a population of fewer than 200,000 people. The bill also requires the surcharge to be separately stated on the electronic receipt provided to the rider. The bill applies to all riders in prearranged rides beginning on or after October 1, 2018.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Executive Branch has not submitted a formal, written fiscal note for this bill. However, information provided by the Executive in the Governor's FY 2019 Budget proposal indicates that the Department of the Treasury estimates that \$12.0 million in revenue would be realized in FY 2019 from a 50-cent per trip charge on ridesharing companies.

OFFICE OF LEGISLATIVE SERVICES

The OLS projects that this bill will raise between \$5.4 million and \$12.0 million in State revenue in FY 2019. This represents nine months of collections given the October 1, 2018 effective date.

The lower end of this range relies upon the Executive Branch estimate that a 50 cent surcharge on all prearranged trips would generate \$12.0 million. That equates to 24 million trips statewide in FY 2019. If we assume that all of those prearranged rides involve a single rider, there would be 24 million riders, all of whom would be subject to the 30 cent surcharge under this bill. Information provided by industry estimates that the counties in the State with less than 200,000 population represent approximately 0.6 percent of total trips, so the impact of that exemption fell away due to rounding in the analysis. Using the lower end ridership estimate: 24,000,000 single rider trips * 99.4% = 23,856,000 * 30 cents * 75% (9 months of FY 2019) = \$5,367,600.

The upper end of this range relies upon industry data provided to the OLS which indicated that there will be 62.5 million rider-trips in FY 2019, of which 44.6 million riders were in non-shared ride trips and 17.9 million riders were in shared ride trips. This ridership information generates an estimate of 44,600,000 * 99.4% = 44,332,400 * 30 cents * 75% = \$9,974,790 from non-shared rider trips; and 17,900,000 * 99.4% = 17,792,600 * 15 cents * 75% = \$2,001,668; for a total revenue in FY 2019 of \$11,976,458.

The OLS has no information that would allow for an independent assessment of the accuracy of the Department of Treasury or industry estimates, given that major transportation network companies are private companies that have not made their State ridership data available to the public.

The OLS notes that each fiscal year's revenue collections following FY 2019 will vary depending on changes in the number of riders in prearranged trips that will be subject to the surcharge. The ridesharing industry is a young industry that is growing rapidly. While there is ample public information indicating that the major transportation network companies are growing rapidly in terms of private valuation, user counts, drivers, app downloads, etc., it does not appear that public data is currently available concerning their State trip counts and the likely growth therein.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Patrick Brennan
Lead Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

**ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY BILL NO. 4061**

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Committee Substitute for Assembly Bill No. 4061 with my recommendations for reconsideration.

I am very pleased to have reached a deal with my partners in the Legislature concerning the Fiscal Year 2019 State budget and supporting revenue bills. Our agreed upon spending plan implements almost all of the investments in New Jersey's future that I recommended to the Legislature in March. I thank the Legislature for including all of these important priorities in the State's spending plan for Fiscal Year 2019. With the budget I signed this evening, we are truly building a stronger and fairer New Jersey.

This bill would impose a small surcharge on prearranged rides and is very similar to a recommendation included in my budget recommendations to the Legislature in March. My recommended changes would adjust the surcharge level and create parity for residents of all counties in the State of New Jersey. These revisions would also impose a nominal increase on the existing surcharge on motor vehicle or traffic violations dedicated to the New Jersey Forensic DNA Laboratory Fund, consistent with the terms of the Fiscal Year 2019 budget deal struck with legislative leadership.

Therefore, I herewith return Assembly Committee Substitute for Assembly Bill No. 4061 and recommend that it be amended as follows:

Page 2, Title, Lines 1-2:

Delete "imposing a surcharge on prearranged rides provided by transportation network

companies" and insert "concerning transportation-related surcharges"

Page 2, Title, Line 3: After "amending" insert "R.S.39:5-41 and"

Page 2, Section 1, Line 20: After "b." insert "Commencing October 1, 2018,"

Page 2, Section 1, Line 20: Delete "There" and insert "there"

Page 2, Section 1, Line 21: Delete "\$0.30" and insert "\$0.50"

Page 2, Section 1, Line 22: Delete "\$0.15" and insert "\$0.25"

Page 2, Section 1, Line 23: Delete "; provided, however, that no"

Page 2, Section 1, Lines 24-25: Delete in their entirety

Page 2, Section 1, Line 26: Delete "to the latest federal decennial census"

Page 4, Line 6: Insert new section 4:
 "4. N.J.S. 39:5-41 is amended to read as follows:

39:5-41. a. All fines, penalties and forfeitures imposed and collected under authority of law for any violations of R.S.39:4-63 and R.S.39:4-64 shall be forwarded by the judge to whom the same have been paid to the proper financial officer of a county, if the violation occurred within the jurisdiction of that county's central municipal court, established pursuant to N.J.S.2B:12-1 et seq. or the municipality wherein the violation occurred, to be used by the county or municipality to help finance litter control activities in addition to or supplementing existing litter pickup and removal activities in the municipality.

b. Except as otherwise provided by subsection a. of this section, all fines, penalties and forfeitures imposed and collected under

authority of law for any violations of the provisions of this Title, other than those violations in which the complaining witness is the chief administrator, a member of his staff, a member of the State Police, a member of a county police department and force, a county park police system, or a sheriff's office in a county that has established a central municipal court, an inspector of the Board of Public Utilities, or a law enforcement officer of any other State agency, shall be forwarded by the judge to whom the same have been paid as follows: one-half of the total amount collected to the financial officer, as designated by the local governing body, of the respective municipalities wherein the violations occurred, to be used by the municipality for general municipal use and to defray the cost of operating the municipal court; and one-half of the total amount collected to the proper financial officer of the county wherein they were collected, to be used by the county as a fund for the construction, reconstruction, maintenance and repair of roads and bridges, snow removal, the acquisition and purchase of rights-of-way, and the purchase, replacement and repair of equipment for use on said roads and bridges therein. Up to 25% of the money received by a municipality pursuant to this subsection, but not more than the actual amount budgeted for the municipal court, whichever is less, may be used to upgrade case processing.

All fines, penalties and forfeitures imposed and collected under authority of law for any violations of the provisions of this Title, in

which the complaining witness is a member of a county police department and force, a county park police system, or a county sheriff's office in a county that has established a central municipal court, shall be forwarded by the judge to whom the same have been paid to the financial officer, designated by the governing body of the county, for all violations occurring within the jurisdiction of that court, to be used for general county use and to defray the cost of operating the central municipal court.

Whenever any county has deposited moneys collected pursuant to this section in a special trust fund in lieu of expending the same for the purposes authorized by this section, it may withdraw from said special trust fund in any year an amount which is not in excess of the amount expended by the county over the immediately preceding three-year period from general county revenues for said purposes. Such moneys withdrawn from the trust fund shall be accounted for and used as are other general county revenues.

c. (Deleted by amendment, P.L.1993, c.293.)

d. Notwithstanding the provisions of subsections a. and b. of this section, \$1 shall be added to the amount of each fine and penalty imposed and collected through a court under authority of any law for any violation of the provisions of Title 39 of the Revised Statutes or any other motor vehicle or traffic violation in this State and shall be forwarded by the person to whom the same are paid to the State Treasurer. In addition, upon the forfeiture of bail, \$1 of that forfeiture shall be

forwarded to the State Treasurer. The State Treasurer shall annually deposit those moneys so forwarded in the "Body Armor Replacement" fund established pursuant to section 1 of P.L.1997, c.177 (C.52:17B-4.4). Beginning in the fiscal year next following the effective date of this act, the State Treasurer annually shall allocate from those moneys so forwarded an amount not to exceed \$400,000 to the Department of the Treasury to be expended exclusively for the purposes of funding the operation of the "Law Enforcement Officer Crisis Intervention Services" telephone hotline established and maintained under the provisions of sections 115 and 116 of P.L.2008, c.29 (C.26:2NN-1 and C.26:2NN-2).

e. Notwithstanding the provisions of subsections a. and b. of this section, \$1 shall be added to the amount of each fine and penalty imposed and collected through a court under authority of any law for any violation of the provisions of Title 39 of the Revised Statutes or any other motor vehicle or traffic violation in this State and shall be forwarded by the person to whom the same are paid to the State Treasurer. The State Treasurer shall annually deposit those moneys so forwarded in the "New Jersey Spinal Cord Research Fund" established pursuant to section 9 of P.L.1999, c.201 (C.52:9E-9). In order to comply with the provisions of Article VIII, Section II, paragraph 5 of the State Constitution, a municipal or county agency which forwards moneys to the State Treasurer pursuant to this subsection may retain an amount equal to 2% of the moneys which it collects pursuant to this subsection as compensation

for its administrative costs associated with implementing the provisions of this subsection.

f. Notwithstanding the provisions of subsections a. and b. of this section, \$1 shall be added to the amount of each fine and penalty imposed and collected through a court under authority of any law for any violation of the provisions of Title 39 of the Revised Statutes or any other motor vehicle or traffic violation in this State and shall be forwarded by the person to whom the same are paid to the State Treasurer. The State Treasurer shall annually deposit those moneys so forwarded in the "Autism Medical Research and Treatment Fund" established pursuant to section 1 of P.L.2003, c.144 (C.30:6D-62.2).

g. Notwithstanding the provisions of subsections a. and b. of this section, [\$2] \$3 shall be added to the amount of each fine and penalty imposed and collected by a court under authority of any law for any violation of the provisions of Title 39 of the Revised Statutes or any other motor vehicle or traffic violation in this State and shall be forwarded by the person to whom the same are paid to the State Treasurer. The State Treasurer shall annually deposit those moneys so forwarded in the "New Jersey Forensic DNA Laboratory Fund" established pursuant to P.L.2003, c.183. Prior to depositing the moneys into the fund, the State Treasurer shall forward to the Administrative Office of the Courts an amount not to exceed \$475,000 from moneys initially collected pursuant to this subsection to be used

exclusively to establish a collection mechanism and to provide funding to update the Automated Traffic System Fund created pursuant to N.J.S.2B:12-30 to implement the provisions of this subsection.

h. Notwithstanding the provisions of subsections a. and b. of this section, \$1 shall be added to the amount of each fine and penalty imposed and collected under authority of any law for any violation of the provisions of Title 39 of the Revised Statutes or any other motor vehicle or traffic violation in this State and shall be forwarded by the person to whom the same are paid to the State Treasurer. The State Treasurer shall annually deposit those moneys so forwarded in the "New Jersey Brain Injury Research Fund" established pursuant to section 9 of P.L.2003, c.200 (C.52:9EE-9). The Administrative Office of the Courts may retain an amount equal to \$475,000 from the moneys which it initially collects pursuant to this subsection, prior to depositing any moneys in the "New Jersey Brain Injury Research Fund," in order to meet the expenses associated with utilizing the Automated Traffic System Fund created pursuant to N.J.S.2B:12-30 to implement the provisions of this subsection and serve other statutory purposes.

i. Notwithstanding the provisions of subsections a. and b. of this section, all fines and penalties imposed and collected under authority of law for any violation related to the unlawful operation or the sale of a vehicle under section 1 of P.L.1955, c.53 (C.39:3-17.1) shall be forwarded by the judge to whom the same have been paid to the State

Treasurer, if the complaining witness is the chief administrator, a member of his staff, a member of the State Police, an inspector of the Board of Public Utilities, or a law enforcement officer or other official of any other State agency; or, if the complaining witness is not one of the foregoing, one-half to the chief financial officer of the county and one-half to the chief financial officer of the municipality wherein the violation occurred.

Page 4, Section 4, Line 7:

Delete "4." and insert "5."

Page 4, Section 5, Line 20:

Delete "5." and insert "6."

Page 4, Section 5, Line 20:

Delete "and apply to all"

Page 4, Section 5, Line 21:

Delete in its entirety and insert ", except that section 4 shall take effect on the first day of the third month following enactment."

Respectfully,

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Kate E. McDonnell

Deputy Chief Counsel to the Governor