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The Honorable Patrick J. Diegnan Jr., Chair
Senate Transportation Committee
908 Oak Tree Ave., Unit P
South Plainfield, NJ 07080

Testimony in Support of Amendment to S2559

“Exempts certain motor vehicles that are owned by certain senior nutrition programs from motor vehicle registration fees.”

Good morning, Chairman Diegnan, Vice-chairman Gopal and members of the Committee. Thank you for this opportunity to offer comments on S2559, which would exempt certain motor vehicles from motor vehicle registration fees.

The New Jersey Association of Mental Health and Addiction Agencies represents 160 nonprofit hospital-based and freestanding community mental health and substance use treatment providers throughout the state. Collectively, our member organizations serve more than 500,000 children and adults each year and contribute to the economy through 61,000 direct and indirect jobs.

Since last summer, as nonprofit organizations have renewed their vehicle registrations, our member providers have been faced for the first time with a new interpretation of Statute 39:3-27, *Free Registration of Certain Vehicles*, which no longer exempts their vehicles from registration fees. This is resulting in a significant adverse financial impact on nonprofit provider organizations that are contracted with the Department of Human Services, Department of Health and the Department of Children and Families.

According to the New Jersey Division of Motor Vehicles, these agencies are no longer eligible for the free vehicle registrations as they have been for 70 years. The statute itself states that the exemption applies to: “motor vehicles not used for pleasure or hire, owned by a... hospital, humane society, and anticruelty society in this state, ...”, among other entities.

Miriam Webster defines humane society as “1. A lifesaving society”, and “2. A society concerned with the promotion of humane conduct or ideals or having charitable or philanthropic ends”. At the time this statute was



originally adopted, sometime prior to 1951 (which is when the first amendment to it was passed), humane society was commonly used to refer to community-based nonprofits, whereas now it is largely used to refer more narrowly to nonprofits protecting animals. So, since the 1950s, nonprofit community-based providers of mental health and substance use treatment services qualified for free registration. Under the new interpretation, only nonprofits caring for animals are exempted as humane societies, though a law was passed in December 2017 that exempted fees for vehicles that transport individuals with developmental disabilities.

While well intended, the new law for those agencies transporting the developmentally disabled is very complicated for those organizations that also serve other populations. Their fleets now consist of some vehicles that are exempt and others that are not, where any single vehicle is actually available to multiple populations, but must now be somehow otherwise designated.

The bill now before this Committee would exempt senior nutrition programs, such as Meals on Wheels. We urge the Committee to amend this legislation to capture all 501(c)3 organizations and avoid a process by which one type of non-profit organization at a time has its exemption reinstated.

I would like to add that, with the recent transition to a fee-for-service reimbursement for the majority of their services, many community behavioral health-care providers are facing deficits due to the inadequacy of several rates. Since the vehicle registration fees clearly would have not been considered during the development of those rates, they represent an additional, unanticipated, and significant non-reimbursed expense.

We hope you agree that S2559 should be amended to reflect the original intent, interpretation and application of the relevant statute to ensure that nonprofit organizations are not charged for vehicle registrations.

Thank you again for this opportunity to comment, and for your consideration of our request.

Sincerely,



Debra L. Wentz, Ph.D.
President and CEO

