



**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** Yes

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**

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**HEARINGS:** No

**NEWSPAPER ARTICLES:** Yes

"Two Oroho-sponsored bills become law," New Jersey Herald, February 8, 2017

RWH/JA

P.L.2017, CHAPTER 10, *approved February 6, 2017*  
Senate, No. 2364

1 **AN ACT** concerning commercial driver license testing,  
2 supplementing Title 39 of the Revised Statutes, and amending  
3 P.L.1990, c.103.

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 established within the Motor  
9 Vehicle Commission a Commercial Driver License Testing Pilot  
10 Program which shall be implemented by the chief administrator.  
11 Pursuant to the provisions of this act, the chief administrator shall  
12 appoint three private third party vendors to administer the  
13 knowledge and skills tests for a commercial driver license or  
14 endorsement. Of the private third party vendors appointed to  
15 participate in the program, one each shall be located in the northern,  
16 central, and southern regions of the State.

17 b. In implementing the pilot program, the chief administrator  
18 shall:

19 (1) develop procedures for identifying private third party  
20 vendors eligible to administer the knowledge and skills tests for  
21 commercial driver licenses or endorsements;

22 (2) compile a list of third party vendors eligible to provide the  
23 knowledge and skills tests for commercial driver licenses or  
24 endorsements;

25 (3) establish guidelines necessary to establish and oversee the  
26 administration of commercial motor vehicle driver testing by  
27 private third parties including establishment of maximum fees that  
28 may be charged; and

29 (4) take any other action necessary to implement the provisions  
30 of this act.

31 c. The private third party vendors appointed pursuant to  
32 subsection a. of this section shall be fully operational and  
33 administering knowledge and skills tests within 90 days following  
34 the effective date of this act.

35 d. Within nine months of the effective date of this act, the chief  
36 administrator shall submit to the Governor and the Legislature  
37 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) an  
38 evaluation of the pilot program with recommendations that will  
39 facilitate the permanent use of third party vendors to administer  
40 knowledge and skills tests for commercial driver licenses 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.**

1 endorsements pursuant to section 13 of P.L.1990, c.103 (C.39:3-  
2 10.21).

3

4 2. Section 13 of P.L.1990, c.103 (C.39:3-10.21) is amended to  
5 read as follows:

6 **【The director may】** Within one year of the effective date of P.L. ,  
7 c. (C. ) (pending before the Legislature as this bill) the chief  
8 administrator shall, by contract, by appointment as a motor vehicle  
9 agent, or by licensing, authorize any necessary persons, including  
10 but not limited to an agency of this or another state, an employer, a  
11 private driver training facility or other private institution, or a  
12 department, agency or instrumentality of local government to  
13 administer the knowledge or skills tests for a commercial driver  
14 license or endorsement. The appointments shall be based on the  
15 evaluation of the pilot program and recommendations submitted to  
16 the Governor pursuant to P.L. , c. (C. ) (pending before the  
17 Legislature as this bill).

18 The **【director】** chief administrator shall adopt **【such】** regulations  
19 **【as deemed】** necessary to establish, oversee, and regulate the  
20 administration of commercial motor vehicle driver testing by third  
21 parties including establishment of maximum fees that may be  
22 charged. The maximum fee for a skills test administered by a third  
23 party shall be set at an amount equal to the cost to the State for  
24 administering **【such】** the testing.

25 The **【director】** chief administrator may limit the number of  
26 persons licensed to administer examinations and may suspend or  
27 revoke an authorization on any reasonable ground. **【The director**  
28 **may terminate third party testing at any time.】** A person authorized  
29 to administer examinations by appointment as a motor vehicle agent  
30 shall so act until this authority is revoked by the **【director】** chief  
31 administrator.

32 An examiner administering a skills test shall not be held  
33 accountable for any violation of Title 39 of the Revised Statutes  
34 committed by the person being tested.

35 (cf: P.L.1990, c.103, s.13)

36

37 3. This act shall take effect immediately.

38

39

40

#### STATEMENT

41

42 This bill establishes a Commercial Driver License Testing Pilot  
43 Program. Under the program, the Chief Administrator of the Motor  
44 Vehicle Commission is required to appoint three private third party  
45 vendors to administer the knowledge and skills tests for commercial  
46 driver licenses or endorsements. The vendors are to be located in  
47 the northern, central, and southern regions of the State.

1 In implementing the pilot program, bill requires the chief  
2 administrator to identify and compile a list of eligible third party  
3 vendors to provide testing. The chief administrator also is required  
4 to establish guidelines necessary to establish and oversee the  
5 administration of commercial motor vehicle driver testing by  
6 private third parties.

7 The bill requires the three vendors chosen to participate in the  
8 program to be fully operational within 90 days of the bill's effective  
9 date. Within nine months of the bill's effective date, the chief  
10 administrator is required to submit to the Governor an evaluation of  
11 the pilot program with recommendations that will facilitate the  
12 permanent use of third party vendors.

13 Under current law, the chief administrator is authorized to  
14 appoint third party vendors to administer the tests for commercial  
15 driver licenses or endorsements. However, third party vendors are  
16 not currently utilized to provide these tests. This bill amends section  
17 13 of P.L.1990, c.103 (C.39:3-10.21) to require the chief  
18 administrator to contract with third party vendors. The appointment  
19 of third party vendors is to be based on the chief administrator's  
20 evaluation of the pilot program established by the bill. The bill  
21 removes the chief administrator's discretion to terminate third party  
22 testing at any time.

23

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26

27 Establishes pilot program appointing third party vendors to  
28 administer commercial driver license testing.

# SENATE, No. 2364

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED JUNE 16, 2016

**Sponsored by:**

**Senator STEVEN V. OROHO**

**District 24 (Morris, Sussex and Warren)**

**Senator BRIAN P. STACK**

**District 33 (Hudson)**

**Assemblyman JOHN J. BURZICHELLI**

**District 3 (Cumberland, Gloucester and Salem)**

**Assemblyman RONALD S. DANCER**

**District 12 (Burlington, Middlesex, Monmouth and Ocean)**

**Assemblyman RAJ MUKHERJI**

**District 33 (Hudson)**

**Assemblyman JAMEL C. HOLLEY**

**District 20 (Union)**

**Assemblyman ANTHONY M. BUCCO**

**District 25 (Morris and Somerset)**

**Co-Sponsored by:**

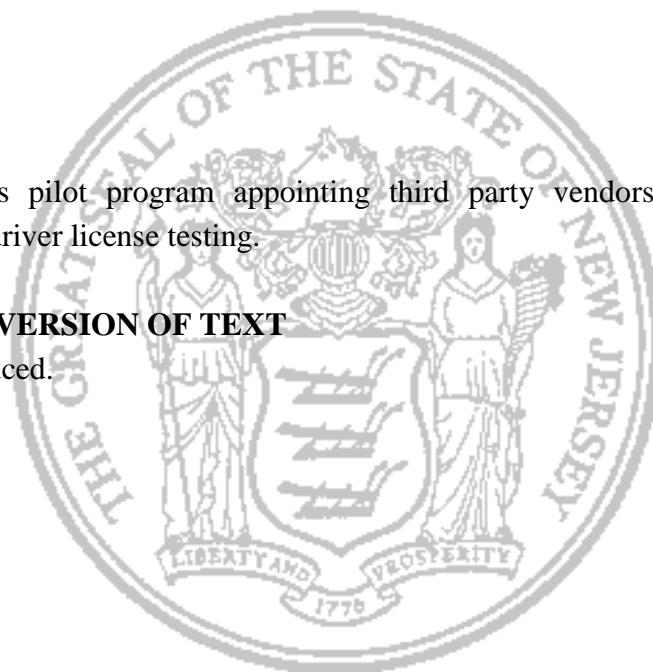
**Senator Gordon, Assemblymen Rible and Wisniewski**

**SYNOPSIS**

Establishes pilot program appointing third party vendors to administer commercial driver license testing.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 12/20/2016)**

1 AN ACT concerning commercial driver license testing,  
2 supplementing Title 39 of the Revised Statutes, and amending  
3 P.L.1990, c.103.

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

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8 1. (New section) a. There is established within the Motor  
9 Vehicle Commission a Commercial Driver License Testing Pilot  
10 Program which shall be implemented by the chief administrator.  
11 Pursuant to the provisions of this act, the chief administrator shall  
12 appoint three private third party vendors to administer the  
13 knowledge and skills tests for a commercial driver license or  
14 endorsement. Of the private third party vendors appointed to  
15 participate in the program, one each shall be located in the northern,  
16 central, and southern regions of the State.

17 b. In implementing the pilot program, the chief administrator  
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20 vendors eligible to administer the knowledge and skills tests for  
21 commercial driver licenses or endorsements;

22 (2) compile a list of third party vendors eligible to provide the  
23 knowledge and skills tests for commercial driver licenses or  
24 endorsements;

25 (3) establish guidelines necessary to establish and oversee the  
26 administration of commercial motor vehicle driver testing by  
27 private third parties including establishment of maximum fees that  
28 may be charged; and

29 (4) take any other action necessary to implement the provisions  
30 of this act.

31 c. The private third party vendors appointed pursuant to  
32 subsection a. of this section shall be fully operational and  
33 administering knowledge and skills tests within 90 days following  
34 the effective date of this act.

35 d. Within nine months of the effective date of this act, the chief  
36 administrator shall submit to the Governor and the Legislature  
37 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) an  
38 evaluation of the pilot program with recommendations that will  
39 facilitate the permanent use of third party vendors to administer  
40 knowledge and skills tests for commercial driver licenses or  
41 endorsements pursuant to section 13 of P.L.1990, c.103 (C.39:3-  
42 10.21).

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44 2. Section 13 of P.L.1990, c.103 (C.39:3-10.21) is amended to  
45 read as follows:

**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 director may】** Within one year of the effective date of P.L. ,  
2 c. (C. ) (pending before the Legislature as this bill) the chief  
3 administrator shall, by contract, by appointment as a motor vehicle  
4 agent, or by licensing, authorize any necessary persons, including  
5 but not limited to an agency of this or another state, an employer, a  
6 private driver training facility or other private institution, or a  
7 department, agency or instrumentality of local government to  
8 administer the knowledge or skills tests for a commercial driver  
9 license or endorsement. The appointments shall be based on the  
10 evaluation of the pilot program and recommendations submitted to  
11 the Governor pursuant to P.L. , c. (C. ) (pending before the  
12 Legislature as this bill).

13       The **【director】** chief administrator shall adopt **【such】** regulations  
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15 administration of commercial motor vehicle driver testing by third  
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17 charged. The maximum fee for a skills test administered by a third  
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19 administering **【such】** the testing.

20       The **【director】** chief administrator may limit the number of  
21 persons licensed to administer examinations and may suspend or  
22 revoke an authorization on any reasonable ground. **【The director**  
23 **may terminate third party testing at any time.】** A person authorized  
24 to administer examinations by appointment as a motor vehicle agent  
25 shall so act until this authority is revoked by the **【director】** chief  
26 administrator.

27       An examiner administering a skills test shall not be held  
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29 committed by the person being tested.  
30 (cf: P.L.1990, c.103, s.13)

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#### STATEMENT

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39 Vehicle Commission is required to appoint three private third party  
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42 the northern, central, and southern regions of the State.

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44 administrator to identify and compile a list of eligible third party  
45 vendors to provide testing. The chief administrator also is required  
46 to establish guidelines necessary to establish and oversee the  
47 administration of commercial motor vehicle driver testing by  
48 private third parties.



**S2364 OROHO, STACK**

4

1       The bill requires the three vendors chosen to participate in the  
2 program to be fully operational within 90 days of the bill's effective  
3 date. Within nine months of the bill's effective date, the chief  
4 administrator is required to submit to the Governor an evaluation of  
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13 of third party vendors is to be based on the chief administrator's  
14 evaluation of the pilot program established by the bill. The bill  
15 removes the chief administrator's discretion to terminate third party  
16 testing at any time.

# ASSEMBLY LAW AND PUBLIC SAFETY COMMITTEE

## STATEMENT TO

### SENATE, No. 2364

# STATE OF NEW JERSEY

DATED: DECEMBER 5, 2016

The Assembly Law and Public Safety Committee reports favorably on Assembly Bill No. 2364.

Senate Bill No. 2364 establishes a Commercial Driver License Testing Pilot Program to provide for commercial driver license testing by private third party vendors, and requires the Chief Administrator of the New Jersey Motor Vehicle Commission to authorize third-party administration of commercial testing on a more permanent basis based on an evaluation of the program.

The bill establishes the Commercial Driver License Testing Pilot Program within the commission, and directs the chief administrator to implement the program. Under the program, the chief administrator is required to appoint three private third party vendors to administer the knowledge and skills tests for commercial driver licenses or endorsements. Of the three selected, one each is to be located in the northern, central, and southern regions of the State.

In implementing the program, the bill requires the chief administrator to develop procedures to identify, and compile a list of, eligible third party vendors to provide testing. The chief administrator also is required to establish guidelines necessary to establish and oversee the administration of commercial motor vehicle driver testing by private third party vendors, and take any other action necessary to implement the bill.

The bill requires the three vendors appointed to participate in the program to be fully operational and to be administering the knowledge and skills tests within 90 days of enactment. Within nine months of enactment, the chief administrator is required to submit to the Governor and the Legislature an evaluation of the program with recommendations that will facilitate the permanent use of third party vendors.

In addition, the bill amends the "New Jersey Commercial Driver License Act" to require the chief administrator, by contract, by appointment, or by licensing, to authorize a third party to administer the knowledge or skills test for a commercial driver license or endorsement, within one year of enactment. The bill requires the appointment of a third party to be based on the evaluation of the pilot program and the recommendations submitted to the Governor by the chief administrator. The bill removes the chief

administrator's discretion to terminate third party testing at any time.

The "New Jersey Commercial Driver License Act" currently authorizes the chief administrator to appoint a third party to administer the knowledge or skills test for a commercial driver license or endorsement. However, the authorization is permissive, and third parties are not currently utilized for commercial testing purposes.

As reported by the committee, Senate Bill No. 2364 is identical to Assembly Bill No. 3946, which also was reported by the committee on this date.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

**SENATE, No. 2364**

**STATE OF NEW JERSEY**

DATED: DECEMBER 15, 2016

The Assembly Appropriations Committee reports favorably Senate Bill No. 2364.

This bill establishes a Commercial Driver License Testing Pilot Program to provide for commercial driver license testing by private third party vendors, and requires the Chief Administrator of the New Jersey Motor Vehicle Commission to authorize third-party administration of commercial testing on a more permanent basis based on an evaluation of the program.

The bill establishes the Commercial Driver License Testing Pilot Program within the commission, and directs the chief administrator to implement the program. Under the program, the chief administrator is required to appoint three private third party vendors to administer the knowledge and skills tests for commercial driver licenses or endorsements. Of the three selected, one each is to be located in the northern, central, and southern regions of the State.

In implementing the program, the bill requires the chief administrator to develop procedures to identify, and compile a list of, eligible third party vendors to provide testing. The chief administrator also is required to establish guidelines necessary to establish and oversee the administration of commercial motor vehicle driver testing by private third party vendors, and take any other action necessary to implement the bill.

The bill requires the three vendors appointed to participate in the program to be fully operational and to be administering the knowledge and skills tests within 90 days of enactment. Within nine months of enactment, the chief administrator is required to submit to the Governor and the Legislature an evaluation of the program with recommendations that will facilitate the permanent use of third party vendors.

In addition, the bill amends the “New Jersey Commercial Driver License Act” to require the chief administrator, by contract, by appointment, or by licensing, to authorize a third party to administer the knowledge or skills test for a commercial driver license or endorsement, within one year of enactment. The bill requires the appointment of a third party to be based on the evaluation of the pilot program and the recommendations submitted to the Governor by the chief administrator. The bill removes the chief administrator’s discretion to terminate third party testing at any time.

The “New Jersey Commercial Driver License Act” currently authorizes the chief administrator to appoint a third party to administer the knowledge or skills test for a commercial driver license or endorsement. However, the authorization is permissive, and third parties are not currently utilized for commercial testing purposes.

As reported, this bill is identical to Assembly Bill No. 3946, as also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services finds the bill will have an indeterminate fiscal impact. There will be an increase in State costs due to the New Jersey Motor Vehicle Commission hiring a third party vendor to administer commercial driver’s license tests. There will be a reduction in State costs because the commission will be able to reduce its own costs in administering commercial driver’s license tests.

It will not be possible to determine whether there will be a net increase or decrease in costs until the commission has obtained bids from third-party vendors and identified how it can transition away from administering commercial driver’s license tests internally.

# SENATE TRANSPORTATION COMMITTEE

## STATEMENT TO

### SENATE, No. 2364

# STATE OF NEW JERSEY

DATED: JULY 11, 2016

The Senate Transportation Committee reports favorably Senate Bill No. 2364.

As reported, this bill establishes a Commercial Driver License Testing Pilot Program. Under the program, the Chief Administrator of the New Jersey Motor Vehicle Commission (chief administrator) is required to appoint three private third party vendors to administer the knowledge and skills tests for commercial driver licenses or endorsements. A vendor is to be located in the northern, central, and southern regions of the State.

In implementing the pilot program, the bill requires the chief administrator to develop procedures to identify, and compile a list of, eligible third party vendors to provide testing. The chief administrator is also required to establish guidelines necessary to establish and oversee the administration of commercial motor vehicle driver testing by private third party vendors.

The bill requires the three vendors chosen to participate in the program to be fully operational and to be administering the knowledge and skills tests within 90 days of the bill's effective date. Within nine months of the bill's effective date, the chief administrator is required to submit to the Governor and the Legislature an evaluation of the pilot program with recommendations that will facilitate the permanent use of third party vendors.

This bill amends current law to require the chief administrator to contract with third party vendors and requires the appointment of third party vendors to be based on the evaluation of the pilot program and the recommendations submitted to the Governor by the chief administrator. The bill removes the chief administrator's discretion to terminate third party testing at any time.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 2364

# STATE OF NEW JERSEY

DATED: SEPTEMBER 26, 2016

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2364.

This bill establishes a Commercial Driver License Testing Pilot Program to provide for commercial driver license testing by private third party vendors, and requires the Chief Administrator of the New Jersey Motor Vehicle Commission to authorize third-party administration of commercial testing on a more permanent basis based on an evaluation of the program.

The bill establishes the Commercial Driver License Testing Pilot Program within the commission, and directs the chief administrator to implement the program. Under the program, the chief administrator is required to appoint three private third party vendors to administer the knowledge and skills tests for commercial driver licenses or endorsements. Of the three selected, one each is to be located in the northern, central, and southern regions of the State.

In implementing the program, the bill requires the chief administrator to develop procedures to identify, and compile a list of, eligible third party vendors to provide testing. The chief administrator also is required to establish guidelines necessary to establish and oversee the administration of commercial motor vehicle driver testing by private third party vendors, and take any other action necessary to implement the bill.

The bill requires the three vendors appointed to participate in the program to be fully operational and to be administering the knowledge and skills tests within 90 days of enactment. Within nine months of enactment, the chief administrator must submit to the Governor and the Legislature an evaluation of the program with recommendations that will facilitate the permanent use of third party vendors.

In addition, the bill amends the "New Jersey Commercial Driver License Act" to require the chief administrator, by contract, by appointment, or by licensing, to authorize a third party to administer the knowledge or skills test for a commercial driver license or endorsement, within one year of enactment. The bill requires the appointment of a third party to be based on the evaluation of the pilot program and the recommendations submitted to the Governor by the chief administrator. The bill removes the chief

administrator's discretion to terminate third party testing at any time.

The "New Jersey Commercial Driver License Act" currently authorizes the chief administrator to appoint a third party to administer the knowledge or skills test for a commercial driver license or endorsement. However, the authorization is permissive, and third parties are not currently utilized for commercial testing purposes.

The bill takes effect immediately upon enactment.

FISCAL IMPACT:

The Office of Legislative Services finds the bill will have an indeterminate fiscal impact. There will be an increase in State costs due to the New Jersey Motor Vehicle Commission hiring a third party vendor to administer commercial driver's license tests. There will be a reduction in State costs because the commission will be able to reduce its own costs in administering commercial driver's license tests.

It will not be possible to determine whether there will be a net increase or decrease in costs until the commission has obtained bids from third-party vendors and identified how it can transition away from administering commercial driver's license tests internally.



**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 2364**  
**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

DATED: OCTOBER 17, 2016

**SUMMARY**

**Synopsis:** Establishes pilot program appointing third party vendors to administer commercial driver license testing.

**Type of Impact:** Annual Decreases in State Costs and State Revenue.

**Agencies Affected:** New Jersey Motor Vehicle Commission.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>Annual State Cost Decrease</b>	Indeterminate – See comments below		
<b>Annual State Revenue Decrease</b>	Indeterminate – See comments below		

- The Office of Legislative Services (OLS) cannot determine the annual net effect on State finances of outsourcing the administration of commercial driver license knowledge and road tests to private third-party vendors. The precise impact of the outsourcing will depend on the parameters of implementation to be established by future Motor Vehicle Commission (MVC) regulations and the terms of future contracts with private-sector vendors.
- The bill is likely to lower or eliminate MVC revenue collections from fees paid by applicants for the commercial driver license knowledge and road test (currently \$125 per test).
- The bill may reduce MVC in-house operating expenditures, given that the outsourcing of the administration of commercial driver license tests will lower the MVC’s workload. The scale of any cost savings, however, will depend on unknown operational decisions by the MVC in response to the enactment of this bill.

**BILL DESCRIPTION**

Senate Bill No. 2364 of 2016 establishes the Commercial Driver License Testing Pilot Program within the MVC to provide for commercial driver license testing by private third-party vendors, and requires the MVC to use insights gained from the pilot program in setting up a permanent program.

Under the pilot program, the MVC is required to: a) develop procedures to identify and compile a list of eligible third-party vendors; b) establish guidelines for the operation and oversight of the pilot program; c) take any other action necessary to implement the program; and d) appoint three private third-party vendors to administer the knowledge and skills tests for commercial driver licenses or endorsements. The vendors must be fully operational and administering the tests within 90 days of the bill's enactment.

Within nine months of enactment, the MVC must submit to the Governor and the Legislature an evaluation of the program with recommendations that will facilitate the permanent use of third-party vendors.

Current law permits, but does not require, the MVC to use third parties for commercial driver license testing purposes. The MVC currently does not make use of that authority.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS cannot determine the annual net effect on State finances of outsourcing the administration of commercial driver license knowledge and road tests to private third-party vendors. The outsourcing's precise impact will depend on the parameters of implementation to be established by future MVC regulations and the terms of future MVC contracts with private-sector vendors.

In the absence of a specific outsourcing model, the OLS finds that the bill is likely to lower or eliminate MVC revenue collections from fees paid by applicants for the commercial driver license knowledge and road test (\$125 per test at present). MVC agencies currently administer the tests and collect the fees. Under the bill, private-sector contractors will do so, and might or might not share fee collections with the MVC. In any event, the OLS has no information on annual MVC collections from the administration of commercial driver license tests.

The OLS also concludes that the bill has the potential to reduce MVC in-house operating expenditures, given that the outsourcing of the administration of commercial driver license tests will lower the MVC's workload. The scale of any cost savings, however, will depend on unknown operational decisions by the MVC in response to the enactment of this bill.

The OLS notes further that depending on the terms of any outsourcing contract, the MVC may also newly have to make professional services payments to contractors.

In general, shifting the provision of MVC services to third-party vendors requires changes in MVC staffing and organization that will also entail long-term costs that likely cannot be recovered. In removing the MVC's ability to administer a testing system internally, the bill will make it more difficult for the MVC to negotiate favorable contract terms with third-party vendors in the future, as the MVC will be eliminated in effect as an alternative service provider.

*Section: Authorities, Utilities, Transportation, and Communications*

*Analyst: Patrick Brennan  
Senior Fiscal Analyst*

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

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

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

# ASSEMBLY, No. 3946

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED JUNE 20, 2016

**Sponsored by:**

**Assemblyman JOHN J. BURZICHELLI**

**District 3 (Cumberland, Gloucester and Salem)**

**Assemblyman RONALD S. DANCER**

**District 12 (Burlington, Middlesex, Monmouth and Ocean)**

**Assemblyman RAJ MUKHERJI**

**District 33 (Hudson)**

**Assemblyman JAMEL C. HOLLEY**

**District 20 (Union)**

**Assemblyman ANTHONY M. BUCCO**

**District 25 (Morris and Somerset)**

**Co-Sponsored by:**

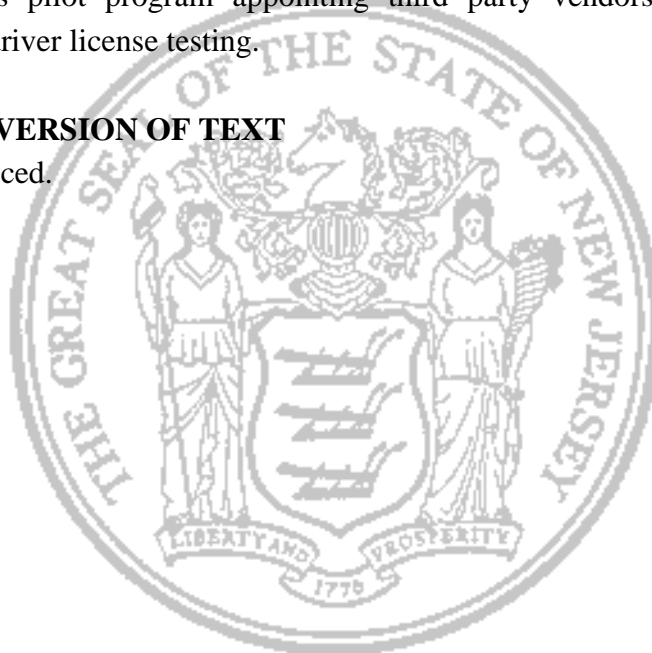
**Assemblymen Rible and Wisniewski**

**SYNOPSIS**

Establishes pilot program appointing third party vendors to administer commercial driver license testing.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 12/20/2016)**

1 AN ACT concerning commercial driver license testing,  
2 supplementing Title 39 of the Revised Statutes, and amending  
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27 private third parties including establishment of maximum fees that  
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40 knowledge and skills tests for commercial driver licenses or  
41 endorsements pursuant to section 13 of P.L.1990, c.103 (C.39:3-  
42 10.21).

43  
44 2. Section 13 of P.L.1990, c.103 (C.39:3-10.21) is amended to  
45 read as follows:

**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 director may】** Within one year of the effective date of  
2 P.L. \_\_\_\_\_, c. \_\_\_\_\_ (C. \_\_\_\_\_) (pending before the Legislature as this bill)  
3 the chief administrator shall, by contract, by appointment as a motor  
4 vehicle agent, or by licensing, authorize any necessary persons,  
5 including but not limited to an agency of this or another state, an  
6 employer, a private driver training facility or other private  
7 institution, or a department, agency or instrumentality of local  
8 government to administer the knowledge or skills tests for a  
9 commercial driver license or endorsement. The appointments shall  
10 be based on the evaluation of the pilot program and  
11 recommendations submitted to the Governor pursuant to P.L. \_\_\_\_\_,  
12 c. \_\_\_\_\_ (C. \_\_\_\_\_) (pending before the Legislature as this bill).

13       The **【director】** chief administrator shall adopt **【such】** regulations  
14 **【as deemed】** necessary to establish, oversee, and regulate the  
15 administration of commercial motor vehicle driver testing by third  
16 parties including establishment of maximum fees that may be  
17 charged. The maximum fee for a skills test administered by a third  
18 party shall be set at an amount equal to the cost to the State for  
19 administering **【such】** the testing.

20       The **【director】** chief administrator may limit the number of  
21 persons licensed to administer examinations and may suspend or  
22 revoke an authorization on any reasonable ground. **【The director**  
23 **may terminate third party testing at any time.】** A person authorized  
24 to administer examinations by appointment as a motor vehicle agent  
25 shall so act until this authority is revoked by the **【director】** chief  
26 administrator.

27       An examiner administering a skills test shall not be held  
28 accountable for any violation of Title 39 of the Revised Statutes  
29 committed by the person being tested.  
30 (cf: P.L.1990, c.103, s.13)

31  
32       3. This act shall take effect immediately.

33

34

35

#### STATEMENT

36

37       This bill establishes a Commercial Driver License Testing Pilot  
38 Program. Under the program, the Chief Administrator of the Motor  
39 Vehicle Commission is required to appoint three private third party  
40 vendors to administer the knowledge and skills tests for commercial  
41 driver licenses or endorsements. The vendors are to be located in  
42 the northern, central, and southern regions of the State.

43       In implementing the pilot program, bill requires the chief  
44 administrator to identify and compile a list of eligible third party  
45 vendors to provide testing. The chief administrator also is required  
46 to establish guidelines necessary to establish and oversee the  
47 administration of commercial motor vehicle driver testing by  
48 private third parties.

**A3946 BURZICHELLI, DANCER**

4

1       The bill requires the three vendors chosen to participate in the  
2 program to be fully operational within 90 days of the bill's effective  
3 date. Within nine months of the bill's effective date, the chief  
4 administrator is required to submit to the Governor an evaluation of  
5 the pilot program with recommendations that will facilitate the  
6 permanent use of third party vendors.

7       Under current law, the chief administrator is authorized to  
8 appoint third party vendors to administer the tests for commercial  
9 driver licenses or endorsements. However, third party vendors are  
10 not currently utilized to provide these tests. This bill amends section  
11 13 of P.L.1990, c.103 (C.39:3-10.21) to require the chief  
12 administrator to contract with third party vendors. The appointment  
13 of third party vendors is to be based on the chief administrator's  
14 evaluation of the pilot program established by the bill. The bill  
15 removes the chief administrator's discretion to terminate third party  
16 testing at any time.

# ASSEMBLY LAW AND PUBLIC SAFETY COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 3946

# STATE OF NEW JERSEY

DATED: DECEMBER 5, 2016

The Assembly Law and Public Safety Committee reports favorably on Assembly Bill No. 3946.

Assembly Bill No. 3946 establishes a Commercial Driver License Testing Pilot Program to provide for commercial driver license testing by private third party vendors, and requires the Chief Administrator of the New Jersey Motor Vehicle Commission to authorize third-party administration of commercial testing on a more permanent basis based on an evaluation of the program.

The bill establishes the Commercial Driver License Testing Pilot Program within the commission, and directs the chief administrator to implement the program. Under the program, the chief administrator is required to appoint three private third party vendors to administer the knowledge and skills tests for commercial driver licenses or endorsements. Of the three selected, one each is to be located in the northern, central, and southern regions of the State.

In implementing the program, the bill requires the chief administrator to develop procedures to identify, and compile a list of, eligible third party vendors to provide testing. The chief administrator also is required to establish guidelines necessary to establish and oversee the administration of commercial motor vehicle driver testing by private third party vendors, and take any other action necessary to implement the bill.

The bill requires the three vendors appointed to participate in the program to be fully operational and to be administering the knowledge and skills tests within 90 days of enactment. Within nine months of enactment, the chief administrator is required to submit to the Governor and the Legislature an evaluation of the program with recommendations that will facilitate the permanent use of third party vendors.

In addition, the bill amends the "New Jersey Commercial Driver License Act" to require the chief administrator, by contract, by appointment, or by licensing, to authorize a third party to administer the knowledge or skills test for a commercial driver license or endorsement, within one year of enactment. The bill requires the appointment of a third party to be based on the evaluation of the pilot program and the recommendations submitted to the Governor by the chief administrator. The bill removes the chief



administrator's discretion to terminate third party testing at any time.

The "New Jersey Commercial Driver License Act" currently authorizes the chief administrator to appoint a third party to administer the knowledge or skills test for a commercial driver license or endorsement. However, the authorization is permissive, and third parties are not currently utilized for commercial testing purposes.

As reported by the committee, Assembly Bill No. 3946 is identical to Senate Bill No. 2364, which also was reported by the committee on this date.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 3946

# STATE OF NEW JERSEY

DATED: DECEMBER 15, 2016

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3946.

This bill establishes a Commercial Driver License Testing Pilot Program to provide for commercial driver license testing by private third party vendors, and requires the Chief Administrator of the New Jersey Motor Vehicle Commission to authorize third-party administration of commercial testing on a more permanent basis based on an evaluation of the program.

The bill establishes the Commercial Driver License Testing Pilot Program within the commission, and directs the chief administrator to implement the program. Under the program, the chief administrator is required to appoint three private third party vendors to administer the knowledge and skills tests for commercial driver licenses or endorsements. Of the three selected, one each is to be located in the northern, central, and southern regions of the State.

In implementing the program, the bill requires the chief administrator to develop procedures to identify, and compile a list of, eligible third party vendors to provide testing. The chief administrator also is required to establish guidelines necessary to establish and oversee the administration of commercial motor vehicle driver testing by private third party vendors, and take any other action necessary to implement the bill.

The bill requires the three vendors appointed to participate in the program to be fully operational and to be administering the knowledge and skills tests within 90 days of enactment. Within nine months of enactment, the chief administrator is required to submit to the Governor and the Legislature an evaluation of the program with recommendations that will facilitate the permanent use of third party vendors.

In addition, the bill amends the "New Jersey Commercial Driver License Act" to require the chief administrator, by contract, by appointment, or by licensing, to authorize a third party to administer the knowledge or skills test for a commercial driver license or endorsement, within one year of enactment. The bill requires the appointment of a third party to be based on the evaluation of the pilot program and the recommendations submitted to the Governor by the chief administrator. The bill removes the chief administrator's discretion to terminate third party testing at any time.

The “New Jersey Commercial Driver License Act” currently authorizes the chief administrator to appoint a third party to administer the knowledge or skills test for a commercial driver license or endorsement. However, the authorization is permissive, and third parties are not currently utilized for commercial testing purposes.

As reported, this bill is identical to Senate Bill No. 2364, as also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services finds the bill will have an indeterminate fiscal impact. There will be an increase in State costs due to the New Jersey Motor Vehicle Commission hiring a third party vendor to administer commercial driver’s license tests. There will be a reduction in State costs because the commission will be able to reduce its own costs in administering commercial driver’s license tests.

It will not be possible to determine whether there will be a net increase or decrease in costs until the commission has obtained bids from third-party vendors and identified how it can transition away from administering commercial driver’s license tests internally.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 3946**  
**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

DATED: DECEMBER 21, 2016

**SUMMARY**

**Synopsis:** Establishes pilot program appointing third party vendors to administer commercial driver license testing.

**Type of Impact:** Annual Decreases in State Costs and State Revenue.

**Agencies Affected:** New Jersey Motor Vehicle Commission.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>Annual State Expenditures</b>	Indeterminate Impact – See comments below		
<b>Annual State Revenue Decrease</b>	Indeterminate – See comments below		

- The Office of Legislative Services (OLS) has insufficient information with which to estimate the annual net effect on State finances of outsourcing the administration of commercial driver license knowledge and road tests to private third-party vendors. The precise impact of the outsourcing will depend on the parameters of implementation to be established by future Motor Vehicle Commission (MVC) regulations and the terms of future contracts with private-sector vendors.
- The bill is likely to lower or eliminate MVC revenue collections from fees paid by applicants for the commercial driver license knowledge and road test (currently \$125 per test).
- The bill may reduce MVC in-house operating expenditures, given that the outsourcing of the administration of commercial driver license tests would shift those activities to a private vendor. The scale of any cost savings, however, will depend on unknown operational decisions by the MVC in response to the enactment of this bill.
- The MVC Chief Administrator recently testified that the use of a third party contractor would result in a federally required increase in administrative costs to safeguard against fraud, which may more than offset any savings from utilizing an outside vendor, resulting in a net State cost.

## **BILL DESCRIPTION**

Assembly Bill No. 3946 of 2016 establishes the Commercial Driver License Testing Pilot Program within the MVC to provide for commercial driver license testing by private third-party vendors, and requires the MVC to use insights gained from the pilot program in setting up a permanent program.

Under the pilot program, the MVC is required to: a) develop procedures to identify and compile a list of eligible third-party vendors; b) establish guidelines for the operation and oversight of the pilot program; c) take any other action necessary to implement the program; and d) appoint three private third-party vendors to administer the knowledge and skills tests for commercial driver licenses or endorsements. The vendors are required to be fully operational and administering the tests within 90 days of the bill's enactment.

Within nine months of enactment, the MVC is required to submit to the Governor and the Legislature an evaluation of the program with recommendations that will facilitate the permanent use of third-party vendors.

Current law permits, but does not require, the MVC to use third parties for commercial driver license testing purposes. The MVC currently does not make use of that authority.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS has insufficient information with which to estimate the annual net effect on State finances of outsourcing the administration of commercial driver license knowledge and road tests to private third-party vendors. The outsourcing's precise impact will depend on the parameters of implementation to be established by future MVC regulations and the terms of future MVC contracts with private-sector vendors.

In the absence of a specific outsourcing model, the OLS finds that the bill is likely to lower or eliminate MVC revenue collections from fees paid by applicants for the commercial driver license knowledge and road test (\$125 per test at present). MVC agencies currently administer the tests and collect the fees. Under the bill, private-sector contractors will collect the fees and the contractor might or might not share fee collections with the MVC. The OLS does not have information on annual MVC collections from the administration of commercial driver license tests.

The OLS also concludes that the bill has the potential to reduce MVC in-house operating expenditures, given that the outsourcing of the administration of commercial driver license tests will likely lower the MVC's workload. The scale of any cost savings, however, will depend on operational decisions by the MVC in response to the enactment of this bill.

The Chief Administrator also noted in a recent hearing that States that use third party testers must provide oversight measures to prevent fraud and will be penalized if sufficient oversight is not provided. This oversight will entail a notable increase in MVC costs that may exceed any savings from utilizing a private vendor.

The OLS notes further that depending on the terms of any outsourcing contract, the MVC may also newly have to make professional services payments to contractors.

In general, shifting the provision of MVC services to third-party vendors requires changes in MVC staffing and organization that will also entail long-term costs that likely cannot be recovered. In removing the MVC's ability to administer a testing system internally, the bill will make it more difficult for the MVC to negotiate favorable contract terms with third-party vendors in the future, as the MVC will be eliminated in effect as an alternative service provider. Further the MVC will have to implement new anti-fraud oversight measures that will create new costs that the MVC does not currently face while administering the testing internally.

*Section: Authorities, Utilities, Transportation, and Communications*

*Analyst: Patrick Brennan  
Senior Fiscal Analyst*

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

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

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

## Governor Chris Christie Takes Action On Pending Legislation

Monday, February 6, 2017 Tags: [Bill Action](#)



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**Trenton, NJ** – Governor Chris Christie today signed legislation, S-2156/A-3424, requiring medical professionals to educate children and teenagers about addiction risks before issuing prescription drugs.

“This critical prevention legislation will stem the growing tide of drug addiction in New Jersey that has been largely caused by the misuse of prescription drugs or prescription drugs getting into the wrong hands,” Governor Christie said. “Coupled with dozens of other new reforms underway, including a comprehensive in-school curriculum for kindergarteners through 12th graders, we can stop this fatal disease from decimating another generation. Piece by piece, I am proud that my administration, with bipartisan cooperation from the legislature, is creating a holistic model for America to curb this epidemic impacting all residents, families, communities and businesses.”

Governor Christie also took action on the following legislation:

### BILL SIGNINGS:

**S-602/A-1138 (Cunningham, T. Kean/Holley, Chiaravalloti)** - “New Jersey International Arbitration, Mediation, and Conciliation Act”

**SCS for S-727/A-3955 (Cruz-Perez, Van Drew/Barclay, Wimberly, Holley)** - “New Jersey Open Data Initiative” to require certain information be provided on Internet to public and State agencies

**S-879/A-4237 (Greenstein, Bateman/Sumter, Benson)** - Prohibits termination of law enforcement officer or firefighter based upon determination that officer or firefighter is physically unable to perform duties under certain circumstances

**S-1066/A-3649 (Singer, Beck/S. Kean, Ribble, Mukherji, Pinkin, Vainieri Huttler, Schaer)** - Allows filing of birth certificate to be delayed for religious reasons, for up to 15 days after birth, in order to allow for naming of child

**S-1131/A-3489 (Rice/Tucker, Houghtaling, Mukherji, Wimberly)** - Provides for notification of emergency contact in event of death of senior citizen in certain housing facilities

**S-1474/A-2786 (Ruiz/Benson, Sumter, Caride, McKnight, Vainieri Huttler, Pintor Marin, Wimberly)** - Requires teacher preparation program for instructional certificate to include certain amount of instruction or clinical experience in special education and for students with disabilities endorsement to include credit hours in autism spectrum disorder

**S-1830/A-3411 (Rice, Vitale, Turner/Muoio, Benson, Singleton, Greenwald, Pinkin, Downey, Sumter, Wimberly)** - Requires DOH regulations regarding elevated blood lead levels in children, and appropriate responses thereto, to be consistent with latest Centers for Disease Control and Prevention recommendations

**S-2156/A-3424 (Weinberg, Vitale/Lagana, Pinkin, Vainieri Huttler, Caride, Caputo, Wimberly, Moriarty)** - Requires prescribers to discuss addiction risk associated with certain drugs prior to issuing prescription to minor patient

**S-2321/A-3774 (Oroho, Beach/Burzichelli, Wisniewski, Mosquera, Houghtaling, Wimberly)** - Concerns excessive price increases during state of emergency

**S-2364/A-3946 (Oroho, Stack/Burzichelli, Dancer, Mukherji, Holley, A.M. Bucco)** - Establishes pilot program appointing third party vendors to administer commercial driver license testing

**S-2370/A-3904 (Whelan/Burzichelli)** – Authorizes operation of lottery courier services

**S-2477/A-4083 (Sarlo, Oroho/Schaer, Space, Mukherji, Singleton)** - Concerns certain unused portions of tax credits issued to insurance premiums taxpayers under the Business Employment Incentive Program; exempts certain purchasers of business development incentives from certain State tax notification requirements

**S-2731/A-4326 (Greenstein, Bateman/Muoio, Burzichelli, Mazzeo, Mukherji)** - Authorizes New Jersey Environmental Infrastructure Trust to expend additional sums to make loans for environmental infrastructure projects for FY2017

**S-2732/A-4327 (Codey, Gill/Zwicker, Conaway, Danielsen, Muoio, Mukherji, Gusciora)** - Amends list of environmental infrastructure projects approved for long-term funding for FY2017 to include new projects and revise allowable loan amounts for already approved projects

#### BILLS VETOED:

**S-600/A-3625 (Cunningham, Stack/McKnight, Chiaravalloti, Mukherji) – CONDITIONAL** - Requires DOH to authorize Jersey City to issue certified copies of birth certificates by September 1, 2017

**S-1585/A-3335 (Rice, Ruiz/Sumter, Pintor Marin, Wimberly, Mukherji, Gusciora) – – CONDITIONAL** - Establishes program allowing certain applicants to perform community service in lieu of paying motor vehicle surcharges

**S-2267/A-2771 (Diegnan, Greenstein/Webber, O'Scanlon, A.M. Bucco) - CONDITIONAL** - Establishes asset forfeiture reporting requirements

**S-2347/A-3723 (Rice, Ruiz/Pintor Marin, Giblin) – CONDITIONAL** - Permits certain municipalities to impose and collect payroll tax of up to 1% of employer's payroll

**S-2575/A-4187 (Sweeney, Whelan/Burzichelli) – ABSOLUTE** - Disqualifies casino license applicant for five-year period if person substantially closed casino property in State; revokes license; reinstates license eligibility under certain circumstances

###

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