LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 5756
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: JANUARY 13, 2026

SUMMARY

Synopsis: Authorizes creation of Lambda Theta Phi Latin Fraternity, Inc. license plates.

Type of Impact: Potential annual State revenue and expenditure increases.

Agencies Affected: New Jersey Motor Vehicle Commission.

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Thereafter
Potential State Expenditure Increase	$46,423	Indeterminate
Potential State Revenue Increase	$50,000	At least $5,000

- The Office of Legislative Services (OLS) finds that the bill will produce annual State revenue and expenditure increases that will largely offset one another. The OLS cannot quantify the annual increases because it is unclear how many applications the New Jersey Motor Vehicle Commission will receive for the Lambda Theta Phi Latin Fraternity, Inc. license plate. However, the OLS notes that the commission is required to receive a minimum of 500 applications for the Lambda Theta Phi license plate to implement the bill.

- The bill establishes the license plate program in such a manner that the commission may fully recover the expenses incurred in administering the program. The commission has identified its initial cost of designing and establishing a new license plate series as $46,423, which is largely attributable to computer system changes and an initial print run of 900 plates at a cost of $6.88 per plate.

- The commission will receive a $50 application fee and a $10 annual renewal fee for the Lambda Theta Phi license plate. Initial fee collections will reimburse the commission for the expenses incurred in administering the program. In addition, the commission is required to receive an initial payment of up to $25,000 and a minimum of 500 license plate applications, for a total collection of $50,000 to offset initial costs before license plate production begins.

- After the commission's cost recovery, indeterminate excess application renewal fee collections will be appropriated to Lambda Theta Phi.

BILL DESCRIPTION

This bill authorizes the commission to issue Lambda Theta Phi license plates, with proceeds dedicated to the fraternity.

In addition to the required motor vehicle registration fees, there is an application fee of $50 and an annual renewal fee of $10 for the Lambda Theta Phi license plates. After deducting the costs to implement the license plate program, the additional fees collected will be deposited into the Lambda Theta Phi Latin Fraternity, Inc. License Plate Fund established by the bill.

The commission is required to certify annually the average cost of producing, issuing, renewing, and publicizing the availability of the Lambda Theta Phi license plates. If the average cost per plate exceeds $50 in two consecutive fiscal years, the chief administrator may discontinue the license plate program. The bill also specifies that Lambda Theta Phi will appoint a liaison to represent the organization in all communications with the commission regarding the Lambda Theta Phi license plates.

The bill prohibits the commission from using State or other public funds to cover the initial cost of implementing the license plate program. The bill requires an individual or entity designated by Lambda Theta Phi to contribute non-public monies, not to exceed $25,000, to offset the initial costs to design, produce, issue, and publicize the Lambda Theta Phi license plates and for any computer programming necessary to implement the license plate program. The bill also permits Lambda Theta Phi to receive funds from private sources to offset the initial costs.

The commission is not required to design, produce, issue, or publicize the availability of the Lambda Theta Phi license plates or make any necessary programming changes until: (1) an individual or entity designated by Lambda Theta Phi has provided the commission with the money necessary to offset the initial costs incurred by the commission in establishing the license plate program; and (2) Lambda Theta Phi has provided the commission with a minimum of 500 completed applications for the Lambda Theta Phi license plates and the accompanying application fees.

The provisions of the bill will remain inoperative until the appropriate applications and fees required to offset the initial costs incurred by the commission are provided by the Lambda Theta Phi designee. The bill expires on the last day of the 12th month after the bill's enactment if sufficient applications and fees to offset the initial costs are not received by that date.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will produce annual State revenue and expenditure increases that will largely offset one another. The OLS cannot quantify the annual increases because it is unclear how many applications the commission will receive for the Lambda Theta Phi license plate.

The bill establishes the license plate program in such a manner that the commission may fully recover the expenses it incurs in administering the program. If the number of license plate applications is below 500 in the first 12 months following the effective date, the bill will expire without the creation of the license plate program. Conversely, if the number of applications is equal to or greater than 500, the commission will be able to recover its costs within the first year of the creation of the license plate program.

Before the commission begins designing and producing the Lambda Theta Phi license plates, an entity designated by Lambda Theta Phi is required to provide up to $25,000 and pre-register 500 applicants for the Lambda Theta Phi license plates. This requirement ensures that the commission will be able to recover its initial costs of producing the Lambda Theta Phi license plates. If enough funds are not provided, the commission will not be required to produce the Lambda Theta Phi license plates.

Upon production of the Lambda Theta Phi license plates, the commission may still discontinue the license plate program if the production cost exceeds $50 per license plate, which is the initial fee that the commission will collect for each plate. This ensures that the commission will not experience any net costs in administering the license plate program. The current cost-per-plate to the commission is $6.88, so it is unlikely that the commission will experience any net cost in the administration of the license plate program.

Motor Vehicle Commission: Computer Programming Costs for New Plate Design

Description of Work	Hours	Total
Scope of Work Specifications	85	$11,197.41
Development	145	$16,255.45
System Testing	89.5	$10,033.54
Production Implementation	24	$2,705.47
Total Computer Programming Costs	**343.5**	**$40,191.87**
Plate Costs		
Sample Plates (10 plates @ 3.90 each)		$39.00
Initial Acquisition Plates (900 plates @ $6.88 each)		$6,192.00
Total Specialty License Plate Costs		**$46,422.87**

In response to an FY2025 OLS Discussion Point, the commission indicated that it faced an upfront cost of $46,423 to establish a license plate program, which includes computer changes and an initial print run of 900 license plates. The requirements of the bill would provide the commission with $50,000 through the initial $25,000 payment and the first 500 license plate sales. Additionally, the first 500 plate sales will generate $5,000 per year from the $10 annual renewal fee.

The bill prevents the commission from realizing net revenues in administering the program because the bill requires the commission to deposit all program fees into a special fund to be appropriated to Lambda Theta Phi for certain programs once the commission has subtracted its costs of administering the license plate program. The combination of guaranteed fee collection for the commission and the limit on retaining any fees greater than its cost creates a scenario where

there is likely to be no net fiscal impact to the commission for administering the license plate program.

Section: *Authorities, Utilities, Transportation and Communications*

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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.).