

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2908
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: NOVEMBER 18, 2024

SUMMARY

Synopsis: Requires MVC to issue special windshield stickers marking electric vehicles exempt from emission inspections.

Type of Impact: Annual Increase in State expenditures

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>
State Expenditure Increase	\$20,000	\$10,000	\$10,000

- The Office of Legislative Services (OLS) estimates that the bill will increase annual State expenditures for the New Jersey Motor Vehicle Commission associated with the design, production, and issuance of special windshield stickers marking electric vehicles exempt from emission inspections.
- The OLS estimates that the cost of the stickers will be the highest in year one when presumably all existing electric vehicles will also receive a sticker. Thereafter, the commission will only issue windshield stickers to newly registered electric vehicles.

BILL DESCRIPTION

This bill requires the New Jersey Motor Vehicle Commission to issue special windshield stickers free-of-charge for electric vehicles that are registered in New Jersey to indicate that the vehicles are exempt from emission inspections beginning a year after the bill’s date of enactment. The bill defines “electric vehicle” to mean any vehicle powered solely by an electric motor without an on-board engine or generator, and that does not use a hydrocarbon fuel to create electricity.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will increase annual State expenditures from the design, production, and issuance of special windshield stickers for electric vehicles. The OLS pegs the cost increase at \$20,000 in the first effective year and at a maximum of \$10,000 in each of the second and third effective year. The cost will be the highest in year one when presumably all existing electric vehicles will also receive a sticker. Thereafter, the New Jersey Motor Vehicle Commission will only issue windshield stickers to newly registered electric vehicles.

In arriving at these cost projections, the OLS assumes that the commission will be able to design, produce, and issue special windshield stickers at a cost of \$0.05 to \$0.10 per sticker. This range is informed by the current Pennsylvania Department of Transportation contract for motor vehicle inspection stickers.

The demand assumptions, in turn, are based on New Jersey electric vehicle registration trends. Notably, the OLS assumes that in the first effective year, about 255,000 stickers will be needed. This number is the sum of the approximately 140,000 electric vehicles that were registered in New Jersey as of June 30, 2024 plus an estimated additional 115,000 registrations combined in the year following the bill's date of enactment prior to its taking effect and in the first effective year. At a per-sticker cost of \$0.05 to \$0.10, the first-year cost will therefore range from \$12,800 to \$25,500.

For the second and third effective year, the OLS estimates that the annual number of needed stickers will not exceed 100,000. If so, then the cost in each of the second and third effective year will range from \$5,000 to \$10,000, assuming a per-sticker cost of \$0.05 to \$0.10.

New Jersey Plug In Electric Vehicle Registrations			
Calendar Year	Total Registrations	Unit Increase	% Increase
2017	8,048	3,682	84%
2018	11,670	3,622	45%
2019	18,498	6,828	59%
2020	28,869	10,371	56%
2021	46,453	17,584	61%
2022	68,414	21,961	47%
2023	118,536	50,122	73%
2024	140,864	22,328	19%

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.).