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TRANSPORTATION

(a)

MOTOR VEHICLE COMMISSION

Organization of the Motor Vehicle Commission Fees

Proposed Amendments: N.J.A.C. 13:18-11.1 and 11.4, 13:19-10.3, 13:20-17.3, 13:21-22.4, 22.14, 22.15 and 23.2 and 13:82-9.1

Proposed New Rules: N.J.A.C. 13:21-4.2 and 5.5

Authorized By: Motor Vehicle Commission Board, Sharon A. Harrington, Chair.

Authority: N.J.S.A. 39:2A-28 and 36.1.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2009-56.

Submit comments by April 18, 2009 to:

Steven E. Robertson, Director
Legal and Regulatory Affairs
Motor Vehicle Commission
225 East State Street
PO Box 162
Trenton, New Jersey 08666-0162

The agency proposal follows:

Summary

The public comment period for this proposal will be 60 days, since the proposal is not listed in the agency rulemaking calendar. This notice of proposal is, therefore, excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

The Motor Vehicle Commission (Commission) proposes to increase fees for various motor vehicle related transactions, processes and services. The fees proposed for increase by the Commission are intended to generate sufficient income to cover, to the extent reasonable, the actual costs for the related transaction, process or service, which costs have steadily increased each year while the majority of fees collected have remained constant for more than a decade.

On January 13, 2008, P.L. 2007, c. 335 was signed into law, which, among other things, amended the legislation that created the Motor Vehicle Commission—"The Motor Vehicle Security and Customer Service Act", P.L. 2003, c. 13 (the Act). Section 16 of P.L. 2007, c. 335 (now codified at N.J.S.A. 39:2A-36.1) added a new provision to the Act authorizing the Commission, through its Board's promulgation of rules adopted pursuant to the Administrative Procedure Act, to increase certain fees and surcharges collected by the Commission in accordance with approximately 78 enumerated statutes. In determining an appropriate increase of any fee or surcharge, N.J.S.A. 39:2A-36.1b(1) requires the Commission to consider at least the following three factors: (1) the year in which the fee or surcharge was last increased; (2) the actual costs to the State for administering any transaction, process, filing, registration, inspection, audit or any license, permit or other document issuance, for which the fee or surcharge is collected; and (3) the annual percentage increase in the Consumer Price Index (CPI) or other similar relevant index. N.J.S.A. 39:2A-36.1b(4) defines CPI as the "consumer price index for all urban consumers in the New York City and Philadelphia areas as reported by the Department of Labor or successor index."

Additionally, N.J.S.A. 39:2A-36.1b(1) limits the Commission to increasing any fee or surcharge only once every five years, and N.J.S.A. 39:2A-36.1b(2) further proscribes that all increases after the first increase cannot exceed the annual percentage increase in the CPI for the five fiscal years prior to the date of the proposed subsequent increase. Lastly, N.J.S.A. 39:2A-36.1b(3) requires that all proposed increases in any year must be consolidated within one regulatory proposal. Consistent with

existing law, N.J.S.A. 39:2A-36.1c reiterates that 100 percent of the increased revenues collected from any fee or surcharge increase shall be remitted to the Commission.

This notice of proposal seeks to implement the first increase of the fees included herein, which the Commission hereafter will be precluded from increasing again for five years. This notice of proposal shall be the only Commission regulatory notice of proposal increasing fees for calendar year 2009. In addition to increasing various fees collected by the Commission, this notice of proposal amends the rule setting forth the organizational structure of the Commission to accurately reflect the current Commission offices and organizational units. Where deemed necessary technical corrections to rules, such as spelling and punctuation changes, are also included as part of this notice of proposal.

N.J.A.C. 13:18-11.1, which sets forth the organizational structure of the Commission, is proposed for amendment. Pursuant to N.J.S.A. 39:2A-28b, the Chief Administrator is charged with the "general responsibility for the implementation of the [Motor Vehicle Security and Customer Service Act], and shall, without limitation: . . . [a]dminister and organize the work of the commission in such organizational units and from time to time alter the plan of organization as deemed expedient, as necessary for the secure, efficient and effective operation of the commission." In accordance with this responsibility, the Chief Administrator has made various changes to the organizational structure of the Commission, which changes are now reflected in the proposed amendments to N.J.A.C. 13:18-11.1.

Specifically, the position of "Chief Operating Officer" has been eliminated and the position of "Assistant Chief Administrator" established in its place. The Commission has three Assistant Chief Administrators. An Assistant Chief Administrator overseeing "Operations," an Assistant Chief Administrator overseeing "Motor Vehicle Agency Services," and an Assistant Chief Administrator overseeing "Finance and Administration." The Chief Administrator also has made organizational changes among the Commission's unit Directors. The positions of "Director of Procurement" and "Director of Facilities and Support Services" now exist within the Commission, and the following additional changes have been made: (1) the "Director of Administration" has been changed to the "Director of Human Resources"; (2) the "Director of Driver Management and Regulatory Affairs" is now the "Director of Compliance and Safety"; (3) the "Director of Operations Support" is now the "Director of Business and Government Operations"; (4) the "Director of Driver and Vehicle Testing" has been changed to the "Director of Field Operations"; (5) the "Director of Agency Operations" is now the "Director of Central Office Operations"; (6) the title of "Director of Intergovernmental Relations" has been eliminated; and the title of "Inspection Services" has been added.

Pursuant to N.J.S.A. 39:2A-36.1a, which authorizes the Commission to increase fees and surcharges through its Board's promulgation of rules adopted pursuant to the Administrative Procedure Act, this notice of proposal increases various fees collected by the Commission. In determining an appropriate increase for each fee, the Commission considered the following factors: (1) the year in which the fee or surcharge was last increased; (2) the actual costs to the Commission for administering any transaction, process, filing, registration, inspection, audit or any license, permit or other document issuance, for which the fee or surcharge is collected; and (3) the annual percentage increase in the CPI or other similar relevant index.

The majority of fees sought to be increased in this notice of proposal have not been adjusted for many years and, as a result, the administrative costs incurred by the Commission are substantially higher than the fee collected for the underlying related transaction, process or service. An average cost of service (COS) for each transaction, process or service for which a fee increase is sought in this notice of proposal was calculated after establishing an average cost per minute incurred by the Commission to support the primary unit(s) conducting the transaction, process or service. This average COS was then multiplied by the average transactional time (in minutes) to perform the transaction, service or process. For example, if the Commission incurs a \$1.00 COS per minute for a transactional unit that processes requests for copies of a particular record maintained by the Commission, and the average processing time to

complete a record request transaction is 10 minutes, then the actual COS to the Commission is \$10.00.

In addition to average salary costs of Commission personnel assigned to perform any transaction, service or process, each average base COS established for the various Commission transactional units includes a cost component derived from all Commission support areas, including a component for direct support staff and other overhead. The COS calculations also include indirect costs, which consist of management salaries, operating expenses and other related expenses. There is also included in each COS calculation a component for ongoing legal services and information technology (IT) support.

The Commission also applied the cumulative annual percentage increase in the CPI to the fees that are the subject of this notice of proposal. In doing so, the Commission utilized a CPI inflation calculator provided by the United States Department of Labor at http://www.bls.gov/data/inflation_calculator.htm. The CPI inflation calculator uses the national average CPI for a given calendar year. The data represents changes in prices of all goods and services purchased for consumption by urban households. The index value has been calculated every year since 1913. For the current year, the latest monthly index value is used. The national average index values resulting from the use of the CPI calculator were within two to three percent of the average CPI (all lower) for all urban consumers in the New York City and Philadelphia areas as reported by the Department of Labor for all relevant time periods. As such, the Commission deemed the CPI calculator's national average CPI values to be a sufficient, similar and relevant index.

The current base fee dollar amount of each fee sought to be increased in this notice of proposal was input into the CPI calculator, together with the year in which the fee was last increased, followed by the year for which the adjusted CPI calculation was sought (the year 2008 was used for each fee in this notice of proposal). For example, a fee of \$10.00 currently being charged for a transaction, service or process was entered into the calculator. If the year in which the fee was last increased to the current \$10.00 amount was 1994, that year was then input into the calculator. Lastly, the year 2008 was entered into the calculator in order to calculate the CPI adjusted fee for this year. In this example, the 2008 calculated CPI adjusted fee would be \$14.33.

The Commission also used the CPI calculator to apply to the proposed increased fee amounts an estimated cumulative annual percentage increase in the CPI year-to-year going forward to 2014, the first year in which the fees in this notice of proposal would be eligible to be increased again, pursuant to N.J.S.A. 39:2A-36.1b(1). The Commission considered this additional future CPI adjustment because although the Commission is authorized to increase the fees in this notice of proposal again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission would prefer to minimize the impact of any proposed future increase, if necessary, following this opportunity to accurately adjust to the full extent reasonable the fees currently being collected. Additionally, the Commission used the future projected CPI adjusted fee as a reference for setting new proposed fee amounts in those instances where, if based solely upon the actual costs of a transaction, process or service to the State, the resulting proposed new fee would have been substantially higher than the current fee.

To determine an estimated cumulative annual percentage increase year-to-year for the next five years, the CPI calculator was used to determine the average annual CPI increase over the last five years (2003 through 2008) for each proposed fee. This average increase was then added to the proposed increased fee amount to estimate a 2014 CPI adjusted fee. For example, a proposed increased fee amount of \$10.00 was input and the cumulative annual percentage increase in CPI from 2003 until 2008 was calculated. This resulted in a five-year adjusted CPI fee of \$11.54, an increase of \$1.54, or an average increase of approximately 15.4 percent across five years. Although the Commission anticipates that the cumulative annual percentage increase in the CPI for the next five years (2009-2014) will likely be higher than that calculated between 2003 and 2008, the average increase across the last five years provided the Commission with a sufficient indicator to project the 2014 CPI adjusted amount for the subject fees within this notice of proposal.

In certain instances, the Commission's CPI analysis resulted in adjusted fee amounts that exceeded the actual costs to the Commission

for the specific underlying transaction, process or service. In such cases, as noted, in determining the appropriate current increase for the subject fee the Commission adhered to the limitation set forth in N.J.S.A. 39:2A-36.1b(1), which restricts the Commission from increasing any fee beyond an amount that exceeds the actual costs to the State of New Jersey.

N.J.A.C. 13:18-11.4, which sets forth fees charged for various public records available from the Commission, is proposed for amendment.

N.J.A.C. 13:18-11.4(b)1i and ii as proposed for amendment increase the current fee of \$10.00 collected for uncertified and certified abstracts to \$15.00. In determining the appropriate increase for these fees, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) the current fees have not been increased since 1994 when, pursuant to section 25 of P.L. 1994, c. 60, the fee of \$4.00 for an uncertified abstract and \$5.00 for a certified abstract were each raised to \$10.00; (2) the actual costs to the Commission for administering, processing, and filing requests for certified and uncertified abstracts is calculated to be \$15.83; and (3) a regular annual adjustment of these fees based upon the cumulative annual percentage increase in the CPI year-to-year since the last increase in 1994 results in a 2008 CPI adjusted fee of approximately \$14.33.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed adjusted fee amount of \$15.00 year-to-year going forward to 2014, the first year in which these fees would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee amount of approximately \$17.32. As explained above, the Commission considered this additional CPI calculation because although the Commission is authorized to increase these fees again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission would prefer to minimize the impact of any future increase, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fees currently being charged.

In the final analysis however, despite the actual costs to the Commission (\$18.63) and the projected fee based upon the application of an average cumulative annual percentage increase in the CPI through 2014 (\$17.32), the Commission set the new proposed fee at \$15.00.

N.J.A.C. 13:18-11.4(b)2i and ii as proposed for amendment increase the current fees collected for copies of uncertified and certified Notices of Scheduled Suspension, Orders of Suspension and Notices of Restoration to \$15.00. In determining the appropriate increase for these fees, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) the current fees for copies of these notices and orders, \$4.00 for an uncertified copy and \$5.00 for a certified copy, have never been increased since being established in 1991; (2) the actual costs to the Commission for administering, processing and filing requests for uncertified or certified copies of these notices and orders is calculated to be \$15.83; and (3) a regular annual adjustment of these fees based upon the cumulative annual percentage increase in the CPI year-to-year since they were established in 1991 results in a 2008 CPI adjusted fee amount of approximately \$6.24 for uncertified copies and \$7.80 for certified copies.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased fee amount of \$15.00 year-to-year going forward to 2014, the first year in which these fees would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$17.32. As explained above, the Commission considered this additional CPI calculation because although the Commission is authorized to increase these fees again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future increase, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fees currently being charged.

In the final analysis however, despite the actual costs to the Commission (\$18.63) and the projected fee based upon the application of an average cumulative annual percentage increase in the CPI through 2014 (\$17.32), the Commission set the new proposed fee at \$15.00.

N.J.A.C. 13:18-11.4(b)3i and ii as proposed for amendment increase the current fees collected for uncertified and certified copies of a Violation Record to \$15.00. In determining the appropriate increase for these fees, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) the current fees for copies of a Violation Record, \$4.00 for an uncertified copy and \$5.00 for a certified copy, have never been increased since being established in 1991; (2) the actual costs to the Commission for administering, processing and filing requests for uncertified and certified copies of a Violation Record is calculated to be \$15.83; and (3) a regular annual adjustment of these fees based upon the cumulative annual percentage increase in the CPI year-to-year since they were established in 1991 results in a 2008 CPI adjusted fee amount of approximately \$6.24 for uncertified copies and \$7.80 for certified copies.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased fee amount of \$15.00 year-to-year going forward to 2014, the first year in which these fees would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$17.32. As explained above, the Commission considered this additional CPI calculation because although the Commission is authorized to increase these fees again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future increase, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fees currently being charged.

In the final analysis however, despite the actual costs to the Commission (\$18.63) and the projected fee based upon the application of an average cumulative annual percentage increase in the CPI through 2014 (\$17.32), the Commission set the new proposed fee at \$15.00.

N.J.A.C. 13:18-11.4(b)4i and ii as proposed for amendment increase the current fees collected for uncertified and certified copies of Mail Lists to \$15.00. In determining the appropriate increase for these fees, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) the fees for copies of Mail Lists, \$4.00 for an uncertified copy and \$5.00 for a certified copy, have never been increased since being established in 1991; (2) the actual costs to the Commission for administering, processing and filing requests for uncertified and certified copies of Mail Lists is calculated to be \$15.83; and (3) a regular annual adjustment of these fees based upon the cumulative annual percentage increase in the CPI year-to-year since they were established in 1991 results in a 2008 CPI adjusted fee amount of approximately \$6.24 for uncertified copies and \$7.80 for certified copies.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased fee amount of \$15.00 year-to-year going forward to 2014, the first year in which these fees would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$17.32. As explained above, the Commission considered this additional CPI calculation because although the Commission is authorized to increase these fees again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future increase, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fees currently being charged.

In the final analysis however, despite the actual costs to the Commission (\$18.63) and the projected fee based upon the application of an average cumulative annual percentage increase in the CPI through 2014 (\$17.32), the Commission set the new proposed fee at \$15.00.

N.J.A.C. 13:18-11.4(b)5i and ii as proposed for amendment increase the current fees collected for uncertified and certified copies of a Registration or Driver License Application to \$15.00. In determining the appropriate increase for these fees, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) these fees have not been increased since 1994 when, pursuant to section 25 of P.L. 1994, c. 60, the fee for an uncertified copy was increased from \$4.00 to \$8.00 and the fee for a certified copy was increased from \$5.00 to \$10.00; (2) the actual costs to the Commission for administering, processing and

filing requests for uncertified and certified copies of a registration or driver application is calculated to be \$15.83; and (3) a regular annual adjustment of these fees based upon the cumulative annual percentage increase in the CPI year-to-year since the last increase in 1994 results in a 2008 CPI adjusted fee of approximately \$11.74 for an uncertified copy and \$14.33 for a certified copy.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased fee amount of \$15.00 year-to-year going forward to 2014, the first year in which these fees would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$17.32. As explained above, the Commission considered this additional CPI calculation because although the Commission is authorized to increase these fees again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future increase, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fees currently being charged.

In the final analysis however, despite the actual costs to the Commission (\$18.63) and the projected fee based upon the application of an average cumulative annual percentage increase in the CPI through 2014 (\$17.32), the Commission set the new proposed fee at \$15.00.

N.J.A.C. 13:18-11.4(b)6i and ii as proposed for amendment increase the current fees collected for uncertified and certified copies of a Boat Registration Application to \$15.00. In determining the appropriate increase for these fees, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) these fees have not been increased since 1994 when, pursuant to section 25 of P.L. 1994, c. 60, the fee for an uncertified copy was increased from \$4.00 to \$8.00 and the fee for a certified copy was increased from \$5.00 to \$10.00; (2) the actual costs to the Commission for administering, processing and filing requests for uncertified and certified copies of a Boat Registration Application is calculated to be \$15.83; and (3) a regular annual adjustment of these fees based upon the cumulative annual percentage increase in the CPI year-to-year since the last increase in 1994 results in a 2008 CPI adjusted fee of approximately \$11.74 for an uncertified copy and \$14.33 for a certified copy.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased fee amount of \$15.00 year-to-year going forward to 2014, the first year in which these fees would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$17.32. As explained above, the Commission considered this additional CPI calculation because although the Commission is authorized to increase these fees again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future increase, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fees currently being charged.

In the final analysis however, despite the actual costs to the Commission (\$18.63) and the projected fee based upon the application of an average cumulative annual percentage increase in the CPI through 2014 (\$17.32), the Commission set the new proposed fee at \$15.00.

N.J.A.C. 13:18-11.4(b)7i and ii as proposed for amendment increase the current fees collected for uncertified and certified copies of a Final Decision of the Chief Administrator to \$15.00. In determining the appropriate increase for these fees, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) the current fees for copies of Final Decisions of the Chief Administrator, \$4.00 for an uncertified copy and \$5.00 for a certified copy, have never been increased since being established in 1991; (2) the actual costs to the Commission for administering, processing and filing requests for uncertified and certified copies of a Final Decision of the Chief Administrator is calculated to be \$15.83; and (3) a regular annual adjustment of these fees based upon the cumulative annual percentage increase in the CPI year-to-year since they were established in 1991 results in a 2008 CPI adjusted fee amount of approximately \$6.24 for uncertified copies and \$7.80 for certified copies.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased fee amount of \$15.00 year-to-year going forward to 2014, the first year in which these fees would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$17.32. As explained above, the Commission considered this additional CPI calculation because although the Commission is authorized to increase these fees again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future increase, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fees currently being charged.

In the final analysis however, despite the actual costs to the Commission (\$18.63) and the projected fee based upon the application of an average cumulative annual percentage increase in the CPI through 2014 (\$17.32), the Commission set the new proposed fee at \$15.00.

N.J.A.C. 13:18-11.4(b)8i and ii as proposed for amendment increase the current fees collected for uncertified and certified file searches of Commission records to \$15.00. In determining the appropriate increase for these fees, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) these fees have not been increased since 1994 when, pursuant to section 25 of P.L. 1994, c. 60, the fee for an uncertified file search was increased from \$4.00 to \$8.00 and the fee for a certified file search was increased from \$5.00 to \$10.00; (2) the actual costs to the Commission for administering, processing and conducting requests for uncertified and certified file searches is calculated to be \$15.83; and (3) a regular annual adjustment of these fees based upon the cumulative annual percentage increase in the CPI year-to-year since the last increase in 1994 results in a 2008 CPI adjusted fee of approximately \$11.74 for an uncertified file search and \$14.33 for a certified file search.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased fee amount of \$15.00 year-to-year going forward to 2014, the first year in which these fees would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$17.32. As explained above, the Commission considered this additional CPI calculation because although the Commission is authorized to increase these fees again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future increase, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fees currently being charged.

In the final analysis however, despite the actual costs to the Commission (\$18.63) and the projected fee based upon the application of an average cumulative annual percentage increase in the CPI through 2014 (\$17.32), the Commission set the new proposed fee at \$15.00.

N.J.A.C. 13:18-11.4(e), which sets forth various fees to be collected for certain Commission records obtained by high volume on-line information users, is proposed for amendment. As amended, the fee for each driver history record obtained by an on-line user is increased from \$10.00 to \$12.00, the fee for each vehicle registration and title record obtained is increased from \$4.00 to \$12.00 and the fee for each title history record is increased from \$8.00 to \$12.00. In determining the appropriate increase for these fees, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) the fee for a driver history record obtained on-line has not been increased since 2005 when the fee was increased from \$4.00 to \$10.00, the fees for vehicle registration and title and title history records obtained on-line have not been increased since being established in 2005; (2) the actual costs to the Commission for administering the system and processes supporting high volume requests for these records is calculated to be \$12.42 per requested record; and (3) a regular annual adjustment of these fees based upon the cumulative annual percentage increase in the CPI year-to-year since the last increase in the fee for a driver history record in 2005 results in a 2008 CPI adjusted fee of approximately \$10.88, an adjusted fee of \$4.35 for vehicle registration and title records, and an adjusted fee of \$8.70 for title history records.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased fee amount of \$12.00 year-to-year going forward to 2014, the first year in which these fees would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$13.85. As explained above, the Commission considered this additional CPI calculation because although the Commission is authorized to increase these fees again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future increase, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fees currently being charged.

In the final analysis however, despite the projected fee of \$13.85 based upon the application of an average cumulative annual percentage increase in the CPI through 2014, in determining the appropriate current increase for these fees the Commission adhered to the limitation set forth in N.J.S.A. 39:2A-36.1b(1), which restricts the Commission from increasing any fee beyond an amount that exceeds the actual costs to the State of New Jersey.

The fee set forth in N.J.A.C. 13:19-10.3(c) and 13:20-17.3 that is collected for attendance at a Motor Vehicle Commission driver improvement program is proposed for amendment. As amended, the fee set forth in both N.J.A.C. 13:19-10.3(c) and 13:20-17.3 is increased from \$100.00 to \$150.00. In determining the appropriate increase for this fee, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) this fee has not been increased since 1994 when, pursuant to section 24 of P.L. 1994, c. 60, the fee for attendance at a then Division of Motor Vehicles' driver improvement program was increased from \$40.00 to the current \$100.00 fee; (2) the actual costs to the Commission for administering the driver improvement program per participant is calculated to be \$158.40; and (3) a regular annual adjustment of this fee based upon the cumulative annual percentage increase in the CPI year-to-year since the last increase in 1994 results in a 2008 CPI adjusted fee of approximately \$143.34.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased fee amount of \$150.00 year-to-year going forward to 2014, the first year in which this fee would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$173.17. The Commission considered this additional CPI calculation because although the Commission is authorized to increase this fee again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future increase, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fee currently being charged.

In the final analysis however, despite the projected fee of \$173.17 based upon the application of an average cumulative annual percentage increase in the CPI through 2014, in determining the appropriate current increase for this fee the Commission adhered to the limitation set forth in N.J.S.A. 39:2A-36.1b(1), which restricts the Commission from increasing any fee beyond an amount that exceeds the actual costs to the State of New Jersey.

The fee set forth in N.J.A.C. 13:19-10.3(f) that is collected for attendance at a Motor Vehicle Commission probationary driver program is proposed for amendment. As amended, the \$100.00 fee set forth in N.J.A.C. 13:19-10.3(f) is increased to \$150.00. In determining the increase for this fee, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) this fee has not been increased since 1994 when the fee was increased from \$40.00 to \$100.00 to conform the fee for attendance at a probationary driver program to the fee charged for attendance at a driver improvement program; (2) the actual costs to the Commission for administering the probationary driver program per participant is calculated to be \$158.40; and (3) a regular annual adjustment of this fee based upon the cumulative annual percentage increase in the CPI year-to-year since the last increase in 1994 results in a 2008 CPI adjusted fee of approximately \$143.34.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed

increased fee amount of \$150.00 year-to-year going forward to 2014, the first year in which this fee would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$173.17. The Commission considered this additional CPI calculation because although the Commission is authorized to increase this fee again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future increase, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fee currently being charged.

In the final analysis however, despite the projected fee of \$173.17 based upon the application of an average cumulative annual percentage increase in the CPI through 2014, in determining the appropriate current increase for this fee the Commission adhered to the limitation set forth in N.J.S.A. 39:2A-36.1b(1), which restricts the Commission from increasing any fee beyond an amount that exceeds the actual costs to the State of New Jersey.

N.J.A.C. 13:21-4.2 is a proposed new rule that sets forth the increased fees to be collected by the Commission for the issuance of various vehicle certificates of ownership and for other documents issued or services provided in relation thereto. The current fees are set forth in N.J.S.A. 39:10-11.

Proposed new rule N.J.A.C. 13:21-4.2(a) increases from \$20.00 to \$60.00, the fee the Commission collects for the issuance of a certificate of ownership in the case of a sale of a vehicle that is not subject to a security interest. In determining the appropriate increase for this fee, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) this fee has not been increased since 1994 when, pursuant to section 26 of P.L. 1994, c. 60, the fee for this type of certificate of ownership was increased from \$5.00 to \$20.00; (2) the actual costs to the Commission for issuing this type of certificate of ownership is calculated to be \$66.53; and (3) a regular annual adjustment of this fee based upon the cumulative annual percentage increase in the CPI year-to-year since the last increase in 1994 results in a 2008 CPI adjusted fee of approximately \$28.67.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased fee amount of \$60.00 year-to-year going forward to 2014, the first year in which this fee would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$69.27. The Commission considered this additional CPI calculation because although the Commission is authorized to increase this fee again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future proposal, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fee currently being charged.

In the final analysis however, despite the projected fee of \$69.27 based upon the application of an average cumulative annual percentage increase in the CPI through 2014, in determining the appropriate current increase for this fee the Commission adhered to the limitation set forth in N.J.S.A. 39:2A-36.1b(1), which restricts the Commission from increasing any fee beyond an amount that exceeds the actual costs to the State of New Jersey.

Proposed new rule N.J.A.C. 13:21-4.2(b) increases from \$30.00 to \$60.00, the fee that the Commission collects for the issuance of a certificate of ownership and a copy thereof in the case of a sale of a vehicle that is subject to a security interest. In determining the appropriate adjustment for this fee, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) this fee has not been increased since 1994 when, pursuant to section 26 of P.L. 1994, c. 60, the fee for this type of certificate of ownership and a copy thereof was increased from \$7.00 to \$30.00; (2) the actual costs to the Commission for issuing this type of certificate of ownership and a copy thereof is calculated to be \$66.52; and (3) a regular annual adjustment of this fee based upon the cumulative annual percentage increase in the CPI year-to-year since the last increase in 1994 results in a 2008 CPI adjusted fee of approximately \$43.00.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed

increased fee amount of \$60.00 year-to-year going forward to 2014, the first year in which this fee would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$69.27. The Commission considered this additional CPI calculation because although the Commission is authorized to increase this fee again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future proposal, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fee currently being charged.

In the final analysis however, despite the projected fee of \$69.27 based upon the application of an average cumulative annual percentage increase in the CPI through 2014, in determining the appropriate current increase for this fee the Commission adhered to the limitation set forth in N.J.S.A. 39:2A-36.1b(1), which restricts the Commission from increasing any fee beyond an amount that exceeds the actual costs to the State of New Jersey.

Proposed new rule N.J.A.C. 13:21-4.2(c) increases from \$20.00 to \$60.00, the fee the Commission collects for issuance of a new certificate of ownership upon the filing of a certificate of ownership together with a financing statement. In determining the appropriate increase for this fee, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) this fee has not been increased since 1994 when, pursuant to section 26 of P.L. 1994, c. 60, the fee for this type of certificate of ownership was increased from \$4.00 to \$20.00; (2) the actual costs to the Commission for issuing this type of certificate of ownership is calculated to be \$66.52; and (3) a regular annual adjustment of these fees based upon the cumulative annual percentage increase in the CPI year-to-year since the last increase in 1994 would have resulted in 2008 CPI adjusted fee of approximately \$28.67.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased fee amount of \$60.00 year-to-year going forward to 2014, the first year in which this fee would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$69.27. The Commission considered this additional CPI calculation because although the Commission is authorized to increase this fee again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future proposal, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fee currently being charged.

In the final analysis however, despite the projected fee of \$69.27 based upon the application of an average cumulative annual percentage increase in the CPI through 2014, in determining the appropriate current increase for this fee the Commission adhered to the limitation set forth in N.J.S.A. 39:2A-36.1b(1), which restricts the Commission from increasing any fee beyond an amount that exceeds the actual costs to the State of New Jersey.

Proposed new rule N.J.A.C. 13:21-4.2(d) increases from \$10.00 to \$25.00, the fee the Commission collects at the time a certificate of ownership is issued for a notice of satisfaction of a lien or encumbrance of record or abstract, or for termination of a security interest pursuant to N.J.S.A. 39:10-11F. In determining the appropriate increase for this fee, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) this fee has not been increased since 1994 when, pursuant to section 26 of P.L. 1994, c. 60, the fee collected for this notice of satisfaction or termination was increased from \$2.00 to \$10.00; (2) the actual costs to the Commission for processing this notice is calculated to be \$29.16; and (3) a regular annual adjustment of this fee based upon the cumulative annual percentage increase in the CPI year-to-year since the last increase in 1994 results in a 2008 CPI adjusted fee of approximately \$14.33.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased amount of \$25.00 year-to-year going forward to 2014, the first year in which this fee would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$28.86. The Commission considered this additional CPI calculation because although the Commission is authorized to increase

this fee again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future increase, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fee currently being charged.

In the final analysis however, in light of the Commission's actual costs for processing this notice (\$29.16) and the projected fee based upon the application of an average cumulative annual percentage increase in the CPI through 2014 (\$28.86), the Commission set the new proposed fee at \$25.00.

Proposed new rule N.J.A.C. 13:21-4.2(e) sets forth that a late penalty fee of \$25.00 is to be collected by the Commission from a purchaser who fails to comply with the provisions of N.J.S.A. 39:10-11 within 10 days of a vehicle purchase. The Commission has determined that this late penalty fee is sufficient and therefore it is not being proposed for increase. The new rule is proposed as part of N.J.A.C. 13:21-4.2 to conform the new proposed section to the coinciding statutory provisions set forth in N.J.S.A. 39:10-11 that govern the fees to be collected for vehicle certificate of ownership issuance and functions related thereto, such as the imposition and collection of this late penalty fee.

Proposed new rule N.J.A.C. 13:21-4.2(f) increases from \$25.00 to \$60.00, the fee the Commission collects for issuing a duplicate certificate of ownership pursuant to N.J.S.A. 39:10-12. In determining the appropriate increase for this fee, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) this fee has not been increased since 1994 when, pursuant to section 26 of P.L. 1994, c. 60, the fee for issuing a duplicate certificate of ownership was increased from \$4.00 to \$25.00; (2) the actual costs to the Commission for issuing a duplicate certificate of ownership is calculated to be \$66.52; and (3) a regular annual adjustment of this fee based upon the cumulative annual percentage increase in the CPI year-to-year since the last increase in 1994 results in a 2008 CPI adjusted fee of approximately \$35.83.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased fee amount of \$60.00 year-to-year going forward to 2014, the first year in which this fee would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$69.27. The Commission considered this additional CPI calculation because although the Commission is authorized to increase this fee again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future proposal, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fee currently being charged.

In the final analysis however, despite the projected fee of \$69.27 based upon the application of an average cumulative annual percentage increase in the CPI through 2014, in determining the appropriate current increase for these fees the Commission adhered to the limitation set forth in N.J.S.A. 39:2A-36.1b(1), which restricts the Commission from increasing any fee beyond an amount that exceeds the actual costs to the State of New Jersey.

Proposed new rule N.J.A.C. 13:21-4.2(g) increases the fees the Commission collects for providing copies of documents pursuant to N.J.S.A. 39:10-14, namely copies of records relating to lien and title searches. As proposed, N.J.A.C. 13:21-4.2(g)1 increases from \$5.00 to \$15.00, the fee for lien searches, and N.J.A.C. 13:21-4.2(g)2 increases from \$10.50 to \$15.00, the fee for chain of title searches. In determining the appropriate increase for this fee, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) these fees have not been increased since 1982 when, pursuant to section 7 of P.L. 1982, c. 53, the fee for a lien search was increased from \$2.00 to \$5.00 and the fee for a chain of title search was increased from \$5.00 to \$10.50; (2) the actual costs to the Commission for administering, processing conducting and responding to these search requests is calculated to be \$15.83; and (3) a regular annual adjustment of these fees based upon the cumulative annual percentage increase in the CPI year-to-year since the last increase in 1982 results in a 2008 CPI adjusted fee of approximately \$11.01 for lien searches and \$23.11 for chain of title searches.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed

increased fee amount of \$15.00 for these searches year-to-year going forward to 2014, the first year in which these fees would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$17.32. The Commission considered this additional CPI calculation because although the Commission is authorized to increase these fees again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future increase, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fees currently being charged.

In the final analysis however, despite the projected fee of \$17.32 based upon the application of an average cumulative annual percentage increase in the CPI through 2014, in determining the appropriate current adjustment for these fees the Commission adhered to the limitation set forth in N.J.S.A. 39:2A-36.1b(1), which restricts the Commission from increasing any fee beyond an amount that exceeds the actual costs to the State of New Jersey.

Proposed new rule N.J.A.C. 13:21-4.2(h) increases from \$20.00 to \$60.00, the fee the Commission collects for issuing a corrected certificate of ownership pursuant to N.J.S.A. 39:10-16. In determining the appropriate increase for this fee, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) this fee has not been increased since 1994 when, pursuant to section 26 of P.L. 1994, c. 60, the fee for issuing a corrected certificate of ownership was increased from \$10.00 to the current fee of \$20.00; (2) the actual costs to the Commission for issuing a corrected certificate of ownership is calculated to be \$66.52; and (3) a regular annual adjustment of these fees based upon the cumulative annual percentage increase in the CPI year-to-year since the last increase in 1994 results in a 2008 CPI adjusted fee of approximately \$28.67.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased fee amount of \$60.00 year-to-year going forward to 2014, the first year in which this fee would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$69.27. The Commission considered this additional CPI calculation because although the Commission is authorized to increase this fee again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future proposal, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fee currently being charged.

In the final analysis however, despite the projected fee of \$69.27 based upon the application of an average cumulative annual percentage increase in the CPI through 2014, in determining the appropriate current increase for these fees the Commission adhered to the limitation set forth in N.J.S.A. 39:2A-36.1b(1), which restricts the Commission from increasing any fee beyond an amount that exceeds the actual costs to the State of New Jersey.

Proposed new rule N.J.A.C. 13:21-5.5 increases to \$65.00, the base fee of \$10.00 collected for a motorcycle registration, which is currently set forth in N.J.S.A. 39:3-21. In determining the appropriate increase for this fee, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) this fee has not been increased since 1968; (2) the actual costs to the Commission for issuing a motorcycle registration is calculated to be \$70.17; and (3) a regular annual adjustment of this fee based upon the cumulative annual percentage increase in the CPI year-to-year since the last increase in 1968 results in a 2008 CPI adjusted fee of approximately \$61.04.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased fee amount of \$65.00 year-to-year going forward to 2014, the first year in which this fee would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$75.04. The Commission considered this additional CPI calculation because although the Commission is authorized to increase this fee again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future increase, if necessary,

following this initial opportunity to accurately adjust to the fullest extent reasonable the fee currently being charged.

In the final analysis in determining the appropriate current increase to the fee to be collected for issuing a motorcycle registration, the Commission recognizes that if it adhered to adjusting the fee to an amount that reflected the actual costs incurred by the Commission for this transaction, the new fee would have been substantially higher than the current fee. Therefore, the Commission set the new fee below the actual costs incurred by the Commission and the proposed new fee is set at an amount more closely aligned with the 2008 CPI adjusted amount.

N.J.A.C. 13:21-22.4(d), 22.14(c), and 22.15(d), which each set forth that the fee to be charged for issuing a specific type of salvage certificate of title shall be the corresponding fee set forth in N.J.S.A. 39:10-11, are proposed for amendment. As amended, the rules will accurately reference N.J.A.C. 13:21-4.2 (a new rule proposed herein), instead of N.J.S.A. 39:10-11, as the governing provision establishing the fees to be collected for the issuance of specific types of salvage certificates of title.

N.J.A.C. 13:21-23.2(f)4, which sets forth that the fee to be paid to the Commission for a commercial driver license (CDL) examination permit shall be the fee established by N.J.S.A. 39:3-10.30, is proposed for amendment. As amended, N.J.A.C. 13:21-23.2(f)4 increases the fee for a CDL examination permit to \$125.00, from the current \$35.00 fee established by N.J.S.A. 39:3-10.30. In determining the appropriate increase for this fee, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) this fee has not been increased since the 1990 enactment of the New Jersey Commercial Driver License Act, P.L. 1990, c. 103; (2) the actual costs to the Commission for administering the issuance of a CDL examination permit, including the costs associated with scheduling and providing unlimited testing opportunities for a CDL permit holder, is calculated to be \$437.40; and (3) a regular annual adjustment of this fee based upon the cumulative annual percentage increase in the CPI year to year since the last increase in 1990 results in a 2008 CPI adjusted fee of approximately \$56.89.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased fee amount of \$125.00 year-to-year going forward to 2014, the first year in which this fee would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in a projected adjusted fee of approximately \$144.31. The Commission considered this additional CPI calculation because although the Commission is authorized to increase this fee again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future increase, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fee currently being charged.

In the final analysis in determining the appropriate current increase to the fee to be collected for issuing a CDL examination permit, the Commission recognizes that if it adhered to adjusting the fee to an amount that reflected the actual costs incurred by the Commission for this transaction, the new fee would have been substantially higher than the current fee. Therefore, the Commission set the new fee well below actual costs incurred by the Commission and the proposed new fee is set at an amount more closely aligned with, but still less than, the 2014 five-year CPI projected amount.

N.J.A.C. 13:82-9.1 is proposed for amendment. N.J.A.C. 13:82-9.1(a)-(h) set forth various fees to be collected in connection with certificates of ownership for vessels, including the fee for issuance of certificates, the fee for the making and filing of certain records of transactions relating to vessels, the fee for issuance of duplicate certificates of ownership, the fee for the providing of copies of certificates of ownership records and for the filing of certificates and the fee for the issuance of corrected certificates of ownership. As amended, these fees are equivalent to the fees established in N.J.A.C. 13:21-4.2 (included in this proposal as a new rule) for motor vehicle certificate of ownership-related functions performed by the Commission.

In determining the appropriate adjustment for these fees, in accordance with N.J.S.A. 39:2A-36.1b(1), the Commission considered the following factors: (1) these fees have not been increased since 1995 when the fees for vessel certificate of ownership-related functions were initially set

forth in a new rule promulgated for the purpose of establishing these fees as equivalent to the fees collected for identical certificate of ownership-related functions that were performed for vehicles (see 27 N.J.R. 1521(b), 2592(b)); (2) the actual costs to the Commission for performing vessel certificate of ownership-related functions are the same as those calculated for performing the identical vehicle certificate of ownership-related functions that are set forth in the new rule proposed herein; and (3) a regular annual adjustment of these fees based upon the cumulative annual percentage increase in the CPI year-to-year since 1994 (the year in which vehicle certificate of ownership-related fees were last increased) results in 2008 CPI adjusted fees equivalent to those in the new rule that is part of this notice of proposal setting forth the vehicle certificate of ownership-related fees.

The Commission also considered the application of an estimated cumulative annual percentage increase in the CPI to the proposed increased fee amounts for vessel certificate for ownership-related functions year-to-year going forward to 2014, the first year in which these fees would be eligible to be increased again pursuant to N.J.S.A. 39:2A-36.1b(1). This resulted in projected adjusted fees equivalent to those fees calculated for the identical vehicle certificate of ownership fees set forth in this notice of proposal. As with the vehicle certificate of ownership-related fees proposed for increase in this notice of proposal, the Commission considered this additional CPI calculation because although the Commission is authorized to increase these fees again in five years based upon the cumulative annual percentage increase in the CPI for the intervening years, the Commission prefers to minimize the impact of any future increase, if necessary, following this initial opportunity to accurately adjust to the fullest extent reasonable the fees currently being charged for vessel certificate of ownership-related functions.

Social Impact

The Commission is one of the State's principal customer service agencies with regular and direct contact with virtually every New Jersey citizen. On average, the Commission engages in over 15 million direct contacts a year with the public and conducts approximately 39 million transactions annually—more than any other State agency. The proposed amendments are intended to ensure that the Commission's fee-based revenues, along with other non-State sources of funding, cover its cost of operations, so that it may continue providing courteous and efficient motor vehicle related services that the public has come to expect, and so that it may continue its efforts to enhance and deliver these services through the most convenient, accessible and secure methods possible.

The proposed amendments would have a positive social impact in that the increased revenue generated thereby would enable the Commission to more effectively meet the public's motor vehicle service related needs and fulfill its duly charged responsibilities under the law with regard to, among others, identifying and regulating drivers and motor vehicles in order to deter unlawful, unsafe and fraudulent acts. The Commission's improved services and increased oversight capability would, in turn, benefit the general public in that they would be considerably better served when conducting their motor vehicle related business, better protected from fraud, such as identity theft, and safer from errant drivers that are more efficiently monitored and, if necessary, administratively suspended from operating on New Jersey roadways.

Economic Impact

The Motor Vehicle Security and Customer Service Act, P.L. 2003, c. 13, the enabling legislation that created the Motor Vehicle Commission, mandates that the first \$200,000,000 of certain fee and surcharge revenue collected by the Commission pursuant to 81 enumerated fee statutes shall be remitted to the Commission. This allocation is intended to constitute dedicated and stable funding for the Commission's primary base operating budget, and was to be proportionately increased or lowered if collections pursuant to the fee statutes produced more or less revenue than the sum of \$200,000,000. Although this dedicated amount has fluctuated year-to-year since inception following enactment of the Motor Vehicle Security and Customer Service Act, it has not increased to a sufficient and reliable level that is on par with escalating operational and administrative costs incurred by the Commission, which continue to rise each year.

The original Motor Vehicle Security and Customer Service Act also mandated that the Commission shall receive 100 percent of the revenues collected from any new service charge and 100 percent of the increased revenues collected from any existing service charge increased by law. However, since enactment of the Motor Vehicle Security and Customer Service Act no existing service charge or fee has been increased. Despite directing that 100 percent of the revenues derived from any fee increase shall be revenues of the Commission, the Motor Vehicle Security and Customer Service Act, as originally enacted, did not provide the Commission with the necessary concomitant authority to increase any of the fees or surcharges that it collected. Consequently, the Commission has failed to realize any additional dedicated and stable funding resulting from the Act's dedication of such increased revenues to the Commission. As such, the Commission has been forced to continue to absorb the excess administrative and operational costs incurred for certain transactions where the costs of performing the functions supporting the transaction markedly exceed the current fee or surcharge collected by the Commission. On January 13, 2008, P.L. 2007, c. 335 was signed into law amending the Motor Vehicle Security and Customer Service Act to authorize the Commission to increase certain fees and surcharges it collected pursuant to 78 statutes through its Board's promulgation of rules adopted pursuant to the Administrative Procedure Act.

As set forth in the Summary above, in determining the proposed increase for the fees that are the subject of this notice of proposal, the Commission considered the date of the last increase for each fee sought to be increased. All but three of the fees proposed for amendment have not been increased within the last decade. One fee, the fee for registering a motorcycle, has not been increased for 40 years. The Commission also researched the costs associated with administering the transactions underlying the fees being amended by this notice of proposal. As set forth in the analysis for each fee in the Summary above, the proposed new fees accurately reflect to the extent reasonable the actual costs incurred by the Commission. In certain instances, due to the substantially higher fee that would need to be charged, the proposed new fees remain considerably less than the calculated actual costs to the Commission. The Summary above also contains an analysis of the application of the cumulative annual percentage increase in the CPI to each fee based upon the year in which the fee was last increased, and based upon a year-to-year estimated CPI increase up until 2014. In some instances, as noted, where a substantially higher fee would need to be charged, the Commission proposed a new fee considerably lower than the actual costs to the Commission opting instead for a new fee that is more aligned with, but less than, the adjusted CPI fee results.

The proposed amendments will have an economic impact upon those members of the general public and business community who seek to purchase uncertified or certified copies of a Driver History Abstract, a Notice of Scheduled Suspension, an Order of Suspension or Notice of Restoration, a Violation Record, Mail Lists, a Registration or Driver Application, Boat Registration Application, a Final Decision of the Chief Administrator and upon members of the public or business community who request file searches of the Motor Vehicle Commission Records. The Commission notes however that the fees for these records have not been increased in over a decade. High volume on-line information users approved by the Chief Administrator to participate in programs that provide for the electronic transmittal of driver history, registration and title and title history records will be economically impacted as a result of the increased fees for these records. Repeat errant drivers that are required to attend a Commission driver improvement program or probationary driver program will also be subjected to an economic impact resulting from the proposed increase in the fee for attendance at these programs. These attendance fees also have not been increased for more than a decade. The proposed amendments and one of the new rules will also have an economic impact on individuals or businesses applying for vehicle or vessel certificates of ownership, or who seek other vehicle or vessel certificate of ownership-related services, or individuals or businesses applying for salvage certificates of title. Again here though, the Commission notes that these fees have not been increased for over a decade. Motorcycle registrants will also be economically impacted by the proposed increased fee to be collected for the issuance of a motorcycle registration. The Commission notes that the last increase of this fee

occurred 40 years ago. The proposed amendments will also have an economic impact on applicants for a commercial driver license examination permit. The Commission notes that the fee for this permit has not been increased since enactment of the New Jersey Commercial Driver License Act in 1990 (P.L. 1990, c. 103) and that the actual costs to the Commission for administering the issuance of a CDL examination permit, including scheduling and providing unlimited testing opportunities for CDL permit holders, is calculated to be \$436.65.

Federal Standards Statement

A Federal standards analysis of the proposed amendments and new rules is not required because the subject matter of the rules proposed for amendment and the new rules is authorized under State law (N.J.S.A. 39:2A-28 and 36.1) and is not subject to Federal requirements or standards.

Jobs Impact

The Commission does not anticipate that any jobs will be generated or lost as a result of the adoption of the proposed amendments or the new rules.

Agriculture Industry Impact

Neither the proposed amendments nor the new rules will have an impact on the agriculture industry.

Regulatory Flexibility Analysis

The proposed amendments and new rules have been reviewed with regard to the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The Commission anticipates that the proposed amendments and new rules may affect business entities, a number of which will be small businesses as defined in the Act. However, the proposed amendments and new rules impose no reporting or recordkeeping requirements on such small businesses, nor do the amendments or new rules require such businesses to engage additional professional services.

It is anticipated that the proposed amendments will not result in any increased or new capital expenditures by small businesses for compliance. However, there may be an increase in operational costs as a result of adjusted fees that may be paid by owners or operators of small businesses if the business requires regular driver history abstract or record checks for potential or current employees operating motor vehicles on behalf of the business. If there exist any small business insurers or small business insurance producers, such small businesses may also see an increase in operating costs for the regular purchase of driver/insured related records, such as abstracts and driver history records. Additionally, costs may be increased for a small business or insurer if their business needs require the purchase of other uncertified or certified copies motor vehicle records, including Notices of Scheduled Suspension, Orders of Suspension or Notices of Restoration, a Violation Record, Mail Lists, a Registration or Driver Application, a Boat Registration Application, Final Decisions of the Chief Administrator or for file searches of the Motor Vehicle Commission Records. The proposed amendments and new rules may also increase costs for small businesses that regularly apply for vehicle or vessel certificates of ownership, such as car or boat rental companies, or for small businesses, such as auto body repair shops or junk yards that may apply for salvage certificates of title.

With regard to how the proposed amendments and new rules are designed to minimize adverse impacts on small businesses, the Commission notes that small businesses are not exempted from the payment of fees for motor vehicle transactions. Small businesses will need to expend funds if they require motor vehicle related transactions. These costs will vary among small businesses depending on the type and volume of transactions. The Commission has determined that the proposed fee adjustments are the minimum necessary in order to more closely defray the actual administrative and operational costs incurred by the Commission for each transaction, process or service that is the subject of this proposal.

Smart Growth Impact

It is not anticipated that the proposed rule amendments or new rules will have any impact on the achievement of smart growth and the implementation of the State Development and Redevelopment Plan within the meaning of Executive Order No. 4 (2002).

Housing Affordability Impact

The Commission has determined that there is an extreme unlikelihood that the scope the proposed amendments and new rules would change the average costs associated with housing. The proposed amendments and new rules pertain exclusively to motor vehicle service charges and fees. The cost or supply of affordable housing is not affected.

Smart Growth Development Impact

The proposed amendments and new rules would not have any impact upon housing production within Planning Areas 1 and 2 or within designated centers under the State Development and Redevelopment Plan, as each pertain exclusively to motor vehicle service charges and fees.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

CHAPTER 18

EXECUTIVE AND ADMINISTRATIVE SERVICE

SUBCHAPTER 11. ORGANIZATION OF THE MOTOR VEHICLE COMMISSION

13:18-11.1 Motor Vehicle Commission organizational structure

(a)-(c) (No change.)

(d) The Motor Vehicle Commission has [a Chief Operating Officer.] **three Assistant Chief Administrators, as follows:**

1. **Assistant Chief Administrator, Operations;**
2. **Assistant Chief Administrator, Motor Vehicle Agency Services;**

and

3. **Assistant Chief Administrator, Finance and Administration.**

(e) The Motor Vehicle Commission has [12] **14** directors, as follows:

- 1.-2. (No change.)
3. Director of [Administration] **Human Resources;**
4. Director of [Driver Management and Regulatory Affairs] **Compliance and Safety;**
- 5.-7. (No change.)

8. Director of [Intergovernmental Relations] **Facilities and Support Services;**

9. Director of [Operations Support] **Business and Government Operations;**

10. Director of [Driver and Vehicle Testing] **Field Operations;**

11. Director of [Agency Operations; and] **Central Office Operations;**

12. Director of Information Technology[.];

13. **Director of Inspection Services; and**

14. **Director of Procurement.**

13:18-11.4 Fees; information search; exemption

(a) (No change.)

(b) The fees are as follows:

1. A Driver History Abstract:

- i. Uncertified, [\$10.00] **\$15.00.**

- ii. Certified, [\$10.00] **\$15.00.**

2. A Notice of Scheduled Suspension, Order of Suspension or Notice of Restoration:

- i. Uncertified, [\$4.00] **\$15.00.**

- ii. Certified, [\$5.00] **\$15.00.**

3. Violation Record:

- i. Uncertified, [\$4.00] **\$15.00.**

- ii. Certified, [\$5.00] **\$15.00.**

4. Mail Lists:

- i. Uncertified, [\$4.00] **\$15.00.**

- ii. Certified, [\$5.00] **\$15.00.**

5. Registration or Driver License Application:

- i. Uncertified, [\$8.00] **\$15.00.**

- ii. Certified, [\$10.00] **\$15.00.**

6. Boat Registration Application:

- i. Uncertified, [\$8.00] **\$15.00.**

- ii. Certified, [\$10.00] **\$15.00.**

7. Final Decision of Chief Administrator:

- i. Uncertified, [\$4.00] **\$15.00.**

- ii. Certified, [\$5.00] **\$15.00.**

8. File Search of Motor Vehicle Commission Records:

i. Uncertified, [\$8.00] **\$15.00.**ii. Certified, [\$10.00] **\$15.00.**

(c)-(d) (No change.)

(e) Notwithstanding the fees set forth in this section, the Chief Administrator shall collect from high volume on-line information users a fee of [\$10.00] **\$12.00** for each driver history record requested on-line; a fee of [\$4.00] **\$12.00** for each vehicle registration record or each title record requested on-line; and a fee of [\$8.00] **\$12.00** for each title history requested on-line.

(f)-(g) (No change.)

CHAPTER 19
DRIVER MANAGEMENT BUREAU

SUBCHAPTER 10. POINT SYSTEM AND DRIVING DURING SUSPENSION

13:19-10.3 Driver improvement program attendance

(a)-(b) (No change.)

(c) The fee for attendance at a Motor Vehicle Commission driver improvement program shall be [\$100.00] **\$150.00.**

(d)-(e) (No change.)

(f) The fee for attendance at a Motor Vehicle Commission probationary driver program shall be [\$100.00] **\$150.00.**

CHAPTER 20
ENFORCEMENT SERVICE

SUBCHAPTER 17. DRIVER IMPROVEMENT SCHOOLS

13:20-17.3 Amount of fee

Any person attending a Motor Vehicle Commission driver improvement school shall pay an attendance fee of [\$100.00] **\$150.00.**

CHAPTER 21
LICENSING SERVICE

SUBCHAPTER 4. TITLES

13:21-4.2 [(Reserved)] Certificate of ownership fees

(a) The fee collected by the Commission for issuing a certificate of ownership in the case of a sale not subject to a security interest pursuant to N.J.S.A. 39:10-11A shall be **\$60.00.**

(b) The fee collected by the Commission for issuing a certificate of ownership and a copy thereof in the case of a sale subject to a security interest pursuant to N.J.S.A. 39:10-11B shall be **\$60.00.**

(c) The fee collected by the Commission for a certificate of ownership, upon the filing with the Commission of a certificate of ownership together with a financing statement, pursuant to N.J.S.A. 39:10-11C shall be **\$60.00.**

(d) The fee collected by the Commission for a notice of satisfaction of a lien or encumbrance of record or abstract, or termination of a security interest pursuant to N.J.S.A. 39:10-11F shall be **\$25.00.**

(e) The penalty collected by the Commission from a purchaser who fails to comply with the provisions of N.J.S.A. 39:10-11 shall be **\$25.00.**

(f) The fee collected by the Commission for issuing a duplicate certificate of ownership pursuant to N.J.S.A. 39:10-12 shall be **\$60.00.**

(g) The fees collected by the Commission for providing copies of documents pursuant to N.J.S.A. 39:10-14 shall be as follows:

1. Lien search, **\$15.00.**2. Chain of title, **\$15.00.**

(h) The fee collected by the Commission for issuing a corrected certificate of ownership pursuant to N.J.S.A. 39:10-16 shall be **\$60.00.**

SUBCHAPTER 5. REGISTRATIONS

13:21-5.5 [(Reserved)] Motorcycle registration fee

The applicant for registration for a motorcycle shall pay to the Commission for each registration a fee of **\$65.00.**

SUBCHAPTER 22. SALVAGE CERTIFICATES OF TITLE

13:21-22.4 Issuance of salvage certificates of title; fee

(a)-(c) (No change.)

(d) A fee, set forth in [N.J.S.A. 39:10-11] N.J.A.C. 13:21-4.2, shall be charged for the issuance of a salvage certificate of title.

13:21-22.14 Issuance of certificates of ownership without a salvage designation

(a)-(b) (No change.)

(c) A fee, as set forth in [N.J.S.A. 39:10-11] N.J.A.C. 13:21-4.2, shall be charged for the issuance of a certificate of ownership without a salvage designation.

13:21-22.15 Issuance of certificates of ownership with a salvage designation

(a)-(c) (No change.)

(d) A fee, as set forth in [N.J.S.A. 39:10-11] N.J.A.C. 13:21-4.2, shall be charged for the issuance of a certificate of ownership with a salvage designation.

SUBCHAPTER 23. COMMERCIAL DRIVER LICENSING

13:21-23.2 Driver application procedures; initial; examination permit; transfer from another state; renewal; upgrade; endorsements; form; fee; legal name defined

(a)-(e) (No change.)

(f) When applying for a CDL examination permit, all applicants shall 1.-3. (No change.)

4. Pay to the Commission [the] an examination permit fee [established by N.J.S.A. 39:3-10.30] of **\$125.00;** and

5. (No change.)

CHAPTER 82
BOATING REGULATIONS

SUBCHAPTER 9. CERTIFICATE OF OWNERSHIP FEES

13:82-9.1 Certificate of ownership fees

(a) The fee collected by the Commission for issuing a certificate of ownership in the case of a sale not subject to a security interest pursuant to N.J.S.A. 12:7A-12a shall be [\$20.00] **\$60.00.**

(b) The fee collected by the Commission for issuing a certificate of ownership and copy thereof in the case of a sale subject to a security interest pursuant to N.J.S.A. 12:7A-12b shall be [\$30.00] **\$60.00.**

(c) The fee collected by the Commission for a certificate of ownership, upon the filing with the Chief Administrator of a certificate of ownership together with a financing statement, pursuant to N.J.S.A. 12:7A-12c shall be [\$30.00] **\$60.00.**

(d) The fee collected by the Commission for a notice of satisfaction of a lien or encumbrance of record or abstract, or termination of a security interest pursuant to N.J.S.A. 12:7A-12f shall be [\$10.00] **\$25.00.**

(e) (No change.)

(f) The fee collected by the Commission for issuing a duplicate certificate of ownership pursuant to N.J.S.A. 12:7A-13 shall be [\$25.00] **\$60.00.**

(g) The fees collected by the Commission for providing copies of documents pursuant to N.J.S.A. 12:7A-15 shall be as follows:

1. Lien search, [\$5.00] **\$15.00.**2. Chain of title, [\$10.50] **\$15.00.**

(h) The fee collected by the Commission for issuing a corrected certificate of ownership pursuant to N.J.S.A. 12:7A-18 shall be [\$20.00] **\$60.00.**