

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4401

STATE OF NEW JERSEY

DATED: JUNE 27, 2022

The Assembly Budget Committee reports favorably Assembly Bill No. 4401.

This bill provides for a one-year waiver of certain fees imposed by the New Jersey Motor Vehicle Commission (MVC) related to driver's licenses and non-driver identification cards.

Specifically, the bill provides that during the period beginning October 1, 2022 and ending September 30, 2022, the MVC would not impose fees for: (1) the renewal of a non-driver identification card; (2) the renewal of a commercial driver license; (3) the renewal of a motorcycle license or endorsement; (4) the renewal of a basic driver's license; and (5) the digitized photographs required for the issuance and renewal of each license or non-driver identification card. During this period, the fee imposed for upgrading a standard basic driver's license or non-driver identification card to a REAL ID basic driver's license or non-driver identification card would be reduced to \$11. However, the bill would not reduce the fees imposed for the initial issuance of a REAL ID basic driver's license or non-driver identification card.

As part of the proposed Fiscal Year 2023 Budget, the Governor recommended a one-year waiver of the imposition of renewal fees for driver's licenses and non-driver identification cards. This bill is intended to effectuate this recommendation.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill would result in a one-year decrease in revenues collected by the New Jersey Motor Vehicle Commission (MVC) of approximately \$22.3 million. As part of the proposed FY 2023 Budget, the Governor recommended a one-year waiver of the imposition of renewal fees for driver's licenses and non-driver identification cards. This bill would effectuate the Governor's recommendation. According to the Governor's proposed FY 2023 Budget, the one-year waiver of renewal fees for driver's licenses and non-driver identification cards is expected to decrease State revenues by approximately \$22.3 million. The OLS notes that the Governor also recommended an additional FY 2023 appropriation of \$22.3 million to the MVC to offset the revenue losses that are expected to result from this proposal.