

VETO MESSAGE: Yes

GOVERNOR'S PRESS RELEASE ON SIGNING: No

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LAW/KR

P.L.2011, CHAPTER 135, *approved September 30, 2011*
Assembly, No. 1471 (*Third Reprint*)

1 AN ACT concerning autocabs, amending R.S.48:16-3, and
2 supplementing article 1 of chapter 16 of Title 48 of the Revised
3 Statutes.

4

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

7

8 1. (New section) A municipality shall determine by ordinance
9 the number of taxi licenses available for issuance. Whenever the
10 governing body of a municipality determines to authorize the
11 issuance of one or more new or additional taxi licenses, it shall
12 publish a notice, in a newspaper circulating generally within the
13 municipality, stating the number of new or additional licenses to be
14 authorized and the application period for the new or additional
15 licenses. The notice shall specify a time and date after which no
16 further applications will be accepted. The notice shall be published
17 at least twice and at least one week apart, with the second notice
18 published at least 30 days prior to the time and date specified in the
19 notice as the time and date after which no further applications will
20 be accepted.

21

22 2. (New section) The provisions of section 1 of P.L. ,
23 c. (C.) (pending before the Legislature as this bill) shall not be
24 construed to require the issuance of any license or licenses with
25 respect to which a notice has been published pursuant to that
26 section 1, but in any case in which any such license or licenses have
27 not been issued within six months after the closing time and date for
28 acceptance of applications specified in the notice, no such license or
29 licenses shall be issued without again complying with the
30 provisions of that section 1 of P.L. , c. (C.) (pending before
31 the Legislature as this bill).

32

33 3. '(New section)' Whenever the governing body of a
34 municipality determines by ordinance to issue one or more taxi
35 licenses, the governing body may authorize that such license or

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 ATR committee amendments adopted February 18, 2010.

²Assembly ABU committee amendments adopted June 24, 2010.

³Assembly amendments adopted in accordance with Governor's recommendations May 5, 2011.

1 licenses be issued to the highest qualified bidder therefor at a sale
 2 by public auction for that purpose conducted or supervised by the
 3 municipal clerk. The ordinance also may prescribe qualifications
 4 for prospective bidders; provided, however, that such qualifications
 5 shall not be inconsistent with any law of this State, or rule or
 6 regulation of any agency thereof. The ordinance may also fix a
 7 minimum bid and conditions of sale with the reservation of the right
 8 to reject all bids where the highest bid is not accepted. ¹The
 9 ordinance may also include a requirement that the recipient of a taxi
 10 license issued pursuant to this section, as a condition of the award
 11 of such license, shall reimburse the municipality for any costs
 12 incurred by the municipality in complying with the public notice
 13 requirements established pursuant to section 1 of P.L. _____,
 14 c. (C. _____) (pending before the Legislature as this bill). In the
 15 event that more than one taxi license is issued at the same public
 16 auction, the recipients thereof shall equally split the costs of
 17 reimbursing the municipality for any costs incurred by the
 18 municipality in complying with the public notice requirements.¹

19

20 4. (New section) The owner of an autocab shall cause to be
 21 displayed on the body of the vehicle the taxi license number issued
 22 to that vehicle. The number shall be three inches in height and
 23 located in the center of the rear quarter panels on the driver and
 24 passenger sides and the rear center line of the trunk of the vehicle.
 25 Each autocab shall display on each rear door of the autocab the
 26 name of the municipality or municipalities which has issued the
 27 autocab a taxi license in letters three inches in height.

28

29 5. R.S.48:16-3 is amended to read as follows:

30 48:16-3. No such consent shall become effective until ~~the~~ the
 31 provisions of ²[subsection] subsections² a. and b. of this section
 32 have been satisfied:

33 a. The owner of the autocab shall have filed with the clerk of
 34 the municipality in which such operation is permitted, an insurance
 35 policy ²[of] ¹[a] which shall be issued by² an admitted insurance¹
 36 company duly licensed to transact business under the insurance
 37 laws of this State ³or a company registered to do business in the
 38 State³ ¹, ²[and which company is a member of the New Jersey
 39 Property-Liability Insurance Guaranty Association,¹ conditioned for
 40 the payment of a sum of not less than ¹[\$10,000.00] \$10,000¹],
 41 the policy providing for not less than \$35,000 of motor vehicle
 42 liability insurance coverage or the amount of motor vehicle liability
 43 insurance coverage required pursuant to section 1 of P.L.1972,
 44 c.197 (C.39:6B-1), whichever is greater,² to satisfy all claims for
 45 damages, by reason of bodily injury to, or the death of, any ¹[1]
 46 ²[one¹]² person ²or persons², resulting from ², or on account of,²

1 an accident, ²[and a sum of not less than ¹[\$20,000.00] \$20,000¹ to
2 satisfy all claims for damages, by reason of the bodily injuries to,
3 or the death of, all persons, on account of any such accident,]² by
4 reason of the ownership, operation, maintenance, or use of such
5 autocab upon any public street; and ²[conditioned for the payment
6 of a sum not less than ¹[\$5,000.00] \$5,000¹]² to satisfy any claim
7 for damages to property of any ¹[1] ²[one¹]² person ²or persons²,
8 resulting from ², or on account of,² an accident, ²[and a sum not
9 less than ¹[\$5,000.00] \$5,000¹ to satisfy all claims for damages to
10 property of all persons, on account of any such accident,]² by
11 reason of the ownership, operation, maintenance, or use of such
12 autocab upon any public street.

13 ²Nothing contained in this subsection shall prohibit the owner of
14 an autocab from obtaining any additional amount of motor vehicle
15 liability insurance coverage from a company licensed outside the
16 State of New Jersey.²

17 The consent shall ²[become] be² effective and operation
18 thereunder shall be permitted only so long as the insurance policy
19 shall remain in force to the full and collectible amounts as
20 aforesaid.

21 The insurance policy shall provide for the payment of any final
22 judgment recovered by any person on account of the ownership,
23 maintenance, or use of the autocab or any fault in respect thereto,
24 and shall be for the benefit of every person suffering loss, damage
25 or injury as aforesaid; and

26 b. Each operator or driver of the autocab for which the owner
27 thereof is seeking the consent to operate in a municipality has
28 submitted to the performance of a criminal history record
29 background check. The cost for the criminal history record
30 background check, including all costs of administering and
31 processing the check, shall be borne by the operator or driver of the
32 autocab.

33 ¹[c.]¹ A person shall be disqualified from operating or driving
34 an autocab if a criminal history record background check required
35 pursuant to ¹this¹ subsection ¹[b. of this section]¹ reveals a record
36 of conviction of any of the following crimes:

37 (1) In New Jersey or elsewhere any crime as follows:
38 aggravated assault, arson, burglary, escape, extortion, homicide,
39 kidnapping, robbery, aggravated sexual assault, sexual assault or
40 endangering the welfare of a child pursuant to N.J.S.2C:24-4,
41 whether or not armed with or having in his possession any weapon
42 enumerated in subsection r. of N.J.S.2C:39-1, a crime pursuant to
43 the provisions of N.J.S.2C:39-3, N.J.S.2C:39-4, or N.J.S.2C:39-9,
44 or other than a disorderly persons or petty disorderly persons
45 offense for the unlawful use, possession or sale of a controlled
46 dangerous substance as defined in N.J.S.2C:35-2.

1 (2) In any other state, territory, commonwealth, or other
2 jurisdiction of the United States, or any country in the world, as a
3 result of a conviction in a court of competent jurisdiction, a crime
4 which in that other jurisdiction or country is comparable to one of
5 the crimes enumerated in paragraph (1) of this subsection.

6 '[d.]' If a person who has been convicted of one of the crimes
7 enumerated in paragraphs (1) and (2) of 'this' subsection '[c. of
8 this section]' can produce a certificate of rehabilitation issued
9 pursuant to N.J.S.2A:168A-8 or, if the criminal offense occurred
10 outside New Jersey, an equivalent certificate from the jurisdiction
11 where the criminal offense occurred, the criminal offense shall not
12 disqualify the applicant from operating or driving an autocab.

13 'The provisions of this subsection shall not apply to an operator
14 or driver of an autocab who has received the consent to operate in a
15 municipality prior to the effective date of P.L. , c. (C.)
16 (pending before the Legislature as this bill).'¹
17 (cf: P.L.1959, c.53, s.1)

18
19 6. This act shall take effect on the 60th day following
20 enactment.

21
22
23
24
25

Makes sundry changes to taxicab laws.

ASSEMBLY, No. 1471

STATE OF NEW JERSEY 214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

Sponsored by:

Assemblyman JOHN S. WISNIEWSKI

District 19 (Middlesex)

Assemblyman VINCENT PRIETO

District 32 (Bergen and Hudson)

Assemblywoman ELEASE EVANS

District 35 (Bergen and Passaic)

SYNOPSIS

Permits municipalities to auction taxi licenses to highest bidder, requires taxicabs to post taxi license number and name of licensing municipalities on exterior, and requires drivers of taxicabs to submit to criminal history record background checks.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



1 AN ACT concerning autocabs, amending R.S.48:16-3, and
2 supplementing article 1 of chapter 16 of Title 48 of the Revised
3 Statutes.

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

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8 1. A municipality shall determine by ordinance the number of
9 taxi licenses available for issuance. Whenever the governing body
10 of a municipality determines to authorize the issuance of one or
11 more new or additional taxi licenses, it shall publish a notice, in a
12 newspaper circulating generally within the municipality, stating the
13 number of new or additional licenses to be authorized and the
14 application period for the new or additional licenses. The notice
15 shall specify a time and date after which no further applications will
16 be accepted. The notice shall be published at least twice and at
17 least one week apart, with the second notice published at least 30
18 days prior to the time and date specified in the notice as the time
19 and date after which no further applications will be accepted.

20
21 2. The provisions of section 1 of P.L. , c. (C.)(pending
22 before the Legislature as this bill) shall not be construed to require
23 the issuance of any license or licenses with respect to which a
24 notice has been published pursuant to that section 1, but in any case
25 in which any such license or licenses have not been issued within
26 six months after the closing time and date for acceptance of
27 applications specified in the notice, no such license or licenses shall
28 be issued without again complying with the provisions of that
29 section 1 of P.L. , c. (C.)(pending before the Legislature as
30 this bill).

31
32 3. Whenever the governing body of a municipality determines
33 by ordinance to issue one or more taxi licenses, the governing body
34 may authorize that such license or licenses be issued to the highest
35 qualified bidder therefor at a sale by public auction for that purpose
36 conducted or supervised by the municipal clerk. The ordinance also
37 may prescribe qualifications for prospective bidders; provided,
38 however, that such qualifications shall not be inconsistent with any
39 law of this State, or rule or regulation of any agency thereof. The
40 ordinance may also fix a minimum bid and conditions of sale with
41 the reservation of the right to reject all bids where the highest bid is
42 not accepted.

43
44 4. The owner of an autocab shall cause to be displayed on the
45 body of the vehicle the taxi license number issued to that vehicle.

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 The number shall be three inches in height and located in the center
2 of the rear quarter panels on the driver and passenger sides and the
3 rear center line of the trunk of the vehicle. Each autocab shall
4 display on each rear door of the autocab the name of the
5 municipality or municipalities which has issued the autocab a taxi
6 license in letters three inches in height.

7

8 5. R.S.48:16-3 is amended to read as follows:

9 48:16-3. No such consent shall become effective until ~~the~~ the
10 provisions of subsection a. and b. of this section have been
11 satisfied:

12 a. The owner of the autocab shall have filed with the clerk of the
13 municipality in which such operation is permitted, an insurance
14 policy of a company duly licensed to transact business under the
15 insurance laws of this State conditioned for the payment of a sum of
16 not less than \$10,000.00 to satisfy all claims for damages, by reason
17 of bodily injury to, or the death of, any 1 person, resulting from an
18 accident, and a sum of not less than \$20,000.00 to satisfy all claims
19 for damages, by reason of the bodily injuries to, or the death of, all
20 persons, on account of any such accident, by reason of the
21 ownership, operation, maintenance, or use of such autocab upon
22 any public street; and conditioned for the payment of a sum not
23 less than \$5,000.00 to satisfy any claim for damages to property of
24 any 1 person, resulting from an accident, and a sum not less than
25 \$5,000.00 to satisfy all claims for damages to property of all
26 persons, on account of any such accident, by reason of the
27 ownership, operation, maintenance, or use of such autocab upon
28 any public street.

29 The consent shall become effective and operation thereunder
30 shall be permitted only so long as the insurance policy shall remain
31 in force to the full and collectible amounts as aforesaid.

32 The insurance policy shall provide for the payment of any final
33 judgment recovered by any person on account of the ownership,
34 maintenance, or use of the autocab or any fault in respect thereto,
35 and shall be for the benefit of every person suffering loss, damage
36 or injury as aforesaid ; and

37 b. Each operator or driver of the autocab for which the owner
38 thereof is seeking the consent to operate in a municipality has
39 submitted to the performance of a criminal history record
40 background check. The cost for the criminal history record
41 background check, including all costs of administering and
42 processing the check, shall be borne by the operator or driver of the
43 autocab.

44 c. A person shall be disqualified from operating or driving an
45 autocab if a criminal history record background check required
46 pursuant to subsection b. of this section reveals a record of
47 conviction of any of the following crimes:

1 (1) In New Jersey or elsewhere any crime as follows:
2 aggravated assault, arson, burglary, escape, extortion, homicide,
3 kidnapping, robbery, aggravated sexual assault, sexual assault or
4 endangering the welfare of a child pursuant to N.J.S.2C:24-4,
5 whether or not armed with or having in his possession any weapon
6 enumerated in subsection r. of N.J.S.2C:39-1, a crime pursuant to
7 the provisions of N.J.S.2C:39-3, N.J.S.2C:39-4, or N.J.S.2C:39-9,
8 or other than a disorderly persons or petty disorderly persons
9 offense for the unlawful use, possession or sale of a controlled
10 dangerous substance as defined in N.J.S.2C:35-2.

11 (2) In any other state, territory, commonwealth, or other
12 jurisdiction of the United States, or any country in the world, as a
13 result of a conviction in a court of competent jurisdiction, a crime
14 which in that other jurisdiction or country is comparable to one of
15 the crimes enumerated in paragraph (1) of this subsection.

16 d. If a person who has been convicted of one of the crimes
17 enumerated in paragraphs (1) and (2) of subsection c. of this section
18 can produce a certificate of rehabilitation issued pursuant to
19 N.J.S.2A:168A-8 or, if the criminal offense occurred outside New
20 Jersey, an equivalent certificate from the jurisdiction where the
21 criminal offense occurred, the criminal offense shall not disqualify
22 the applicant from operating or driving an autocab.

23 (cf: P.L.1959, c.53, s.1)

24
25 6. This act shall take effect on the 60th day following
26 enactment.

27

28

29

STATEMENT

30

31 This bill requires a municipality to follow certain application and
32 notice requirements when issuing new or additional taxi licenses.
33 This bill also permits a municipality, when issuing one or more taxi
34 licenses, to auction the licenses to the highest bidder. The bill
35 provides for various procedures by which bids may be accepted and
36 the condition under which they may be rejected.

37 The bill also requires the owner of a taxicab to cause to be
38 displayed on the body of the taxicab the taxi license number issued
39 to that vehicle. The number is to be three inches in height and
40 located in the center of the rear quarter panels on the driver and
41 passenger side and the trunk of the vehicle. Each taxicab shall also
42 display on each rear door the name of the municipality or
43 municipalities issuing it a taxi license.

44 The bill requires each operator of an autocab (commonly known
45 as "taxis") for which the owner thereof is seeking municipal
46 consent to operate in a municipality to submit to the performance of
47 a criminal history record background check as a condition for

A1471 WISNIEWSKI, PRIETO

5

1 obtaining such municipal consent. The bill provides that the cost of
2 a background check shall be borne by the operator of the autocab.
3 The bill would disqualify a person from operating an autocab if the
4 criminal history record background check reveals a conviction of
5 certain crimes, unless the person can produce a certificate of
6 rehabilitation or similar document.

ASSEMBLY TRANSPORTATION, PUBLIC WORKS AND
INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1471

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 18, 2010

The Assembly Transportation, Public Works and Independent Authorities Committee reports favorably and with amendments Assembly Bill No. 1471.

As reported, this amended bill requires a municipality to follow certain application and notice requirements when issuing new or additional taxi licenses. This bill also permits a municipality, when issuing one or more taxi licenses, to auction the licenses to the highest bidder. The bill provides for various procedures by which bids may be accepted and the condition under which they may be rejected. As amended, the bill authorizes a municipality issuing taxi licenses to require the recipient of the license, as a condition of award of the license, to reimburse the municipality for any costs incurred by the municipality in complying with the public notice requirements established under the bill.

The bill also requires the owner of a taxicab to cause to be displayed on the body of the taxicab the taxi license number issued to that vehicle. The number is to be three inches in height and located in the center of the rear quarter panels on the driver and passenger side and the trunk of the vehicle. Each taxicab shall also display on each rear door the name of the municipality or municipalities issuing it a taxi license.

Under current law, as condition for consent to operate an autocab (commonly known as a "taxicab") in a particular municipality, the owner of the autocab must file an insurance policy, obtained from a company duly licensed to transact business in this State, with the clerk of that municipality. As amended, the bill clarifies that the insurance policy must be obtained from an "admitted" insurance company who is a member of the New Jersey Property-Liability Insurance Guaranty Association. This provision assures the financial responsibility of companies writing autocab insurance policies in this State and provides members of the public who may be injured while riding in a autocab with the protection of the State's insurance guaranty fund.

The bill requires each operator of an autocab for which the owner thereof is seeking municipal consent to operate in a municipality to submit to the performance of a criminal history record background check as a condition for obtaining such municipal consent. The bill provides that the cost of a background check shall be borne by the operator of the autocab. The bill would disqualify a person from operating an autocab if the criminal history record background check reveals a conviction of certain crimes, unless the person can produce a certificate of rehabilitation or similar document. Under the amended bill, the criminal history record background check requirement shall not apply to drivers or operators who have received municipal consent to operate an autocab prior to the bill's effective date.

This bill was pre-filed for introduction in the 2010-2011 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

The committee amended the bill to authorize a municipality issuing a taxi license to require the recipient of the license, as a condition of award of the license, to reimburse the municipality for any costs incurred by the municipality in complying with the public notice requirements established under the bill.

The committee amended the bill to clarify that an autocab insurance policy must be obtained from an admitted insurance company who is a member of the New Jersey Property-Liability Insurance Guaranty Fund.

The committee amended the bill to clarify that the requirement that all autocab operators must submit to criminal history record background checks, as a condition for municipal consent to operate an autocab, does not apply to those who have already received such consent.

The committee amended the bill's synopsis to indicate the bill's revisions to various parts of the State's taxicab laws.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 1471

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 24, 2010

The Assembly Budget Committee reports favorably Assembly Bill No.1471, with committee amendments.

The bill, as amended, requires a municipality to follow certain application and notice requirements when issuing new or additional taxi licenses. This bill also permits a municipality, when issuing one or more taxi licenses, to auction the licenses to the highest bidder. The bill provides for various procedures by which bids may be accepted and the condition under which they may be rejected. As amended, the bill authorizes a municipality issuing taxi licenses to require the recipient of the license, as a condition of award of the license, to reimburse the municipality for any costs incurred by the municipality in complying with the public notice requirements established under the bill.

The bill also requires the owner of a taxicab to cause to be displayed on the body of the taxicab the taxi license number issued to that vehicle. The number is to be three inches in height and located in the center of the rear quarter panels on the driver and passenger side and the trunk of the vehicle. Each taxicab shall also display on each rear door the name of the municipality or municipalities issuing it a taxi license.

Under current law, as a condition for consent to operate an autocab (commonly known as a "taxicab") in a particular municipality, the owner of the autocab must file an insurance policy, obtained from a company duly licensed to transact business in this State, with the clerk of that municipality. As amended, the bill clarifies that the insurance policy must be obtained from an "admitted" insurance company in the State of New Jersey.

The bill requires each operator of an autocab for which the owner thereof is seeking municipal consent to operate in a municipality to submit to the performance of a criminal history record background check as a condition for obtaining such municipal consent. The bill provides that the cost of a background check shall be borne by the operator of the autocab. The bill would disqualify a person from

operating an autocab if the criminal history record background check reveals a conviction of certain crimes, unless the person can produce a certificate of rehabilitation or similar document. Under the amended bill, the criminal history record background check requirement shall not apply to drivers or operators who have received municipal consent to operate an autocab prior to the bill's effective date.

FISCAL IMPACT:

This bill was not certified as requiring a fiscal note.

COMMITTEE AMENDMENTS:

The committee amendment would remove the requirement that the insurance policy necessary to obtain municipal consent be issued by an insurance company which is a member of the New Jersey Property-Liability Insurance Guaranty Association, and instead require that an autocab owner obtain an insurance policy, providing for \$35,000 in motor vehicle liability insurance coverage or the amount of motor vehicle liability insurance coverage required pursuant to section 1 of P.L.1972, c.197 (C.39:6B-1), whichever is greater, which shall be issued by an admitted insurance company in the State of New Jersey.

The amendment clarifies that nothing contained in the bill shall prohibit the owner of an autocab from obtaining any additional amount of motor vehicle liability insurance coverage from a company licensed outside the State of New Jersey.

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

[Second Reprint]

ASSEMBLY, No. 1471

STATE OF NEW JERSEY

DATED: FEBRUARY 7, 2011

The Senate Transportation Committee reports favorably Assembly Bill No. 1471 (2R).

The bill requires a municipality to follow certain application and notice requirements when issuing new or additional taxi licenses. This bill also permits a municipality, when issuing one or more taxi licenses, to auction the licenses to the highest bidder. The bill provides for various procedures by which bids may be accepted and the condition under which they may be rejected. The bill authorizes a municipality issuing taxi licenses to require the recipient of the license, as a condition of award of the license, to reimburse the municipality for any costs incurred by the municipality in complying with the public notice requirements established under the bill.

The bill also requires the owner of a taxicab to cause to be displayed on the body of the taxicab the taxi license number issued to that vehicle. The number is to be three inches in height and located in the center of the rear quarter panels on the driver and passenger side and the trunk of the vehicle. Each taxicab shall also display on each rear door the name of the municipality or municipalities issuing it a taxi license.

Under current law, as a condition for consent to operate an autocab (commonly known as a "taxicab") in a particular municipality, the owner of the autocab must file an insurance policy, obtained from a company duly licensed to transact business in this State, with the clerk of that municipality. The bill clarifies that the insurance policy must be obtained from an "admitted" insurance company in the State of New Jersey. In addition, the bill revises the statutory minimum amount of liability insurance that an autocab owner must have by (1) replacing separate specified minimum amounts for personal injury and property damage liability coverage with an overall specified minimum coverage amount of \$35,000, and (2) requiring further that the minimum coverage shall be the amount of motor vehicle liability insurance coverage required pursuant to section 1 of P.L.1972, c.197 (C.39:6B-1), if that is greater than \$35,000.

The bill requires each operator of an autocab for which the owner thereof is seeking municipal consent to operate in a municipality to

submit to the performance of a criminal history record background check as a condition for obtaining such municipal consent. The bill provides that the cost of a background check shall be borne by the operator of the autocab. The bill would disqualify a person from operating an autocab if the criminal history record background check reveals a conviction of certain crimes, unless the person can produce a certificate of rehabilitation or similar document. The criminal history record background check requirement shall not apply to drivers or operators who have received municipal consent to operate an autocab prior to the bill's effective date.

As reported, Assembly Bill No. 1471(2R) is identical to Senate Bill No. 1823, which was amended and reported by the committee on this date.

ASSEMBLY BILL NO. 1471
(Second Reprint)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 1471 (Second Reprint) with my recommendations for reconsideration.

I commend the sponsors for this legislation, which would modernize the taxicab law by allowing a competitive process in the award of taxicab licenses by municipalities, and by increasing consumer protections, including increasing mandatory insurance coverage and requiring taxicab operators to undergo a state criminal history background check.

However, I am concerned with the provision of the legislation that would require the \$35,000 minimum insurance coverage be provided by an "admitted insurance company." Admitted insurance companies are licensed to do business in the State and are an important component in ensuring the availability of insurance coverage for taxicabs. The changes in this bill, however, would eliminate the role of risk retention groups, which provide a form of self insurance, and currently issue approximately 65% of taxicab liability insurance coverage in the State. Risk retention groups are registered with the Department of Banking and Insurance. The federal "Liability Risk Retention Act of 1986" (LRRRA), 15 U.S.C. §3091 et seq., authorizes the establishment of risk retention groups and largely exempts these entities from state regulation. Further, the LRRRA prohibits states from discriminating against risk retention groups.

A review of the LRRRA, and the case law interpreting it, suggests that the provision in the bill prohibiting risk

retention groups from providing the \$35,000 of mandatory insurance coverage may be discriminatory under federal law, and thus unenforceable. In addition, excluding primary insurance coverage by all risk retention groups appears to be overbroad, and may have the unintended consequence of making it more difficult for taxicab owners to obtain insurance coverage, leading to higher insurance costs ultimately absorbed by consumers.

While I share the sponsors' commitment to consumer protection, the LRRRA presently requires a risk retention group to submit to an examination by a state insurance commissioner under certain circumstances to determine its financial solvency. The Department of Banking and Insurance stands ready to address such concerns in New Jersey, thus ensuring that risk retention groups operate with adequate safeguards.

Accordingly, I recommend that risk retention groups registered in the State should continue to be authorized to provide primary insurance coverage for taxicabs.

Therefore, I herewith return Assembly Bill No. 1471 (Second Reprint) and recommend that it be amended as follows:

Page 3, Section 5, Line 29:

After "State" insert "or a company registered to do business in the State"

Respectfully,

/s/ Chris Christie

Governor

[seal]

Attest:

/s/ Jeffrey S. Chiesa

Chief Counsel to the Governor

[Corrected Copy]

SENATE, No. 1823

STATE OF NEW JERSEY
214th LEGISLATURE

INTRODUCED MARCH 22, 2010

Sponsored by:

Senator FRED H. MADDEN, JR.
District 4 (Camden and Gloucester)
Senator SEAN T. KEAN
District 11 (Monmouth)

Co-Sponsored by:

Senators Sacco and Rice

SYNOPSIS

Makes sundry changes to taxicab laws.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/11/2010)

1 AN ACT concerning autocabs, amending R.S.48:16-3, and
2 supplementing article 1 of chapter 16 of Title 48 of the Revised
3 Statutes.

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5 **BE IT ENACTED** by the Senate and General Assembly of the State
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9 the number of taxi licenses available for issuance. Whenever the
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11 issuance of one or more new or additional taxi licenses, it shall
12 publish a notice, in a newspaper circulating generally within the
13 municipality, stating the number of new or additional licenses to be
14 authorized and the application period for the new or additional
15 licenses. The notice shall specify a time and date after which no
16 further applications will be accepted. The notice shall be published
17 at least twice and at least one week apart, with the second notice
18 published at least 30 days prior to the time and date specified in the
19 notice as the time and date after which no further applications will
20 be accepted.

21
22 2. (New section) The provisions of section 1 of P.L. ,
23 c. (C.) (pending before the Legislature as this bill) shall not be
24 construed to require the issuance of any license or licenses with
25 respect to which a notice has been published pursuant to that
26 section 1, but in any case in which any such license or licenses have
27 not been issued within six months after the closing time and date for
28 acceptance of applications specified in the notice, no such license or
29 licenses shall be issued without again complying with the
30 provisions of that section 1 of P.L. , c. (C.) (pending before
31 the Legislature as this bill).

32
33 3. (New section) Whenever the governing body of a
34 municipality determines by ordinance to issue one or more taxi
35 licenses, the governing body may authorize that such license or
36 licenses be issued to the highest qualified bidder therefor at a sale
37 by public auction for that purpose conducted or supervised by the
38 municipal clerk. The ordinance also may prescribe qualifications
39 for prospective bidders; provided, however, that such qualifications
40 shall not be inconsistent with any law of this State, or rule or
41 regulation of any agency thereof. The ordinance may also fix a
42 minimum bid and conditions of sale with the reservation of the right
43 to reject all bids where the highest bid is not accepted. The
44 ordinance may also include a requirement that the recipient of a taxi
45 license issued pursuant to this section, as a condition of the award

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 of such license, shall reimburse the municipality for any costs
2 incurred by the municipality in complying with the public notice
3 requirements established pursuant to section 1 of P.L. ,
4 c. (C.) (pending before the Legislature as this bill). In the
5 event that more than one taxi license is issued at the same public
6 auction, the recipients thereof shall equally split the costs of
7 reimbursing the municipality for any costs incurred by the
8 municipality in complying with the public notice requirements.

9
10 4. (New section) The owner of an autocab shall cause to be
11 displayed on the body of the vehicle the taxi license number issued
12 to that vehicle. The number shall be three inches in height and
13 located in the center of the rear quarter panels on the driver and
14 passenger sides and the rear center line of the trunk of the vehicle.
15 Each autocab shall display on each rear door of the autocab the
16 name of the municipality or municipalities which has issued the
17 autocab a taxi license in letters three inches in height.

18
19 5. R.S.48:16-3 is amended to read as follows:

20 48:16-3. No such consent shall become effective until **[the]** the
21 provisions of subsection a. and b. of this section have been
22 satisfied:

23 a. The owner of the autocab shall have filed with the clerk of
24 the municipality in which such operation is permitted, an insurance
25 policy of **[a]** an admitted insurance company duly licensed to
26 transact business under the insurance laws of this State , and which
27 company is a member of the New Jersey Property-Liability
28 Insurance Guaranty Association, conditioned for the payment of a
29 sum of not less than **[\$10,000.00]** \$10,000 to satisfy all claims for
30 damages, by reason of bodily injury to, or the death of, any **[1]** one
31 person, resulting from an accident, and a sum of not less than
32 **[\$20,000.00]** \$20,000 to satisfy all claims for damages, by reason
33 of the bodily injuries to, or the death of, all persons, on account of
34 any such accident, by reason of the ownership, operation,
35 maintenance, or use of such autocab upon any public street; and
36 conditioned for the payment of a sum not less than **[\$5,000.00]**
37 \$5,000 to satisfy any claim for damages to property of any **[1]** one
38 person, resulting from an accident, and a sum not less than
39 **[\$5,000.00]** \$5,000 to satisfy all claims for damages to property of
40 all persons, on account of any such accident, by reason of the
41 ownership, operation, maintenance, or use of such autocab upon any
42 public street.

43 The consent shall become effective and operation thereunder
44 shall be permitted only so long as the insurance policy shall remain
45 in force to the full and collectible amounts as aforesaid.

46 The insurance policy shall provide for the payment of any final
47 judgment recovered by any person on account of the ownership,

1 maintenance, or use of the autocab or any fault in respect thereto,
2 and shall be for the benefit of every person suffering loss, damage
3 or injury as aforesaid ; and

4 b. Each operator or driver of the autocab for which the owner
5 thereof is seeking the consent to operate in a municipality has
6 submitted to the performance of a criminal history record
7 background check. The cost for the criminal history record
8 background check, including all costs of administering and
9 processing the check, shall be borne by the operator or driver of the
10 autocab.

11 A person shall be disqualified from operating or driving an
12 autocab if a criminal history record background check required
13 pursuant to this subsection reveals a record of conviction of any of
14 the following crimes:

15 (1) In New Jersey or elsewhere any crime as follows:
16 aggravated assault, arson, burglary, escape, extortion, homicide,
17 kidnapping, robbery, aggravated sexual assault, sexual assault or
18 endangering the welfare of a child pursuant to N.J.S.2C:24-4,
19 whether or not armed with or having in his possession any weapon
20 enumerated in subsection r. of N.J.S.2C:39-1, a crime pursuant to
21 the provisions of N.J.S.2C:39-3, N.J.S.2C:39-4, or N.J.S.2C:39-9,
22 or other than a disorderly persons or petty disorderly persons
23 offense for the unlawful use, possession or sale of a controlled
24 dangerous substance as defined in N.J.S.2C:35-2.

25 (2) In any other state, territory, commonwealth, or other
26 jurisdiction of the United States, or any country in the world, as a
27 result of a conviction in a court of competent jurisdiction, a crime
28 which in that other jurisdiction or country is comparable to one of
29 the crimes enumerated in paragraph (1) of this subsection.

30 If a person who has been convicted of one of the crimes
31 enumerated in paragraphs (1) and (2) of this subsection can produce
32 a certificate of rehabilitation issued pursuant to N.J.S.2A:168A-8
33 or, if the criminal offense occurred outside New Jersey, an
34 equivalent certificate from the jurisdiction where the criminal
35 offense occurred, the criminal offense shall not disqualify the
36 applicant from operating or driving an autocab.

37 The provisions of this subsection shall not apply to an operator
38 or driver of an autocab who has received the consent to operate in a
39 municipality prior to the effective date of P.L. _____, c. (C. _____)
40 (pending before the Legislature as this bill).

41 (cf: P.L.1959, c.53, s.1)

42

43 6. This act shall take effect on the 60th day following
44 enactment.

STATEMENT

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This bill requires a municipality to follow certain application and notice requirements when issuing new or additional taxi licenses. This bill also permits a municipality, when issuing one or more taxi licenses, to auction the licenses to the highest bidder. The bill provides for various procedures by which bids may be accepted and the condition under which they may be rejected. The bill authorizes a municipality issuing taxi licenses to require the recipient of the license, as a condition of award of the license, to reimburse the municipality for any costs incurred by the municipality in complying with the public notice requirements established under the bill.

The bill also requires the owner of a taxicab to cause to be displayed on the body of the taxicab the taxi license number issued to that vehicle. The number is to be three inches in height and located in the center of the rear quarter panels on the driver and passenger side and the trunk of the vehicle. Each taxicab shall also display on each rear door the name of the municipality or municipalities issuing it a taxi license.

Under current law, as condition for consent to operate an autocab (commonly known as a “taxicab”) in a particular municipality, the owner of the autocab must file an insurance policy, obtained from a company duly licensed to transact business in this State, with the clerk of that municipality. The bill clarifies that the insurance policy must be obtained from an “admitted” insurance company who is a member of the New Jersey Property-Liability Insurance Guaranty Association. This provision assures the financial responsibility of companies writing autocab insurance policies in this State and provides members of the public who may be injured while riding in a autocab with the protection of the State’s insurance guaranty fund.

The bill requires each operator of an autocab for which the owner thereof is seeking municipal consent to operate in a municipality to submit to the performance of a criminal history record background check as a condition for obtaining such municipal consent. The bill provides that the cost of a background check shall be borne by the operator of the autocab. The bill would disqualify a person from operating an autocab if the criminal history record background check reveals a conviction of certain crimes, unless the person can produce a certificate of rehabilitation or similar document. Under the bill, the criminal history record background check requirement shall not apply to drivers or operators who have received municipal consent to operate an autocab prior to the bill’s effective date.

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

SENATE, No. 1823

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 7, 2011

The Senate Transportation Committee reports favorably Senate Bill No. 1823 with committee amendments.

The bill, as amended, requires a municipality to follow certain application and notice requirements when issuing new or additional taxi licenses. This bill also permits a municipality, when issuing one or more taxi licenses, to auction the licenses to the highest bidder. The bill provides for various procedures by which bids may be accepted and the condition under which they may be rejected. As amended, the bill authorizes a municipality issuing taxi licenses to require the recipient of the license, as a condition of award of the license, to reimburse the municipality for any costs incurred by the municipality in complying with the public notice requirements established under the bill.

The bill also requires the owner of a taxicab to cause to be displayed on the body of the taxicab the taxi license number issued to that vehicle. The number is to be three inches in height and located in the center of the rear quarter panels on the driver and passenger side and the trunk of the vehicle. Each taxicab shall also display on each rear door the name of the municipality or municipalities issuing it a taxi license.

Under current law, as a condition for consent to operate an autocab (commonly known as a "taxicab") in a particular municipality, the owner of the autocab must file an insurance policy, obtained from a company duly licensed to transact business in this State, with the clerk of that municipality. As amended, the bill clarifies that the insurance policy must be obtained from an "admitted" insurance company in the State of New Jersey.

The bill requires each operator of an autocab for which the owner thereof is seeking municipal consent to operate in a municipality to submit to the performance of a criminal history record background check as a condition for obtaining such municipal consent. The bill provides that the cost of a background check shall be borne by the operator of the autocab. The bill would disqualify a person from operating an autocab if the criminal history record background check reveals a conviction of certain crimes, unless the person can produce a

certificate of rehabilitation or similar document. Under the amended bill, the criminal history record background check requirement shall not apply to drivers or operators who have received municipal consent to operate an autocab prior to the bill's effective date.

The committee amendments remove a requirement that the insurance policy necessary to obtain municipal consent be issued by an insurance company which is a member of the New Jersey Property-Liability Insurance Guaranty Association. The amendments revise the statutory minimum amount of liability insurance that an autocab owner must have by (1) replacing separate specified minimum amounts for personal injury and property damage liability coverage with an overall specified minimum coverage amount of \$35,000, and (2) requiring further that the minimum coverage shall be the amount of motor vehicle liability insurance coverage required pursuant to section 1 of P.L.1972, c.197 (C.39:6B-1), if that is greater than \$35,000.

The amendments clarify that nothing contained in the bill shall prohibit the owner of an autocab from obtaining any additional amount of motor vehicle liability insurance coverage, above the statutory minimum, from a company licensed outside the State of New Jersey.

As amended and reported by the committee on this date, Senate Bill No. 1823, is identical to Assembly Bill No. 1471(2R), which was also reported by the committee on this date.