

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 1274
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JULY 15, 2022

SUMMARY

Synopsis: Requires MVC to establish system for salvage processors to electronically process salvage certificates of title.

Type of Impact: State expenditure increase and potential State expenditure decrease.

Agencies Affected: New Jersey Motor Vehicle Commission.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Annual State Net Cost Impact		Indeterminate	

- The Office of Legislative Services (OLS) finds that the New Jersey Motor Vehicle Commission (MVC) will incur indeterminate one-time costs for technological upgrades and modifications to implement this legislation. The magnitude of these costs is uncertain due to the lack of information about how the program will be implemented and the associated information technology hardware and software costs.
- The bill would also result in annual increases in State expenditures for the administration of the new system required under the bill, which expenses may be partly offset by reductions in State expenditures due to salvage processors printing salvage certificates and certificates of ownership at their own facilities, as well as any cost savings from processing these transactions electronically rather than in person.

BILL DESCRIPTION

This bill requires the Chief Administrator of the MVC to allow salvage processors, whose primary business is the sale of total loss motor vehicles on behalf of insurers, to electronically submit applications for the issuance of salvage certificates of title and certificates of ownership, documentation supporting the application, and any required fees. The bill also requires the chief administrator to adopt a process for the electronic issuance of salvage certificates of titles and certificates of ownership that allows salvage processors to print salvage certificates and certificates of ownership at the salvage processor's facility.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS is unable to determine the fiscal impact of the bill because the impact largely depends on the MVC's implementation of the legislation. The bill requires the establishment of a process for salvage processors to electronically submit applications for the issuance of salvage certificates of title and certificates of ownership, documentation supporting the application, and any required fees. The extent to which the MVC would need to implement technological changes to comply with these provisions is unknown. These one-time costs to establish the electronic submission process could vary greatly depending on how easily MVC is able to incorporate the process into the agency's existing technological framework.

The OLS is also unable to determine the annual costs and savings that may result from this legislation. Any additional costs will be driven by how the MVC implements the program, which may include the development of safeguards to process these documents electronically and the acquisition of additional staff and resources to oversee the new process. These additional costs will be offset, at least in part, from savings that are realized from the salvage processors printing documents at their own facilities. The MVC may also realize additional savings if the cost to process these transactions electronically is less expensive than the cost to process the transactions in person.

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.).