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**MOTOR VEHICLE COMMISSION****Licensing Service Document Scanning****Proposed Amendments: N.J.A.C. 13:21-8.2 and 13:82-8.20**

Authorized By: Motor Vehicle Commission, Raymond P. Martinez, Chairman and Chief Administrator and with the approval of John Jay Hoffman, Acting Attorney General, as to N.J.A.C. 13:82-8.20. Authority: N.J.S.A. 12:7-72, 12:7-85, 39:2A-2.j, 39:3-4, 39:3-9c, 39:3-10, and 39:3-10f.

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

Proposal Number: PRN 2015-126.

Submit comments by December 4, 2015, to:

Kate Tasch  
Administrative Practice Officer  
Regulatory and Legislative Affairs  
Motor Vehicle Commission  
225 East State Street  
PO Box 162  
Trenton, NJ 08666-0162

or via e-mail to [rulecomments@mvc.nj.gov](mailto:rulecomments@mvc.nj.gov).

The agency proposal follows:

**Summary**

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

The Motor Vehicle Commission ("Commission" or "MVC"), having been formed by the Legislature through the Motor Vehicle Security and Customer Service Act, N.J.S.A. 39:2A-1 et seq., was found by the Legislature in N.J.S.A. 39:2A-2 to have failed security systems, contributing to a growing national problem of identity theft that costs the State and the nation millions of dollars each week. The Legislature found that in the past, fraud and corruption could not be addressed due to inadequate funding, training, security, internal controls, and oversight. The Legislature found that the MVC must improve its security system and equipment, and its fraud detection, training, and monitoring so that fraudulent driver licenses such as those used in the furtherance of terroristic activities will be eliminated. Internal audits and controls and investigations were found to be needed to detect patterns of fraud, theft, corruption, identity theft, and mismanagement in the issuance of driver licenses, registrations, and titles because Commission documents must be more resistant to compromise. It had been found that criminals used counterfeit passports, Social Security cards, county identification cards, pay stubs, and W-2 forms to obtain fraudulent driver licenses and non-driver identification cards in furtherance of identity-theft schemes. N.J.S.A. 39:2A-2.i. The Legislature clearly stated at N.J.S.A. 39:2A-2.j that proper identification must be required at all phases of the licensing and driver testing processes to assure that only those persons qualified to legally obtain licenses do so.

Based on the Legislature's findings, the Commission was formed with the purposes of identifying and regulating drivers and motor vehicles to deter unlawful and unsafe acts, among other things. The Commission is charged with addressing the multitude of functions assigned to it while curtailing fraudulent and criminal activities that present threats to the State's security system. The proposed amendments to N.J.A.C. 13:21-8.2 and 13:82-8.20 are in furtherance of, and in compliance with, the purposes and authority of the Commission.

Proposed new N.J.A.C. 13:21-8.2(a)9 and 13:82-8.20(a)9 authorize the Commission to scan applications, declarations, and documents that are presented by the Commission's customers to satisfy the six-point identification system requirements when obtaining permits, licenses, and non-driver identification cards. The proposed amendments also indicate that the scanned applications, declarations, and documents will be retained electronically in accordance with Division of Revenue and Enterprise Services (DORES) statutes and retention schedules. The

scanning of applications, declarations, and documents is to ensure the integrity of the Commission's six-point identification verification system by enabling the Commission to conveniently access and verify the application and documents that were submitted by the customer in order to obtain the Motor Vehicle Commission document.

**Social Impact**

Having a secure database and being able to trace the origins of the information relied on by Commission personnel who issued the initial or renewed Commission documents is beneficial because permits, licenses, and non-driver identification cards issued by motor vehicle authorities have become gold standard identification documents that are used to access many other privileges and benefits including credit cards and bank accounts. It also assures that the Commission knows who it is issuing documents to, who is driving motor vehicles on the public roads and highways, who is incurring violations on the public roads and highways, whose license privileges it is suspending, et cetera. It also helps protect legitimate Commission customers who are the recipients and holders of Commission issued documents such as permits, licenses, and non-driver identification cards from identity theft.

**Economic Impact**

There will be a cost to acquire the scanning equipment that will be necessary to allow the Commission to scan applications, declarations, and documents that are required by the Commission's six-point identification system. However, the benefits of having a secure permit, driver license, and non-driver identification system outweigh the costs of the scanning equipment. No additional costs will be assessed to customers who are obtaining or renewing their permits, licenses, or non-driver identification cards.

**Federal Standards Statement**

The proposed amendments do not cause the rules to, or amend any rule that does, exceed Federal standards or requirements. The proposed amendments meet Federal document retention standards for application, declaration, and source documents. Federal law specifically permits the respective states to utilize Social Security numbers and to retain applications, declarations, and documents required by the Commission's six-point identification system in the administration of driver license or motor vehicle registration laws. See 6 CFR 37.31 and 42 U.S.C. § 405(c)(2)(C)(i).

**Jobs Impact**

The Commission does not anticipate that the proposed amendments in procedure, to authorize the scanning of applications, declarations, and documents that are required by the Commission's six-point identification system, will result in an increase or decrease of jobs.

**Agriculture Industry Impact**

The Commission does not believe that the proposed amendments to procedure, to authorize the scanning of applications, declarations, and documents that are required by the Commission's six-point ID system, will have any impact on the agriculture industry of New Jersey.

**Regulatory Flexibility Statement**

A regulatory flexibility analysis is not required because the proposed amendments that pertain to the scanning of applications, declarations, and documents that are required by the Commission's six-point identification system will not have any impact on small businesses as they are defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Scanning of documents only impacts the Commission's business practices, not the business practices of its customers.

**Housing Affordability Impact Analysis**

The proposed amendments will not have an impact on housing affordability and will evoke no change in the average costs associated with housing because the proposed amendments, that pertain to the scanning of applications, declarations, and documents that are required by the Commission's six-point identification system, will only authorize the Commission to scan certain documents so that they can be electronically stored.

**Smart Growth Development Impact Analysis**

The proposed amendments, that pertain to the scanning of applications, declarations, and documents that are required by the Commission’s six-point identification system, will have no impact on smart growth development and will not evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan, because they only authorize the Commission to scan certain documents so that the documents can be electronically stored.

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

CHAPTER 21  
LICENSING SERVICE

SUBCHAPTER 8. DRIVER LICENSES

13:21-8.2 Age requirements; proof of identity and date of birth; proof that presence in United States is authorized under Federal law; proof of address

(a) Each applicant for a license, permit, or non-driver identification card shall be required to furnish to the Commission, upon request, proof of identity and date of birth and proof that the applicant’s presence in the United States is authorized under Federal law. Such proof may be established by submission of the original or certified (by the issuing authority) copy of the primary and/or secondary documents [which] **that** are listed in (b) below, as follows:

1.-8. (No change.)

**9. Commission staff members are authorized to scan all applications, declarations, and documents presented or accepted toward satisfying document requirements. All scanned documents will be retained electronically in accordance with Division of Revenue and Enterprise Services (DORES) statutes and retention schedules.**

[9.] **10.** (No change in text.)

(b)-(g) (No change.)

CHAPTER 82  
BOATING REGULATIONS

SUBCHAPTER 8. REGISTRATION AND LICENSING

13:82-8.20 Operator license; proof of age and identity; expiration

(a) Each applicant for a boat operator license shall, upon request, furnish proof of identity and date of birth and proof that the applicant’s presence in the United States is authorized under Federal law. Such proof may be established by submission of the original or certified (by the issuing authority) copy of the primary and/or secondary documents [which] **that** are listed in (b) below as follows:

1.-8. (No change.)

**9. Commission staff members are authorized to scan all applications, declarations, and documents presented or accepted toward satisfying document requirements. All scanned documents will be retained electronically in accordance with Division of Revenue and Enterprise Services (DORES) statutes and retention schedules.**

[9.] **10.** (No change in text.)

(b)-(g) (No change.)

**TREASURY — TAXATION**

(a)

**DIVISION OF TAXATION**

**Alcoholic Beverage Tax Act—State Licensees**

**Proposed Readoption with Amendments: N.J.A.C. 18:3**

**Proposed Repeals: N.J.A.C. 18:3-3.3, 8.1, 8.3, 8.5, 8.10, 8.22, 8.23, 9.1 through 9.6, 9.8, 9.10, 9.11, 9.12, 9.14, 9.16, 10.2, 10.3, 10.4, 10.10, 11.13, 12.2 through 12.5, 12.9, 13.3, 13.4, 13.7, 13.11, 13.12, 14.1 through 14.10, 14.17, and 18:3 Appendix A**

Authorized By: Dennis Shilling, Acting Director, Division of Taxation.

Authority: N.J.S.A. 54:42-1 and 54:50-1.

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

Proposal Number: PRN 2015-124.

Submit comments by December 4, 2015, to:

Elizabeth J. Lipari  
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Division of Taxation  
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50 Barrack Street  
PO Box 240  
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E-mail: [tax.rulemakingcomments@treas.nj.gov](mailto:tax.rulemakingcomments@treas.nj.gov)

The agency proposal follows:

**Summary**

Pursuant to N.J.S.A. 52:14B-5.1, N.J.A.C. 18:3 was scheduled to expire on August 27, 2015. As the Division of Taxation (Division) has filed this notice of readoption with the Office of Administrative Law prior to that date, the expiration date is extended 180 days to February 17, 2016, pursuant to N.J.S.A. 52:14B-5.1.c(2). The Division of Taxation has reviewed these rules and has determined them to be necessary, reasonable, and proper for the purpose for which they were originally promulgated. As a result of the passage of P.L. 2009, c. 71, effective July 1, 2009, the tax rate provisions of N.J.S.A. 54:43-1 were amended. The Division proposes to readopt these rules with substantive changes that are necessary in order to conform the tax rates stated in the rule with the Alcoholic Beverage Tax Act, as amended. The amendments contain additional changes reflecting repeal of prior Federal law that required the use of strip stamps on distilled beverages, as well as the repeal of N.J.A.C. 18:3-3.3, which no longer reflects Division practice. The Division also proposes technical amendments to correct grammar and typographical errors, to substitute plain language, to repeal rules that merely cross-reference other sections of N.J.A.C. 18:3, and to recodify the rules for the purpose of achieving clarity. The amendments further reflect the repeal of N.J.A.C. 18:3 Appendix A because all of the noted forms are either invalid or available on the Division’s website.

The Alcoholic Beverage Tax Law, N.J.S.A. 54:41-1 through 54:47-8 as amended and supplemented, was originally enacted as P.L. 1933, c. 434, effective December 5, 1933. Subsequent amendments to the statute were chiefly in the area of modification of tax rates. The Taxpayers’ Bill of Rights, P.L. 1992, c. 175, provided that effective July 1, 1993, procedures for the administration of the alcoholic beverage tax would be governed by the State Tax Uniform Procedure Law, N.J.S.A. 54:48-1 et seq.

The tax is imposed on the receipts from the first sale or delivery of alcoholic beverages to retailers in New Jersey and is based upon the number of gallons sold or otherwise disposed of in the State. The tax is collected from licensed manufacturers, wholesalers, and State beverage distributors. The law provides tax exemptions for qualified sales for medical, dental, industrial, and other nonbeverage use (N.J.S.A. 54:43-2), as well as sales to Armed Forces or Coast Guard personnel operating a