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P.L. 2005, CHAPTER 311, *approved January 11, 2006*
Assembly, No. 4584 (*Second Reprint*)

1 AN ACT concerning ¹additional motor vehicle registration fees to
2 fund¹ the New Jersey Emergency Medical Service Helicopter
3 Response Program ¹and State Police trooper classes¹ and amending
4 P.L.1992, c.87.

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

8
9 1. Section 1 of P.L.1992, c.87 (C.39:3-8.2) is amended to read as
10 follows:

11 1. a. In addition to the motor vehicle registration fees imposed
12 pursuant to the provisions of chapter 3 of Title 39 of the Revised
13 Statutes, the [director] chief administrator shall impose and collect an
14 additional fee of [~~\$1~~] ¹~~[\$4]~~ \$3¹ to be deposited in the New Jersey
15 Emergency Medical Service Helicopter Response Program Fund
16 created pursuant to section 2 of P.L.1992, c.87 (C.26:2K-36.1).

17 b. In addition to the motor vehicle registration fees imposed
18 pursuant to the provisions of chapter 3 of Title 39 of the Revised
19 Statutes, the [director] chief administrator shall impose and collect an
20 additional fee of \$.50 to be deposited in the Traumatic Brain Injury
21 Fund established pursuant to section 5 of P.L.2001, c.332
22 (C.30:6F-5).

23 ¹c. In addition to the motor vehicle registration fees imposed
24 pursuant to the provisions of chapter 3 of Title 39 of the Revised
25 Statutes, the chief administrator shall impose and collect an additional
26 fee of \$1, which shall be deposited to a separate account dedicated for
27 the funding of new State Police trooper classes. The Legislature shall
28 annually appropriate the balance of the separate account to the
29 Department of Law and Public Safety for the Division of State Police
30 for the funding of new State Police trooper classes.¹

31 (cf: P.L.2001, c.332, s.9)

32
33 2. This act shall take effect on ²[the first day of the third month
34 following enactment] July 1, 2006².

35
36
37
38 Increases motor vehicle registration fees to cover capital and
39 operational costs of State's emergency medical helicopter program and
40 fund new State Police trooper classes.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAP committee amendments adopted December 8, 2005.

² Senate SBA committee amendments adopted January 5, 2006.

ASSEMBLY, No. 4584

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED DECEMBER 5, 2005

Sponsored by:

Assemblyman ALBIO SIRES

District 33 (Hudson)

Assemblywoman JOAN M. QUIGLEY

District 32 (Bergen and Hudson)

Assemblyman LOUIS D. GREENWALD

District 6 (Camden)

SYNOPSIS

Increases fee to cover capital and operational costs of State's emergency medical helicopter program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/9/2005)

A4584 SIRES, QUIGLEY

2

1 AN ACT concerning the New Jersey Emergency Medical Service
2 Helicopter Response Program and amending P.L.1992, c.87.

3

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

6

7 1. Section 1 of P.L.1992, c.87 (C.39:3-8.2) is amended to read as
8 follows:

9 1. a. In addition to the motor vehicle registration fees imposed
10 pursuant to the provisions of chapter 3 of Title 39 of the Revised
11 Statutes, the [director] chief administrator shall impose and collect an
12 additional fee of [~~\$1~~] \$4 to be deposited in the New Jersey
13 Emergency Medical Service Helicopter Response Program Fund
14 created pursuant to section 2 of P.L.1992, c.87 (C.26:2K-36.1).

15 b. In addition to the motor vehicle registration fees imposed
16 pursuant to the provisions of chapter 3 of Title 39 of the Revised
17 Statutes, the [director] chief administrator shall impose and collect an
18 additional fee of \$.50 to be deposited in the Traumatic Brain Injury
19 Fund established pursuant to section 5 of P.L.2001, c.332
20 (C.30:6F-5).

21 (cf: P.L. 2001, c.332, s.9)

22

23 2. This act shall take effect on the first day of the third month
24 following enactment.

25

26

27

STATEMENT

28

29 This bill increases the fee that is added to each motor vehicle
30 registration to pay the operational and maintenance costs of the New
31 Jersey Emergency Medical Service Helicopter Response Program.

32 This program was established in 1992 and it was expected that the
33 \$1 fee would cover not only the operational costs of the program, but
34 also generate a surplus that could be utilized for helicopter
35 replacement and maintenance.

36 The current \$1 fee, however, is insufficient to cover the actual
37 operational costs of the program. As a result, supplemental
38 appropriations from the General Fund have been required in recent
39 years to maintain the program and there have been no moneys to either
40 replace or retrofit the State's four medevac helicopters that are, on
41 average, 15 years old.

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.

A4584 SIRES, QUIGLEY

3

1 The increase to \$4 proposed in the bill would provide sufficient
2 funding to fully cover the program's operational costs and capital
3 needs.

4 The bill also updates references to the Chief Administrator of the
5 New Jersey Motor Vehicle Commission.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4584

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 8, 2005

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4584, with committee amendments.

Assembly Bill No. 4584, as amended, increases the fees that are added to each motor vehicle registration to pay the operational and maintenance costs of the New Jersey Emergency Medical Service Helicopter Response Program and to fund State Police trooper classes.

The bill increases the current \$1 additional registration fee for the New Jersey Emergency Medical Service Helicopter Response Program Fund from \$1 to \$3 per registration, and establishes an additional registration fee of \$1 dedicated to funding new State Police trooper classes.

The bill also updates references to the Chief Administrator of the New Jersey Motor Vehicle Commission.

FISCAL IMPACT:

The New Jersey Emergency Medical Service Helicopter Response Program was established in 1992 and it was then expected that the \$1 fee would cover not only the operational costs of the program, but also generate a surplus that could be utilized for helicopter replacement and maintenance. The current \$1 fee, however, is insufficient to cover the actual operational costs of the program. As a result, supplemental appropriations from the General Fund have been required in recent years to maintain the program and there have been no moneys to either replace or retrofit the State's four medevac helicopters that are, on average, 15 years old.

Each additional dollar of fee generates between \$6 and \$7 million annually. Budgeted State Fiscal Year 2005 costs for the helicopter fleet were approximately \$7.6 million. The increase in fee would provide additional funds of between \$12 million and \$14 million annually. This increased funding is expected to provide sufficient funding to fully cover the program's operational costs and capital needs.

The \$1 fee dedicated to new State Police trooper classes would provide between \$6 million and \$7 million annually. This would be expected to be sufficient to fund four 50-trooper classes annually,

based on training costs of approximately \$31,000 per graduating recruit.

COMMITTEE AMENDMENTS:

The amendments replace a provision that would have increased the fee for the Emergency Medical Service Helicopter Response Program from \$1 to \$4 with provisions that increase the helicopter fee from \$1 to \$3 and establish the \$1 fee for funding new State Police trooper classes.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 4584

(with committee amendments)

STATE OF NEW JERSEY

DATED: JANUARY 5, 2006

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 4584 (1R), with committee amendments.

This bill increases the fees that are added to each motor vehicle registration to pay the operational and maintenance costs of the New Jersey Emergency Medical Service Helicopter Response Program and to fund State Police trooper classes.

The bill increases the current \$1 additional registration fee for the New Jersey Emergency Medical Service Helicopter Response Program Fund from \$1 to \$3 per registration, and establishes an additional registration fee of \$1 dedicated to funding new State Police trooper classes.

The bill also updates references to the Chief Administrator of the New Jersey Motor Vehicle Commission.

As amended and reported, this bill is identical to Senate Bill No. 2934, as also amended and reported by the committee.

COMMITTEE AMENDMENTS:

The committee amended the bill to change the effective date from the first day of the third month after enactment to July 1, 2006.

FISCAL IMPACT:

The New Jersey Emergency Medical Service Helicopter Response Program was established in 1992 and it was then expected that the \$1 fee would cover not only the operational costs of the program, but also generate a surplus that could be utilized for helicopter replacement and maintenance. The current \$1 fee, however, is insufficient to cover the actual operational costs of the program. As a result, supplemental appropriations from the General Fund have been required in recent years to maintain the program and there have been no moneys to either replace or retrofit the State's four medevac helicopters that are, on average, 15 years old.

Each dollar added to the registration fee is expected to generate between \$6 and \$7 million annually. Budgeted State Fiscal Year 2005

costs for the helicopter fleet were approximately \$7.6 million. The \$2 increase in the fee will provide additional funds of between \$12 million and \$14 million annually. This increased funding is expected to provide sufficient funding to fully cover the program's annual, estimated operational costs and capital needs.

The \$1 fee dedicated to new State Police trooper classes is estimated to provide between \$6 million and \$7 million annually. This is expected to be sufficient to fund four 50-trooper classes annually, based on training costs of approximately \$31,000 per graduating recruit.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 4584
STATE OF NEW JERSEY
211th LEGISLATURE

DATED: DECEMBER 27, 2005

SUMMARY

Synopsis: Increases fee to cover capital and operational costs of State's emergency medical helicopter program.

Type of Impact: Revenue Increase.

Agencies Affected: Department of Law and Public Safety.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
State Cost	Minimal cost to update and collect additional revenue.		
State Revenue	\$18-\$21 Million	\$18-\$21 Million	\$18-\$21 Million

- ! The Office of Legislative Services estimates that the Motor Vehicle Commission (MVC) will annually collect between \$24,000,000 and \$28,000,000 in fees from a \$4 surcharge, an increase of \$18,000,000 to \$21,000,000 above current collections.
- ! Increases fee for the New Jersey Emergency Medical Service Helicopter Response Program Fund from \$1 to \$4. This increase would continue to pay for the operational and maintenance costs and provide revenue to purchase new helicopters to replace the existing fleet.

BILL DESCRIPTION

Assembly Bill No. 4584 of 2005 increases the fee which is added to each motor vehicle registration to pay the operational and maintenance costs of the New Jersey Emergency Medical Service Helicopter Response Program.

This program was established in 1992 and it was expected that the \$1 fee would cover not only the operational costs of the program, but also generate a surplus that could be utilized for helicopter replacement and maintenance.

The current \$1 fee, however, is insufficient to cover the actual operational costs of the program. As a result, supplemental appropriations from the General Fund have been required in recent years to maintain the program and there have been no moneys to either replace or retrofit the State's four Medevac helicopters that are, on average, 15 years old.

The increase to \$4 proposed in the bill would provide sufficient funding to fully cover the program's operational costs and capital needs.

FISCAL ANALYSIS

EXECUTIVE BRANCH

According to a spokesman with the Office of the Attorney General, the budgeted Fiscal Year 2005 costs for the helicopter fleet are \$7,574,034.48. The total expenses for Fiscal Year 2004, Fiscal Year 2003 and Fiscal Year 2002 were \$7,845,866, \$6,082,277 and \$5,870,427 respectively.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services estimates that the MVC will annually collect between \$24,000,000 and \$28,000,000 in fees from a \$4 surcharge, an increase of \$18,000,000 to \$21,000,000 above current collections.

The MVC has been collecting a \$1 surcharge on motor vehicle registrations since 1999 to fund the operations of the State Police helicopter fleet. This surcharge generates between \$6 million and \$7 million annually. An estimated \$1.8 million is transferred to the Department of Health for services of medical personnel. The remaining funding amount, which is allocated to the Department of Law and Public Safety, does not fully cover the expenses associated with the operation and maintenance of the helicopter fleet.

The current fleet is comprised of four Medevac helicopters which are on average, 15 years old. The revenue currently raised does not provide sufficient moneys to cover the costs of new helicopters. A new twin engine Sikorsky, for example is estimated to cost \$12.5 million, depending on the amount and type of equipment added. The additional \$3 increase on motor vehicle registrations will provide the funding necessary to purchase new helicopters within one to two years after the bill's implementation.

The Office of Legislative Services notes that while the \$3 surcharge increase will provide the additional revenue needed to purchase replacement helicopters quickly, in future years it will generate more revenue than is needed to annually fund the operational and maintenance costs of the New Jersey Emergency Medical Service Helicopter Response Program.

Section: *Law and Public Safety*

Analyst: *Kristin A. Brunner*
Associate Fiscal Analyst

Approved: *David J. Rosen*
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY, No. 4584

STATE OF NEW JERSEY

211th LEGISLATURE

DATED: FEBRUARY 16, 2006

SUMMARY

Synopsis: Increases surcharge motor vehicle registration fee to cover capital and operational costs of State's emergency medical helicopter program and to fund additional State Police trooper classes.

Type of Impact: Revenue Increase.

Agencies Affected: Department of Law and Public Safety,

Office of Legislative Services Estimate

Fiscal Impact	FY 2006	FY 2007	FY 2008
State Cost	Minimal cost to update and collect additional revenue.		
State Revenue	\$18-\$21 Million	\$18-\$21 Million	\$18-\$21 Million

- ! The Office of Legislative Services estimates that the Motor Vehicle Commission annually will collect between \$24,000,000 and \$28,000,000 in fees from the \$4 surcharge proposed under this bill, an increase of \$18,000,000 to \$21,000,000 above current collections generated by a \$1 surcharge.
- ! Increases surcharge fee for the New Jersey Emergency Medical Service Helicopter Response Program Fund from \$1 to \$3 to cover the operational and maintenance costs associated with the program and to provide revenue to purchase new helicopters to replace the existing fleet. This surcharge will generate between \$18,000,000 and \$21,000,000 annually.
- ! Imposes an additional surcharge fee of \$1 to fund new State Police trooper classes. This surcharge will generate between \$6,000,000 and \$7,000,000.

BILL DESCRIPTION

Assembly Bill No. 4584 (2R) of 2005 increases the fee which is added to each motor vehicle registration to cover the operational, maintenance and capital costs associated with the New Jersey Emergency Medical Service Helicopter Response Program and to provide funding for State Trooper classes.

The New Jersey Emergency Medical Service Helicopter Response Program was established

in 1992 and it was expected that the \$1 surcharge fee incorporated in the enabling legislation would cover not only the operational costs of the program, but also generate a surplus that could be utilized for helicopter replacement and maintenance.

The current \$1 fee, however, is insufficient to cover the actual operational costs of the program. As a result, supplemental appropriations from the General Fund have been required in recent years to maintain the program and there have been no moneys to either replace or retrofit the State's four Medevac helicopters that are, on average, 15 years old.

The total \$3 surcharge proposed in the bill would generate between \$18,000,000 and \$21,000,000 annually, providing sufficient funding to fully cover the program's operational costs and capital needs.

The additional \$1 surcharge fee proposed under the bill is to fund State Police trooper classes. This surcharge would generate between \$6,000,000 and \$7,000,000 annually, which is to be deposited in a separate dedicated account. Under the bill, the Legislature is to annually appropriate the balance in this fund to the Department of Law and Public Safety for the funding of new State Police trooper classes.

FISCAL ANALYSIS

EXECUTIVE BRANCH

According to a spokesperson with the Office of the Attorney General, the budgeted FY05 costs for the helicopter fleet are \$7,574,034.48. The total expenses for FY04, FY03 and FY02 were \$7,845,866; \$6,082,277 and \$5,870,427 respectively.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services estimates that the Motor Vehicle Commission will annually collect between \$24,000,000 and \$28,000,000 in fees from a \$4 surcharge, an increase of \$18,000,000 to \$21,000,000 above current collections.

The MVC has been collecting a \$1 surcharge on motor vehicle registrations since 1999 to fund the operations of the State Police helicopter fleet. This surcharge generates between \$6,000,000 and \$7,000,000 annually. An estimated \$1.8 million of that amount is transferred each year to the Department of Health and Senior Services for medical personnel services. The remaining amount, which is allocated to the Department of Law and Public Safety, does not fully cover the expenses associated with the operation and maintenance of the helicopter fleet.

The current fleet is comprised of four Medevac helicopters which are, on average, 15 years old. The revenue currently raised does not provide sufficient moneys to cover the costs of new helicopters. A new twin engine Sikorsky, for example, is estimated to cost \$12,500,000, depending on the amount and type of equipment added. The additional \$2 surcharge on motor vehicle registrations, which will generate between \$12,000,000 and \$14,000,000 annually, will provide the funding necessary to purchase new helicopters within one to two years after the bill's implementation.

The Office of Legislative Services notes that while the new \$2 surcharge will provide the additional revenue needed to purchase replacement helicopters quickly, in future years it will generate more revenue than is needed to cover the annual operational and maintenance costs of the New Jersey Emergency Medical Service Helicopter Response Program.

The \$1 surcharge to fund State Police trooper classes will generate between \$6,000,000 and \$7,000,000 annually. Since it costs approximately \$31,000 to train a State Police trooper, this surcharge will generate sufficient revenues to fund four 50 member trooper classes each year.

Section: *Law and Public Safety*

Analyst: *Kristin A. Brunner*
Associate Fiscal Analyst

Approved: *David J. Rosen*
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

SENATE, No. 2934

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED DECEMBER 15, 2005

Sponsored by:

Senator BERNARD F. KENNY, JR.

District 33 (Hudson)

Senator JOSEPH V. DORIA, JR.

District 31 (Hudson)

SYNOPSIS

Increases motor vehicle registration fees to cover capital and operational costs of State's emergency medical helicopter program and fund new State Police trooper classes.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/16/2005)

S2934 KENNY, DORIA

2

1 AN ACT concerning additional motor vehicle registration fees to fund
2 the New Jersey Emergency Medical Service Helicopter Response
3 Program and State Police trooper classes and amending P.L.1992,
4 c.87.

5

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

8

9 1. Section 1 of P.L.1992, c.87 (C.39:3-8.2) is amended to read as
10 follows:

11 1. a. In addition to the motor vehicle registration fees imposed
12 pursuant to the provisions of chapter 3 of Title 39 of the Revised
13 Statutes, the [director] chief administrator shall impose and collect an
14 additional fee of [~~\$1~~] \$3 to be deposited in the New Jersey
15 Emergency Medical Service Helicopter Response Program Fund
16 created pursuant to section 2 of P.L.1992, c.87 (C.26:2K-36.1).

17 b. In addition to the motor vehicle registration fees imposed
18 pursuant to the provisions of chapter 3 of Title 39 of the Revised
19 Statutes, the [director] chief administrator shall impose and collect an
20 additional fee of \$.50 to be deposited in the Traumatic Brain Injury
21 Fund established pursuant to section 5 of P.L.2001, c.332
22 (C.30:6F-5).

23 c. In addition to the motor vehicle registration fees imposed
24 pursuant to the provisions of chapter 3 of Title 39 of the Revised
25 Statutes, the chief administrator shall impose and collect an additional
26 fee of \$1, which shall be deposited to a separate account dedicated for
27 the funding of new State Police trooper classes. The Legislature shall
28 annually appropriate the balance of the separate account to the
29 Department of Law and Public Safety for the Division of State Police
30 for the funding of new State Police trooper classes.

31 (cf: P.L.2001, c.332, s.9)

32

33 2. This act shall take effect on the first day of the third month
34 following enactment.

35

36

37

STATEMENT

38

39 This bill increases the fees that are added to each motor vehicle
40 registration to pay the operational and maintenance costs of the New
41 Jersey Emergency Medical Service Helicopter Response Program and
42 to fund State Police trooper classes.

43 The New Jersey Emergency Medical Service Helicopter Response

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.

S2934 KENNY, DORIA

3

1 Program was established in 1992 and it was then expected that the \$1
2 fee would cover not only the operational costs of the program, but
3 also generate a surplus that could be utilized for helicopter
4 replacement and maintenance. The current \$1 fee, however, is
5 insufficient to cover the actual operational costs of the program. As
6 a result, supplemental appropriations from the General Fund have been
7 required in recent years to maintain the program and there have been
8 no moneys to either replace or retrofit the State's four medevac
9 helicopters that are, on average, 15 years old.

10 The bill increases the current \$1 additional registration fee for the
11 New Jersey Emergency Medical Service Helicopter Response Program
12 Fund from \$1 to \$3 per registration, and establishes an additional
13 registration fee of \$1 dedicated to funding new State Police trooper
14 classes.

15 The bill also updates references to the Chief Administrator of the
16 New Jersey Motor Vehicle Commission.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2934

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 5, 2006

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2934, with committee amendments.

This bill increases the fees that are added to each motor vehicle registration to pay the operational and maintenance costs of the New Jersey Emergency Medical Service Helicopter Response Program and to fund State Police trooper classes.

The bill increases the current \$1 additional registration fee for the New Jersey Emergency Medical Service Helicopter Response Program Fund from \$1 to \$3 per registration, and establishes an additional registration fee of \$1 dedicated to funding new State Police trooper classes.

The bill also updates references to the Chief Administrator of the New Jersey Motor Vehicle Commission.

As amended and reported, this bill is identical to Assembly Bill No. 4584 (1R), as also amended and reported by the committee.

COMMITTEE AMENDMENTS:

The committee amended the bill to change the effective date from the first day of the third month after enactment to July 1, 2006.

FISCAL IMPACT:

The New Jersey Emergency Medical Service Helicopter Response Program was established in 1992 and it was then expected that the \$1 fee would cover not only the operational costs of the program, but also generate a surplus that could be utilized for helicopter replacement and maintenance. This fee generates between \$6 to \$7 million annually. An estimated \$1.8 million of that amount is transferred each year to the Department of Health and Senior Services of medical personnel services. Budgeted State Fiscal Year 2005 costs for the helicopter fleet were approximately \$7.6 million. The current \$1 fee is insufficient to cover the actual operational costs of the program. As a result, supplemental appropriations from the General Fund have been required in recent years to maintain the program and there have been no moneys to either replace or retrofit the State's four

Medevac helicopters that are, on average, 15 years old.

The Office of Legislative Services (OLS) notes that the \$2 increase in the fee will provide additional funds of between \$12 million and \$14 million annually. An annual total yield from the aggregate \$3 fee for the New Jersey Emergency Medical Service Helicopter Response Program will generate between \$18,000,000 and \$21,000,000 annually, which will provide the funding necessary to purchase new helicopters within one to two years after the bill's implementation. The OLS notes that additional \$2 fee in future years will generate more revenue than is needed to cover the annual operational and maintenance costs of the New Jersey Emergency Medical Service Helicopter Response Program.

The additional \$1 fee dedicated to new State Police trooper classes is estimated to provide between \$6 million and \$7 million annually. This is expected to be sufficient to fund four 50-trooper classes annually, based on training costs of approximately \$31,000 per graduating recruit.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2934

STATE OF NEW JERSEY

211th LEGISLATURE

DATED: FEBRUARY 21, 2006

SUMMARY

Synopsis: Increases surcharge motor vehicle registration fee to cover capital and operational costs of State's emergency medical helicopter program and to fund additional State Police trooper classes.

Type of Impact: Revenue Increase.

Agencies Affected: Department of Law and Public Safety,

Office of Legislative Services Estimate

Fiscal Impact	FY 2006	FY 2007	FY 2008
State Cost	Minimal cost to update and collect additional revenue.		
State Revenue	\$18-\$21 Million	\$18-\$21 Million	\$18-\$21 Million

- ! The Office of Legislative Services estimates that the Motor Vehicle Commission annually will collect between \$24,000,000 and \$28,000,000 in fees from the \$4 surcharge proposed under this bill, an increase of \$18,000,000 to \$21,000,000 above current collections generated by a \$1 surcharge.
- ! Increases surcharge fee for the New Jersey Emergency Medical Service Helicopter Response Program Fund from \$1 to \$3 to cover the operational and maintenance costs associated with the program and to provide revenue to purchase new helicopters to replace the existing fleet. This surcharge will generate between \$18,000,000 and \$21,000,000 annually.
- ! Imposes an additional surcharge fee of \$1 to fund new State Police trooper classes. This surcharge will generate between \$6,000,000 and \$7,000,000.

BILL DESCRIPTION

Senate Bill No. 2934 (1R) of 2005 increases the fee which is added to each motor vehicle registration to cover the operational, maintenance and capital costs associated with the New Jersey Emergency Medical Service Helicopter Response Program and to provide funding for

State Trooper classes.

The New Jersey Emergency Medical Service Helicopter Response Program was established in 1992 and it was expected that the \$1 surcharge fee incorporated in the enabling legislation would cover not only the operational costs of the program, but also generate a surplus that could be utilized for helicopter replacement and maintenance.

The current \$1 fee, however, is insufficient to cover the actual operational costs of the program. As a result, supplemental appropriations from the General Fund have been required in recent years to maintain the program and there have been no moneys to either replace or retrofit the State's four Medevac helicopters that are, on average, 15 years old.

The total \$3 surcharge proposed in the bill would generate between \$18,000,000 and \$21,000,000 annually, providing sufficient funding to fully cover the program's operational costs and capital needs.

The additional \$1 surcharge fee proposed under the bill is to fund State Police trooper classes. This surcharge would generate between \$6,000,000 and \$7,000,000 annually, which is to be deposited in a separate dedicated account. Under the bill, the Legislature is to annually appropriate the balance in this fund to the Department of Law and Public Safety for the funding of new State Police trooper classes.

FISCAL ANALYSIS

EXECUTIVE BRANCH

According to a spokesperson with the Office of the Attorney General, the budgeted FY05 costs for the helicopter fleet are \$7,574,034.48. The total expenses for FY04, FY03 and FY02 were \$7,845,866; \$6,082,277 and \$5,870,427 respectively.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services estimates that the Motor Vehicle Commission will annually collect between \$24,000,000 and \$28,000,000 in fees from a \$4 surcharge, an increase of \$18,000,000 to \$21,000,000 above current collections.

The MVC has been collecting a \$1 surcharge on motor vehicle registrations since 1999 to fund the operations of the State Police helicopter fleet. This surcharge generates between \$6,000,000 and \$7,000,000 annually. An estimated \$1.8 million of that amount is transferred each year to the Department of Health and Senior Services for medical personnel services. The remaining amount, which is allocated to the Department of Law and Public Safety, does not fully cover the expenses associated with the operation and maintenance of the helicopter fleet.

The current fleet is comprised of four Medevac helicopters which are, on average, 15 years old. The revenue currently raised does not provide sufficient moneys to cover the costs of new helicopters. A new twin engine Sikorsky, for example, is estimated to cost \$12,500,000, depending on the amount and type of equipment added. The additional \$2 surcharge on motor vehicle registrations, which will generate between \$12,000,000 and \$14,000,000 annually, will provide the funding necessary to purchase new helicopters within one to two years after the bill's implementation.

The OLS notes that while the new \$2 surcharge will provide the additional revenue needed to purchase replacement helicopters quickly, in future years it will generate more revenue than is needed to cover the annual operational and maintenance costs of the New Jersey Emergency

Medical Service Helicopter Response Program.

The \$1 surcharge to fund State Police trooper classes will generate between \$6,000,000 and \$7,000,000 annually. Since it costs approximately \$31,000 to train a State Police trooper, this surcharge will generate sufficient revenues to fund four 50 member trooper classes each year.

Section: *Law and Public Safety Section*

Analyst: *Kristin A. Brunner*
Associate Fiscal Analyst

Approved: *David J. Rosen*
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.