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RH/CL

P.L. 2017, CHAPTER 279, *approved January 8, 2018*
Assembly, No. 4790

1 AN ACT providing for the issuance of “Equality” license plates and
2 supplementing chapter 3 of Title 39 of the Revised Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. a. Upon proper application, the Chief Administrator of the
8 New Jersey Motor Vehicle Commission shall issue “Equality”
9 license plates for any motor vehicle owned or leased and registered
10 in this State. In addition to the registration number and other
11 markings or identification otherwise prescribed by law, the license
12 plate shall display the Garden State Equality, LLC (“Garden State
13 Equality”) emblem, consisting of: an image of a silhouette of the
14 mathematical equivalency sign in the background and the shape of
15 the State of New Jersey in a circle in the foreground. The chief
16 administrator shall select the design and color scheme, in
17 consultation with Garden State Equality. The “Equality” license
18 plates shall be subject to the provisions of chapter 3 of Title 39 of
19 the Revised Statutes, except as hereinafter otherwise specifically
20 provided.

21 b. Application for issuance of an “Equality” license plate shall
22 be made to the chief administrator on forms and in a manner
23 prescribed by the chief administrator. In order to be deemed
24 complete, an application shall be accompanied by a fee of \$50,
25 payable to the New Jersey Motor Vehicle Commission, which shall
26 be in addition to the fees otherwise prescribed by law for the
27 registration of a motor vehicle. The chief administrator shall collect
28 annually, subsequent to the year of issuance of the “Equality”
29 license plates, a \$10 fee for the license plates in addition to the fees
30 otherwise prescribed by law for the registration of a motor vehicle.
31 The additional fees required by this subsection shall be deposited in
32 the “Equality License Plate Fund” created pursuant to subsection c.
33 of this section.

34 c. There is created in the Department of the Treasury a special
35 non-lapsing fund to be known as the “Equality License Plate Fund.”
36 There shall be deposited in the fund the amount collected from all
37 license plate fees collected pursuant to subsection b. of this section,
38 less the amounts necessary to reimburse the commission for
39 administrative costs pursuant to subsection d. of this section.
40 Monies deposited in the fund shall be appropriated annually to
41 Garden State Equality and shall be used to support lesbian, gay,

1 bisexual, and transgender advocacy and educational programs in the
2 State. Monies deposited in the fund shall be held in interest-bearing
3 accounts in public depositories as defined pursuant to section 1 of
4 P.L.1970, c.236 (C.17:9-41), and may be invested or reinvested in
5 securities approved by the State Treasurer. Interest or other income
6 earned on monies deposited into the fund, and any monies which
7 may be appropriated or otherwise become available for the purposes
8 of the fund, shall be credited to and deposited in the fund for use as
9 set forth in P.L. , c. (C.) (pending before the Legislature
10 as this bill).

11 d. Prior to the deposit of the additional fees collected pursuant
12 to subsection b. of this section into the "Equality License Plate
13 Fund," amounts thereof as are necessary shall be used to reimburse
14 the commission for all costs reasonably and actually incurred, as
15 stipulated by the chief administrator, for:

16 (1) designing, producing, issuing, renewing, and publicizing the
17 availability of the "Equality" license plates; and

18 (2) any computer programming changes that may be initially
19 necessary to implement the "Equality" license plate program in an
20 amount not to exceed \$150,000.

21 The chief administrator shall annually certify to the State
22 Treasurer the average cost per license plate incurred in the
23 immediately preceding year by the commission in producing,
24 issuing, renewing, and publicizing the availability of the "Equality"
25 license plates. The annual certification of the average cost per
26 license plate shall be approved by the Joint Budget Oversight
27 Committee, or its successor.

28 In the event that the average cost per license plate as certified by
29 the chief administrator and approved by the Joint Budget Oversight
30 Committee, or its successor, is greater than the \$50 application fee
31 established in subsection b. of this section in two consecutive fiscal
32 years, the chief administrator may discontinue the issuance of
33 "Equality" license plates.

34 e. The chief administrator shall notify eligible motorists of the
35 opportunity to obtain "Equality" license plates by publicizing the
36 availability of the license plates on the commission's website.
37 Garden State Equality, and any other individual or entity designated
38 by the organization, may publicize the availability of the "Equality"
39 license plates in any manner that the organization deems
40 appropriate.

41 f. The chief administrator and Garden State Equality shall
42 develop and enter into a memorandum of agreement setting forth
43 the procedures to be followed in carrying out their respective
44 responsibilities under P.L. , c. (C.) (pending before the
45 Legislature as this bill).

46 g. The Executive Director of Garden State Equality shall
47 appoint a representative who shall act as a liaison between Garden
48 State Equality and the commission. The liaison shall represent
49 Garden State Equality in any and all communications with the

1 commission regarding the “Equality” license plates established by
2 P.L. , c. (C.) (pending before the Legislature as this bill).

3

4 2. a. State or public funds shall not be used by the
5 commission for the initial cost of:

6 (1) designing, producing, issuing, and publicizing the availability
7 of “Equality” license plates; or

8 (2) any computer programming changes which may be necessary
9 to implement the “Equality” license plate program established by
10 P.L. , c. (C.) (pending before the Legislature as this bill).

11 b. Garden State Equality, or the individual or entity designated
12 by Garden State Equality, shall contribute non-public monies in an
13 amount to be determined by the chief administrator, not to exceed a
14 total of \$25,000, to be used to offset the initial costs incurred by the
15 commission for designing, producing, issuing, and publicizing the
16 availability of “Equality” license plates, and any computer
17 programming which may be necessary to implement the program.
18 Concerned organizations and individual donors may contribute
19 monies to Garden State Equality to be used to offset the initial costs
20 incurred by the commission for the “Equality” license plates
21 authorized by P.L. , c. (C.) (pending before the
22 Legislature as this bill). Any amount remaining after the payment
23 of the initial cost shall be deposited in the “Equality License Plate
24 Fund” established pursuant to subsection c. of section 1 of
25 P.L. , c. (C.) (pending before the Legislature as this bill).

26 c. The commission shall not begin designing, producing,
27 issuing, or publicizing the availability of “Equality” license plates,
28 or making any necessary programming changes, until the following
29 requirements have been met:

30 (1) Garden State Equality, or the individual or entity designated
31 by Garden State Equality, has provided the commission with the
32 money necessary, as determined by the chief administrator pursuant
33 to subsection b. of this section, to offset the initial costs incurred by
34 the commission in establishing the “Equality” license plate
35 program; and

36 (2) The liaison appointed by Garden State Equality pursuant to
37 subsection g. of section 1 of P.L. , c. (C.) (pending before
38 the Legislature as this bill) has provided the commission with not
39 less than 500 completed applications for “Equality” license plates.
40 These applications shall constitute the initial order for “Equality”
41 license plates and shall be accompanied by a fee representing the
42 total cost of the initial order. The fee shall be determined by
43 multiplying the number of sets of license plates being ordered by
44 the applicable initial fee for each set of license plates as set forth in
45 subsection b. of section 1 of P.L. , c. (C.) (pending before
46 the Legislature as this bill).

47

48 3. This act shall take effect immediately, but shall remain
49 inoperative until the first day of the 13th month following the date

1 on which the conditions set forth in paragraphs (1) and (2) of
2 subsection c. of section 2 of this act have been satisfied. The chief
3 administrator may take anticipatory acts in advance of that date as
4 may be necessary for the timely implementation of this act. This
5 act shall expire if the conditions set forth in paragraphs (1) and (2)
6 of subsection c. of section 2 of this act are not satisfied by the last
7 day of the 12th month following enactment.

8

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10 STATEMENT

11

12 This bill authorizes the Chief Administrator (chief administrator)
13 of the New Jersey Motor Vehicle Commission (commission) to
14 issue special "Equality" license plates. The purpose of the bill is to
15 support Garden State Equality, which is New Jersey's statewide
16 education and advocacy organization for the lesbian, gay, bisexual,
17 and transgender community.

18 The bill provides that the design of the "Equality" license plate is
19 to display the Garden State Equality emblem, consisting of: an
20 image of a silhouette of the mathematical equivalency sign in the
21 background and the shape of the State of New Jersey in a circle in
22 the foreground.

23 In addition to all fees otherwise required by law for the
24 registration of a motor vehicle, there is an application fee of \$50
25 and an annual renewal fee of \$10 for the "Equality" license plates.
26 After the deduction of the cost of designing, producing, issuing,
27 renewing, and publicizing the plates and of any computer
28 programming changes that are necessary to implement the license
29 plate program, in an amount not to exceed \$150,000, the additional
30 fees will be deposited into a special non-lapsing fund known as the
31 "Equality License Plate Fund." The proceeds of the fund are to be
32 annually appropriated to Garden State Equality to be used to
33 support lesbian, gay, bisexual, and transgender advocacy and
34 educational programs in the State.

35 The commission is required to annually certify the average cost
36 of producing, issuing, renewing, and publicizing the availability of
37 the specialty license plates. If the average cost per plate exceeds
38 \$50 in two consecutive fiscal years, the chief administrator may
39 discontinue the "Equality" license plate program. The bill also
40 requires that the Executive Director of Garden State Equality
41 appoint a liaison to represent Garden State Equality in all
42 communications with the commission regarding the "Equality"
43 license plates.

44 The bill provides that State or other public funds are not to be
45 used by the commission for the initial cost to implement the
46 "Equality" license plate program. The bill requires Garden State
47 Equality, or the individual or entity designated by Garden State
48 Equality, to contribute non-public monies, not to exceed \$25,000, to

1 offset the initial costs to design, produce, issue, and publicize the
2 license plates. The bill authorizes Garden State Equality to receive
3 funds from private sources to be used to offset the initial costs.

4 The chief administrator is not required to design, produce, issue,
5 or publicize the availability of the “Equality” license plates, until:
6 (1) Garden State Equality, or its designee, has provided the
7 commission with the money necessary to offset the initial costs
8 incurred by the commission in establishing the “Equality” license
9 plate program; and (2) Garden State Equality’s liaison has provided
10 the commission with a minimum of 500 completed applications for
11 the “Equality” license plates, upon the availability for purchase of
12 those license plates.

13 The provisions of the bill will remain inoperative until the
14 appropriate applications and fees required to offset the initial costs
15 incurred by the commission are provided by Garden State Equality
16 or its designee. The bill expires after 12 months if sufficient
17 applications and fees to offset the initial costs are not received.

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22 Establishes special “Equality” license plates.

ASSEMBLY, No. 4790

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED MAY 18, 2017

Sponsored by:

Assemblyman JOHN S. WISNIEWSKI

District 19 (Middlesex)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Senator M. TERESA RUIZ

District 29 (Essex)

SYNOPSIS

Establishes special "Equality" license plates.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/19/2017)

1 AN ACT providing for the issuance of “Equality” license plates and
2 supplementing chapter 3 of Title 39 of the Revised Statutes.

3

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

6

7 1. a. Upon proper application, the Chief Administrator of the
8 New Jersey Motor Vehicle Commission shall issue “Equality”
9 license plates for any motor vehicle owned or leased and registered
10 in this State. In addition to the registration number and other
11 markings or identification otherwise prescribed by law, the license
12 plate shall display the Garden State Equality, LLC (“Garden State
13 Equality”) emblem, consisting of: an image of a silhouette of the
14 mathematical equivalency sign in the background and the shape of
15 the State of New Jersey in a circle in the foreground. The chief
16 administrator shall select the design and color scheme, in
17 consultation with Garden State Equality. The “Equality” license
18 plates shall be subject to the provisions of chapter 3 of Title 39 of
19 the Revised Statutes, except as hereinafter otherwise specifically
20 provided.

21 b. Application for issuance of an “Equality” license plate shall
22 be made to the chief administrator on forms and in a manner
23 prescribed by the chief administrator. In order to be deemed
24 complete, an application shall be accompanied by a fee of \$50,
25 payable to the New Jersey Motor Vehicle Commission, which shall
26 be in addition to the fees otherwise prescribed by law for the
27 registration of a motor vehicle. The chief administrator shall collect
28 annually, subsequent to the year of issuance of the “Equality”
29 license plates, a \$10 fee for the license plates in addition to the fees
30 otherwise prescribed by law for the registration of a motor vehicle.
31 The additional fees required by this subsection shall be deposited in
32 the “Equality License Plate Fund” created pursuant to subsection c.
33 of this section.

34 c. There is created in the Department of the Treasury a special
35 non-lapsing fund to be known as the “Equality License Plate Fund.”
36 There shall be deposited in the fund the amount collected from all
37 license plate fees collected pursuant to subsection b. of this section,
38 less the amounts necessary to reimburse the commission for
39 administrative costs pursuant to subsection d. of this section.
40 Monies deposited in the fund shall be appropriated annually to
41 Garden State Equality and shall be used to support lesbian, gay,
42 bisexual, and transgender advocacy and educational programs in the
43 State. Monies deposited in the fund shall be held in interest-bearing
44 accounts in public depositories as defined pursuant to section 1 of
45 P.L.1970, c.236 (C.17:9-41), and may be invested or reinvested in
46 securities approved by the State Treasurer. Interest or other income
47 earned on monies deposited into the fund, and any monies which
48 may be appropriated or otherwise become available for the purposes
49 of the fund, shall be credited to and deposited in the fund for use as

1 set forth in P.L. , c. (C.) (pending before the Legislature
2 as this bill).

3 d. Prior to the deposit of the additional fees collected pursuant
4 to subsection b. of this section into the "Equality License Plate
5 Fund," amounts thereof as are necessary shall be used to reimburse
6 the commission for all costs reasonably and actually incurred, as
7 stipulated by the chief administrator, for:

8 (1) designing, producing, issuing, renewing, and publicizing the
9 availability of the "Equality" license plates; and

10 (2) any computer programming changes that may be initially
11 necessary to implement the "Equality" license plate program in an
12 amount not to exceed \$150,000.

13 The chief administrator shall annually certify to the State
14 Treasurer the average cost per license plate incurred in the
15 immediately preceding year by the commission in producing,
16 issuing, renewing, and publicizing the availability of the "Equality"
17 license plates. The annual certification of the average cost per
18 license plate shall be approved by the Joint Budget Oversight
19 Committee, or its successor.

20 In the event that the average cost per license plate as certified by
21 the chief administrator and approved by the Joint Budget Oversight
22 Committee, or its successor, is greater than the \$50 application fee
23 established in subsection b. of this section in two consecutive fiscal
24 years, the chief administrator may discontinue the issuance of
25 "Equality" license plates.

26 e. The chief administrator shall notify eligible motorists of the
27 opportunity to obtain "Equality" license plates by publicizing the
28 availability of the license plates on the commission's website.
29 Garden State Equality, and any other individual or entity designated
30 by the organization, may publicize the availability of the "Equality"
31 license plates in any manner that the organization deems
32 appropriate.

33 f. The chief administrator and Garden State Equality shall
34 develop and enter into a memorandum of agreement setting forth
35 the procedures to be followed in carrying out their respective
36 responsibilities under P.L. , c. (C.) (pending before the
37 Legislature as this bill).

38 g. The Executive Director of Garden State Equality shall
39 appoint a representative who shall act as a liaison between Garden
40 State Equality and the commission. The liaison shall represent
41 Garden State Equality in any and all communications with the
42 commission regarding the "Equality" license plates established by
43 P.L. , c. (C.) (pending before the Legislature as this bill).

44
45 2. a. State or public funds shall not be used by the
46 commission for the initial cost of:

47 (1) designing, producing, issuing, and publicizing the availability
48 of "Equality" license plates; or

49 (2) any computer programming changes which may be necessary

1 to implement the “Equality” license plate program established by
2 P.L. , c. (C.) (pending before the Legislature as this bill).

3 b. Garden State Equality, or the individual or entity designated
4 by Garden State Equality, shall contribute non-public monies in an
5 amount to be determined by the chief administrator, not to exceed a
6 total of \$25,000, to be used to offset the initial costs incurred by the
7 commission for designing, producing, issuing, and publicizing the
8 availability of “Equality” license plates, and any computer
9 programming which may be necessary to implement the program.
10 Concerned organizations and individual donors may contribute
11 monies to Garden State Equality to be used to offset the initial costs
12 incurred by the commission for the “Equality” license plates
13 authorized by P.L. , c. (C.) (pending before the
14 Legislature as this bill). Any amount remaining after the payment
15 of the initial cost shall be deposited in the “Equality License Plate
16 Fund” established pursuant to subsection c. of section 1 of
17 P.L. , c. (C.) (pending before the Legislature as this bill).

18 c. The commission shall not begin designing, producing,
19 issuing, or publicizing the availability of “Equality” license plates,
20 or making any necessary programming changes, until the following
21 requirements have been met:

22 (1) Garden State Equality, or the individual or entity designated
23 by Garden State Equality, has provided the commission with the
24 money necessary, as determined by the chief administrator pursuant
25 to subsection b. of this section, to offset the initial costs incurred by
26 the commission in establishing the “Equality” license plate
27 program; and

28 (2) The liaison appointed by Garden State Equality pursuant to
29 subsection g. of section 1 of P.L. , c. (C.) (pending before
30 the Legislature as this bill) has provided the commission with not
31 less than 500 completed applications for “Equality” license plates.
32 These applications shall constitute the initial order for “Equality”
33 license plates and shall be accompanied by a fee representing the
34 total cost of the initial order. The fee shall be determined by
35 multiplying the number of sets of license plates being ordered by
36 the applicable initial fee for each set of license plates as set forth in
37 subsection b. of section 1 of P.L. , c. (C.) (pending before
38 the Legislature as this bill).

39
40 3. This act shall take effect immediately, but shall remain
41 inoperative until the first day of the 13th month following the date
42 on which the conditions set forth in paragraphs (1) and (2) of
43 subsection c. of section 2 of this act have been satisfied. The chief
44 administrator may take anticipatory acts in advance of that date as
45 may be necessary for the timely implementation of this act. This
46 act shall expire if the conditions set forth in paragraphs (1) and (2)
47 of subsection c. of section 2 of this act are not satisfied by the last
48 day of the 12th month following enactment.

STATEMENT

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This bill authorizes the Chief Administrator (chief administrator) of the New Jersey Motor Vehicle Commission (commission) to issue special “Equality” license plates. The purpose of the bill is to support Garden State Equality, which is New Jersey’s statewide education and advocacy organization for the lesbian, gay, bisexual, and transgender community.

The bill provides that the design of the “Equality” license plate is to display the Garden State Equality emblem, consisting of: an image of a silhouette of the mathematical equivalency sign in the background and the shape of the State of New Jersey in a circle in the foreground.

In addition to all fees otherwise required by law for the registration of a motor vehicle, there is an application fee of \$50 and an annual renewal fee of \$10 for the “Equality” license plates. After the deduction of the cost of designing, producing, issuing, renewing, and publicizing the plates and of any computer programming changes that are necessary to implement the license plate program, in an amount not to exceed \$150,000, the additional fees will be deposited into a special non-lapsing fund known as the “Equality License Plate Fund.” The proceeds of the fund are to be annually appropriated to Garden State Equality to be used to support lesbian, gay, bisexual, and transgender advocacy and educational programs in the State.

The commission is required to annually certify the average cost of producing, issuing, renewing, and publicizing the availability of the specialty license plates. If the average cost per plate exceeds \$50 in two consecutive fiscal years, the chief administrator may discontinue the “Equality” license plate program. The bill also requires that the Executive Director of Garden State Equality appoint a liaison to represent Garden State Equality in all communications with the commission regarding the “Equality” license plates.

The bill provides that State or other public funds are not to be used by the commission for the initial cost to implement the “Equality” license plate program. The bill requires Garden State Equality, or the individual or entity designated by Garden State Equality, to contribute non-public monies, not to exceed \$25,000, to offset the initial costs to design, produce, issue, and publicize the license plates. The bill authorizes Garden State Equality to receive funds from private sources to be used to offset the initial costs.

The chief administrator is not required to design, produce, issue, or publicize the availability of the “Equality” license plates, until: (1) Garden State Equality, or its designee, has provided the commission with the money necessary to offset the initial costs incurred by the commission in establishing the “Equality” license plate program; and (2) Garden State Equality’s liaison has provided

A4790 WISNIEWSKI, VAINIERI HUTTLE

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1 the commission with a minimum of 500 completed applications for
2 the “Equality” license plates, upon the availability for purchase of
3 those license plates.

4 The provisions of the bill will remain inoperative until the
5 appropriate applications and fees required to offset the initial costs
6 incurred by the commission are provided by Garden State Equality
7 or its designee. The bill expires after 12 months if sufficient
8 applications and fees to offset the initial costs are not received.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 4790
STATE OF NEW JERSEY
217th LEGISLATURE

DATED: DECEMBER 20, 2017

SUMMARY

Synopsis: Establishes special “Equality” license plates

Type of Impact: Increased State cost and revenue.

Agencies Affected: New Jersey Motor Vehicle Commission (MVC)

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$65,700	Indeterminate – See comments below.	
State Revenue	\$50,000	At least \$15,700 – See comments below.	

- The Office of Legislative Services (OLS) finds that the bill will have a limited net fiscal impact on the State. The bill establishes the Equality license plate program in such a manner that the New Jersey Motor Vehicle Commission (MVC) may fully recover the expenses it incurs in administering the program. It is unclear how many applications for the specialty license plate the MVC will receive.
- The MVC has identified its initial cost of designing and establishing a new license plate series as \$62,000, which is largely attributable to computer system changes. The per plate cost of an initial 550 plate run from the vendor is \$6.60 per plate, for a total cost of \$65,700.
- The MVC will receive a \$50 Equality license plate application fee as revenue in addition to a \$10 annual renewal fee. Fee collections will first reimburse the MVC for the expenses it incurs in administering the license plate program. Excess balances will then be deposited into the “Equality License Plate Fund” for disbursement to Garden State Equality, LLC. In addition, the MVC will have to receive an initial payment of up to \$25,000 and a minimum of 500 completed Equality license plate applications from Garden State Equality representatives, for a total of \$50,000 to offset initial costs before license plate production begins. The MVC will be then be permitted to retain amounts from the \$10 annual renewal fee until it is fully reimbursed for its costs. After the MVC has recovered its costs, all revenues from the \$50 new application fee and the \$10 renewal fee will accrue to Garden State Equality, LLC.

BILL DESCRIPTION

This bill authorizes the Chief Administrator (chief administrator) of the MVC to issue special “Equality” license plates.

In addition to all fees otherwise required by law for the registration of a motor vehicle, there is an application fee of \$50 and an annual renewal fee of \$10 for the “Equality” license plates. After the deduction of the cost of designing, producing, issuing, renewing, and publicizing the plates and of any computer programming changes that are necessary to implement the license plate program, in an amount not to exceed \$150,000, the additional fees will be deposited into a special non-lapsing fund known as the “Equality License Plate Fund.” The proceeds of the fund are to be annually appropriated to Garden State Equality.

The MVC is required to annually certify the average cost of producing, issuing, renewing, and publicizing the availability of the specialty license plates. If the average cost per plate exceeds \$50 in two consecutive fiscal years, the chief administrator may discontinue the “Equality” license plate program.

The bill provides that State or other public funds are not to be used by the MVC for the initial cost to implement the “Equality” license plate program. The bill requires Garden State Equality, or the individual or entity designated by Garden State Equality, to contribute non-public monies, not to exceed \$25,000, to offset the initial costs to design, produce, issue, and publicize the license plates.

The chief administrator is not required to design, produce, issue, or publicize the availability of the “Equality” license plates, until: (1) Garden State Equality, or its designee, has provided the MVC with the money necessary to offset the initial costs incurred by the MVC in establishing the “Equality” license plate program; and (2) Garden State Equality’s liaison has provided the MVC with a minimum of 500 completed applications for the “Equality” license plates, upon the availability for purchase of those license plates.

The provisions of the bill will remain inoperative until the appropriate applications and fees required to offset the initial costs incurred by the MVC are provided by Garden State Equality or its designee. The bill expires after 12 months if sufficient applications and fees to offset the initial costs are not received.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will have a limited net fiscal impact on the State. The bill establishes the Equality license plate program in such a manner that the MVC may fully recover the expenses it incurs in administering the program. But the MVC may also, at its discretion, operate the program at a net cost. It is unclear how many applications for the specialty license plate the MVC will receive. If the amount of applications for license plates is less than 500 in the first 12 months following the effective date the bill will expire without creation of the license plate program. If the amount of applications for license plates is greater than 500, the MVC will

be able to recover its costs within three years of the creation of the program, from the initial fees and the three years of annual renewal fees.

Before the MVC begins designing and producing the license plates, Garden State Equity, LLC or an entity designated by the organization is required to provide \$25,000 and pre-register 500 applicants for the license plates. This requirement ensures that the MVC will be able to recover its initial costs in producing the license plates, and if enough funds are not provided, the MVC will not be required to produce the license plates. The fee is required to come from private sources, so the \$25,000 is not expected to be a State or local cost.

Upon production of the license plates, the MVC may still discontinue the program if the cost of license plate production exceeds \$50 per license plate, which is the initial fee that the MVC will collect for each license plate. This ensures that the MVC will not experience any net costs in the administration of this license plate program. The current cost per plate to the MVC is \$6.60 per plate so it is unlikely that the MVC will experience any net cost in the administration of the program.

The MVC provided information in response to OLS budget questions indicating that the MVC faces an upfront cost of \$65,700 to setup a license plate program, which includes computer changes and the initial print run of 550 license plates. The requirements of the bill would provide the MVC with the first \$50,000 of those costs through the initial \$25,000 and first 500 license plate sales. The remaining \$15,700 will either be recovered through the sale of additional Equality license plates or by retaining the \$10 annual fee. The first 500 plate sales will generate \$5,000 per year from the \$10 annual renewal fee, so even if no other plates were purchased under the program, the MVC would recover the remaining \$15,000 in costs after 3 years of the annual fee collection.

Under the bill the MVC is limited in its ability to obtain net revenues through the program because the bill requires the MVC to deposit all funds that it collects through program fees into a special fund to be appropriated to Garden State Equality, LLC, once the MVC has subtracted its costs in administering the program. This provision prevents the MVC from realizing net revenues in administering the program. The combination of guaranteed fee collection for MVC and the limit on retaining any fees greater than its costs, creates a scenario where there is likely to be no fiscal impact to the MVC in the administration of this license plate program.

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.).

SENATE, No. 3406

STATE OF NEW JERSEY
217th LEGISLATURE

INTRODUCED JUNE 29, 2017

Sponsored by:
Senator M. TERESA RUIZ
District 29 (Essex)

SYNOPSIS

Establishes special “Equality” license plates.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT providing for the issuance of “Equality” license plates and
2 supplementing chapter 3 of Title 39 of the Revised Statutes.

3

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

6

7 1. a. Upon proper application, the Chief Administrator of the
8 New Jersey Motor Vehicle Commission shall issue “Equality”
9 license plates for any motor vehicle owned or leased and registered
10 in this State. In addition to the registration number and other
11 markings or identification otherwise prescribed by law, the license
12 plate shall display the Garden State Equality, LLC (“Garden State
13 Equality”) emblem, consisting of: an image of a silhouette of the
14 mathematical equivalency sign in the background and the shape of
15 the State of New Jersey in a circle in the foreground. The chief
16 administrator shall select the design and color scheme, in
17 consultation with Garden State Equality. The “Equality” license
18 plates shall be subject to the provisions of chapter 3 of Title 39 of
19 the Revised Statutes, except as hereinafter otherwise specifically
20 provided.

21 b. Application for issuance of an “Equality” license plate shall
22 be made to the chief administrator on forms and in a manner
23 prescribed by the chief administrator. In order to be deemed
24 complete, an application shall be accompanied by a fee of \$50,
25 payable to the New Jersey Motor Vehicle Commission, which shall
26 be in addition to the fees otherwise prescribed by law for the
27 registration of a motor vehicle. The chief administrator shall collect
28 annually, subsequent to the year of issuance of the “Equality”
29 license plates, a \$10 fee for the license plates in addition to the fees
30 otherwise prescribed by law for the registration of a motor vehicle.
31 The additional fees required by this subsection shall be deposited in
32 the “Equality License Plate Fund” created pursuant to subsection c.
33 of this section.

34 c. There is created in the Department of the Treasury a special
35 non-lapsing fund to be known as the “Equality License Plate Fund.”
36 There shall be deposited in the fund the amount collected from all
37 license plate fees collected pursuant to subsection b. of this section,
38 less the amounts necessary to reimburse the commission for
39 administrative costs pursuant to subsection d. of this section.
40 Monies deposited in the fund shall be appropriated annually to
41 Garden State Equality and shall be used to support lesbian, gay,
42 bisexual, and transgender advocacy and educational programs in the
43 State. Monies deposited in the fund shall be held in interest-bearing
44 accounts in public depositories as defined pursuant to section 1 of
45 P.L.1970, c.236 (C.17:9-41), and may be invested or reinvested in
46 securities approved by the State Treasurer. Interest or other income
47 earned on monies deposited into the fund, and any monies which
48 may be appropriated or otherwise become available for the purposes

1 of the fund, shall be credited to and deposited in the fund for use as
2 set forth in P.L. , c. (C.) (pending before the Legislature
3 as this bill).

4 d. Prior to the deposit of the additional fees collected pursuant
5 to subsection b. of this section into the "Equality License Plate
6 Fund," amounts thereof as are necessary shall be used to reimburse
7 the commission for all costs reasonably and actually incurred, as
8 stipulated by the chief administrator, for:

9 (1) designing, producing, issuing, renewing, and publicizing the
10 availability of the "Equality" license plates; and

11 (2) any computer programming changes that may be initially
12 necessary to implement the "Equality" license plate program in an
13 amount not to exceed \$150,000.

14 The chief administrator shall annually certify to the State
15 Treasurer the average cost per license plate incurred in the
16 immediately preceding year by the commission in producing,
17 issuing, renewing, and publicizing the availability of the "Equality"
18 license plates. The annual certification of the average cost per
19 license plate shall be approved by the Joint Budget Oversight
20 Committee, or its successor.

21 In the event that the average cost per license plate as certified by
22 the chief administrator and approved by the Joint Budget Oversight
23 Committee, or its successor, is greater than the \$50 application fee
24 established in subsection b. of this section in two consecutive fiscal
25 years, the chief administrator may discontinue the issuance of
26 "Equality" license plates.

27 e. The chief administrator shall notify eligible motorists of the
28 opportunity to obtain "Equality" license plates by publicizing the
29 availability of the license plates on the commission's website.
30 Garden State Equality, and any other individual or entity designated
31 by the organization, may publicize the availability of the "Equality"
32 license plates in any manner that the organization deems
33 appropriate.

34 f. The chief administrator and Garden State Equality shall
35 develop and enter into a memorandum of agreement setting forth
36 the procedures to be followed in carrying out their respective
37 responsibilities under P.L. , c. (C.) (pending before the
38 Legislature as this bill).

39 g. The Executive Director of Garden State Equality shall
40 appoint a representative who shall act as a liaison between Garden
41 State Equality and the commission. The liaison shall represent
42 Garden State Equality in any and all communications with the
43 commission regarding the "Equality" license plates established by
44 P.L. , c. (C.) (pending before the Legislature as this bill).

45

46 2. a. State or public funds shall not be used by the
47 commission for the initial cost of:

48 (1) designing, producing, issuing, and publicizing the availability

1 of “Equality” license plates; or
2 (2) any computer programming changes which may be necessary
3 to implement the “Equality” license plate program established by
4 P.L. , c. (C.) (pending before the Legislature as this bill).
5 b. Garden State Equality, or the individual or entity designated
6 by Garden State Equality, shall contribute non-public monies in an
7 amount to be determined by the chief administrator, not to exceed a
8 total of \$25,000, to be used to offset the initial costs incurred by the
9 commission for designing, producing, issuing, and publicizing the
10 availability of “Equality” license plates, and any computer
11 programming which may be necessary to implement the program.
12 Concerned organizations and individual donors may contribute
13 monies to Garden State Equality to be used to offset the initial costs
14 incurred by the commission for the “Equality” license plates
15 authorized by P.L. , c. (C.) (pending before the
16 Legislature as this bill). Any amount remaining after the payment
17 of the initial cost shall be deposited in the “Equality License Plate
18 Fund” established pursuant to subsection c. of section 1 of
19 P.L. , c. (C.) (pending before the Legislature as this bill).
20 c. The commission shall not begin designing, producing,
21 issuing, or publicizing the availability of “Equality” license plates,
22 or making any necessary programming changes, until the following
23 requirements have been met:
24 (1) Garden State Equality, or the individual or entity designated
25 by Garden State Equality, has provided the commission with the
26 money necessary, as determined by the chief administrator pursuant
27 to subsection b. of this section, to offset the initial costs incurred by
28 the commission in establishing the “Equality” license plate
29 program; and
30 (2) The liaison appointed by Garden State Equality pursuant to
31 subsection g. of section 1 of P.L. , c. (C.) (pending before
32 the Legislature as this bill) has provided the commission with not
33 less than 500 completed applications for “Equality” license plates.
34 These applications shall constitute the initial order for “Equality”
35 license plates and shall be accompanied by a fee representing the
36 total cost of the initial order. The fee shall be determined by
37 multiplying the number of sets of license plates being ordered by
38 the applicable initial fee for each set of license plates as set forth in
39 subsection b. of section 1 of P.L. , c. (C.) (pending before
40 the Legislature as this bill).
41
42 3. This act shall take effect immediately, but shall remain
43 inoperative until the first day of the 13th month following the date
44 on which the conditions set forth in paragraphs (1) and (2) of
45 subsection c. of section 2 of this act have been satisfied. The chief
46 administrator may take anticipatory acts in advance of that date as
47 may be necessary for the timely implementation of this act. This
48 act shall expire if the conditions set forth in paragraphs (1) and (2)

1 of subsection c. of section 2 of this act are not satisfied by the last
2 day of the 12th month following enactment.

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STATEMENT

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7 This bill authorizes the Chief Administrator (chief administrator)
8 of the New Jersey Motor Vehicle Commission (commission) to
9 issue special “Equality” license plates. The purpose of the bill is to
10 support Garden State Equality, which is New Jersey’s statewide
11 education and advocacy organization for the lesbian, gay, bisexual,
12 and transgender community.

13 The bill provides that the design of the “Equality” license plate is
14 to display the Garden State Equality emblem, consisting of: an
15 image of a silhouette of the mathematical equivalency sign in the
16 background and the shape of the State of New Jersey in a circle in
17 the foreground.

18 In addition to all fees otherwise required by law for the
19 registration of a motor vehicle, there is an application fee of \$50
20 and an annual renewal fee of \$10 for the “Equality” license plates.
21 After the deduction of the cost of designing, producing, issuing,
22 renewing, and publicizing the plates and of any computer
23 programming changes that are necessary to implement the license
24 plate program, in an amount not to exceed \$150,000, the additional
25 fees will be deposited into a special non-lapsing fund known as the
26 “Equality License Plate Fund.” The proceeds of the fund are to be
27 annually appropriated to Garden State Equality to be used to
28 support lesbian, gay, bisexual, and transgender advocacy and
29 educational programs in the State.

30 The commission is required to annually certify the average cost
31 of producing, issuing, renewing, and publicizing the availability of
32 the specialty license plates. If the average cost per plate exceeds
33 \$50 in two consecutive fiscal years, the chief administrator may
34 discontinue the “Equality” license plate program. The bill also
35 requires that the Executive Director of Garden State Equality
36 appoint a liaison to represent Garden State Equality in all
37 communications with the commission regarding the “Equality”
38 license plates.

39 The bill provides that State or other public funds are not to be
40 used by the commission for the initial cost to implement the
41 “Equality” license plate program. The bill requires Garden State
42 Equality, or the individual or entity designated by Garden State
43 Equality, to contribute non-public monies, not to exceed \$25,000, to
44 offset the initial costs to design, produce, issue, and publicize the
45 license plates. The bill authorizes Garden State Equality to receive
46 funds from private sources to be used to offset the initial costs.

47 The chief administrator is not required to design, produce, issue,
48 or publicize the availability of the “Equality” license plates, until:

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1 (1) Garden State Equality, or its designee, has provided the
2 commission with the money necessary to offset the initial costs
3 incurred by the commission in establishing the “Equality” license
4 plate program; and (2) Garden State Equality’s liaison has provided
5 the commission with a minimum of 500 completed applications for
6 the “Equality” license plates, upon the availability for purchase of
7 those license plates.

8 The provisions of the bill will remain inoperative until the
9 appropriate applications and fees required to offset the initial costs
10 incurred by the commission are provided by Garden State Equality
11 or its designee. The bill expires after 12 months if sufficient
12 applications and fees to offset the initial costs are not received.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3406
STATE OF NEW JERSEY
217th LEGISLATURE

DATED: DECEMBER 20, 2017

SUMMARY

Synopsis: Establishes special “Equality” license plates.

Type of Impact: Increased State cost and revenue.

Agencies Affected: New Jersey Motor Vehicle Commission (MVC)

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$65,700	Indeterminate – See comments below.	
State Revenue	\$50,000	At least \$15,700 – See comments below.	

- The Office of Legislative Services (OLS) finds that the bill will have a limited net fiscal impact on the State. The bill establishes the Equality license plate program in such a manner that the New Jersey Motor Vehicle Commission (MVC) may fully recover the expenses it incurs in administering the program. It is unclear how many applications for the specialty license plate the MVC will receive.
- The MVC has identified its initial cost of designing and establishing a new license plate series as \$62,000, which is largely attributable to computer system changes. The per plate cost of an initial 550 plate run from the vendor is \$6.60 per plate, for a total cost of \$65,700.
- The MVC will receive a \$50 Equality license plate application fee as revenue in addition to a \$10 annual renewal fee. Fee collections will first reimburse the MVC for the expenses it incurs in administering the license plate program. Excess balances will then be deposited into the “Equality License Plate Fund” for disbursement to Garden State Equality. In addition, the MVC will receive an initial payment of up to \$25,000 and a minimum of 500 completed Equality license plate applications from Garden State Equality representatives, for a total of \$50,000 to offset initial costs before license plate production begins. The MVC will then be permitted to retain amounts from the \$10 annual renewal fee until it is fully reimbursed for its costs. After the MVC has recovered its costs, all revenues from the \$50 new application fee and the \$10 renewal fee will accrue to Garden State Equality.

BILL DESCRIPTION

This bill authorizes the Chief Administrator (chief administrator) of the MVC to issue special Equality license plates.

In addition to all fees otherwise required by law for the registration of a motor vehicle, there is an application fee of \$50 and an annual renewal fee of \$10 for the Equality license plates. After the deduction of the cost of designing, producing, issuing, renewing, and publicizing the plates and of any computer programming changes that are necessary to implement the license plate program, in an amount not to exceed \$150,000, the additional fees will be deposited into a special non-lapsing fund known as the "Equality License Plate Fund." The proceeds of the fund are to be annually appropriated to Garden State Equality.

The MVC is required to annually certify the average cost of producing, issuing, renewing, and publicizing the availability of the specialty license plates. If the average cost per plate exceeds \$50 in two consecutive fiscal years, the chief administrator may discontinue the Equality license plate program.

The bill provides that State or other public funds are not to be used by the MVC for the initial cost to implement the Equality license plate program. The bill requires Garden State Equality, or the individual or entity designated by Garden State Equality, to contribute non-public monies, not to exceed \$25,000, to offset the initial costs to design, produce, issue, and publicize the license plates.

The MVC is not required to design, produce, issue, or publicize the availability of the Equality license plates, until: (1) Garden State Equality, or its designee, has provided the MVC with the money necessary to offset the initial costs incurred by the MVC in establishing the Equality license plate program; and (2) Garden State Equality's liaison has provided the MVC with a minimum of 500 completed applications for the Equality license plates, upon the availability for purchase of those license plates.

The provisions of the bill will remain inoperative until the first day of the 13th month following the date on which the appropriate applications and fees required to offset the initial costs incurred by the MVC are provided by Garden State Equality or its designee. The bill expires on the last day of the 12th month following enactment if sufficient applications and fees to offset the initial costs are not received.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will have a limited net fiscal impact on the State. The bill establishes the Equality license plate program in such a manner that the MVC may fully recover the expenses it incurs in administering the program. But the MVC may also, at its discretion, operate the program at a net cost. It is unclear how many applications for the specialty license plate the MVC will receive. If the amount of applications for license plates is less than 500 in the first 12 months following the effective date, the bill will expire without creation of the license plate program. If the amount of applications for license plates is greater than 500, the

MVC will be able to recover its costs within three years of the creation of the program, from the initial fees and the three years of annual renewal fees.

Before the MVC begins designing and producing the license plates, Garden State Equity or an entity designated by the organization is required to provide \$25,000 and pre-register 500 applicants for the license plates. This requirement ensures that the MVC will be able to recover its initial costs in producing the license plates, and if enough funds are not provided, the MVC will not be required to produce the license plates. The fee is required to come from private sources, so the \$25,000 is not expected to be a State or local cost.

Upon production of the license plates, the MVC may still discontinue the program if the cost of license plate production exceeds \$50 per license plate, which is the initial fee that the MVC will collect for each license plate. This ensures that the MVC will not experience any net costs in the administration of this license plate program. The current cost per plate to the MVC is \$6.60, so it is unlikely that the MVC will experience any net cost in the administration of the program.

The MVC provided information in response to OLS budget questions indicating that the MVC faces an upfront cost of \$65,700 to setup a license plate program, which includes computer changes and the initial print run of 550 license plates. The requirements of the bill would provide the MVC with the first \$50,000 of those costs through the initial \$25,000 and first 500 license plate sales. The remaining \$15,700 will either be recovered through the sale of additional Equality license plates or by retaining the \$10 annual fee. The first 500 plate sales will generate \$5,000 per year from the \$10 annual renewal fee, so even if no other plates were purchased under the program, the MVC would recover the remaining \$15,000 in costs after 3 years of the annual fee collection.

Under the bill the MVC is limited in its ability to obtain net revenues through the program because the bill requires the MVC to deposit all funds that it collects through program fees into a special fund to be appropriated to Garden State Equality, once the MVC has subtracted its costs in administering the program. This provision prevents the MVC from profiting from administering the program. The combination of guaranteed fee collection for MVC and the limit on retaining any fees greater than its costs, creates a scenario where there is likely to be no net fiscal impact to the MVC in the administration of this license plate program.

Section: Authorities, Utilities, Transportation and Communications

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

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