

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 2019

## STATE OF NEW JERSEY 220th LEGISLATURE

DATED: DECEMBER 22, 2023

### SUMMARY

- Synopsis:** Requires notice of motor vehicle safety recalls upon inspection and registration of motor vehicle; requires motor vehicle manufacturers to pay annual fee to MVC.
- Type of Impact:** Annual State cost increases and annual State revenue increase.
- Agencies Affected:** New Jersey Motor Vehicle Commission.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Annual</u></b>
<b>State Expenditure Increase</b>	Indeterminate
<b>State Revenue Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) determines that the New Jersey Motor Vehicle Commission will experience offsetting annual expenditure and revenue increases associated with the implementation of the bill.
- Specifically, the commission will incur an indeterminate increase in annual expenditures to provide notice of open recalls to owners of motor vehicles that are being inspected or registered. The OLS is unable to quantify the increase in State costs because it is unclear whether the commission will need to hire additional staff or make changes to its computer programming or technology to check information provided by the National Highway Traffic Safety Administration concerning open recalls and to provide written notice of such recalls.
- Additionally, the OLS estimates that the bill will result in increased annual revenues for the commission associated with the required fee collections from all motor vehicle manufacturers that conduct business in the State. These revenues are expected to offset any associated expenditure increases due to requirement for the fee amount to be determined based on documentation of the actual costs incurred by the commission associated with the implementation of this bill. Additional revenues may also accrue to the State as the commission may adopt rules and regulations that include enforcement and penalty provisions for certain violations.

## **BILL DESCRIPTION**

This bill requires an official motor vehicle inspection facility or licensed private inspection facility to provide written notice to the owner of a motor vehicle being inspected of all open recalls applicable to the motor vehicle at the time the motor vehicle is inspected. The bill also requires the New Jersey Motor Vehicle Commission to, at the time a vehicle is registered or upon mailing a motor vehicle's registration renewal notice, provide written notice to the owner of a motor vehicle of all open recalls applicable to the motor vehicle. In both cases, the recall notice is required to include: a description of each open recall and a statement that each open recall may be repaired by certain motor vehicle dealers at no cost to the owner, except in certain circumstances.

Under the bill, all motor vehicle manufacturers that conduct business in the State are required to pay an annual fee to the commission. The fee amount would be determined by the chief administrator and based on documentation of the actual costs incurred by the commission to implement the bill. Notably, the bill requires that total collections of the fee shall not exceed the actual costs incurred by the commission associated with the implementation of this bill.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that the commission will experience offsetting annual expenditure and revenue increases associated with the implementation of the bill.

The commission will incur an increase in annual expenditures associated with the requirement to provide notice of open recalls applicable to motor vehicles that are being inspected or registered in the State. The OLS is unable to quantify the increase in State costs because it is unclear whether the commission will need to hire additional staff or make changes to its computer programming or technology to check information provided by the National Highway Traffic Safety Administration concerning open recalls and to provide written notice of such recalls. However, the administration maintains a website that allows a person to search for open recalls by submitting a motor vehicle's vehicle identification number. Accordingly, any costs to the commission to check information concerning open recalls and to provide notice of those recalls to vehicle owners may only be marginal.

The bill will also result in an indeterminate increase in State revenues. Under the bill, all motor vehicle manufacturers that conduct business in the State are required to pay an annual fee to the commission. These revenues are expected to offset any associated expenditure increases due to requirement for the fee amount to be determined based on documentation of the actual costs incurred by the commission associated with the implementation of this bill. Additional revenues may also accrue to the State as the commission may adopt rules and regulations that include enforcement and penalty provisions for certain violations.

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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.).