

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 4084

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 14, 2023

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 4084.

As amended, the bill establishes an application process and certain security procedures for licensed motor vehicle dealers seeking to provide temporary license plates to buyers.

Under the bill, a licensed motor vehicle dealer is required to apply to the Chief Administrator of the New Jersey Motor Vehicle Commission to be permitted to issue temporary registration certificates and temporary license plates. The application is to include the dealer's name and business address, proof of a valid dealer license, a demonstration of a secure storage and printing area, completion of an approved training course, and the application fee.

The bill provides that for each temporary license plate requested from the commission, in addition to any information required by the chief administrator, the dealer is required to maintain in a physical file on the business premises of the licensed dealer or in an electronic file on the computer system of the licensed dealer, for a period of three years following the date that the temporary license plate is issued: (1) a copy of the front and back of the purchaser's driver's license; (2) a copy of the title or manufacturer's certificate of origin showing the make, model, and the vehicle identification number of the motor vehicle sold to the purchaser; (3) proof of a bona fide sale, including, but not limited to, a copy of the executed bill of sale; (4) a copy of the proof of insurance coverage for the motor vehicle sold to the purchaser; (5) the static IP address of the printer used to print the temporary license plate; and (6) a copy of the temporary registration certificate and temporary license plate issued to the purchaser.

Within six months of the bill's effective date, licensed motor vehicle dealers are required to print temporary license plates on paper that utilizes enhanced security features, as established by the chief administrator, for the purpose of preventing forgery or duplication. Within three months of the bill's effective date, the chief administrator is required to select and authorize the use of a specific type of security paper that does not interfere with the ability of toll monitoring systems to detect toll violations.

In addition, the bill grants the chief administrator 14 months to establish and maintain a database of information regarding motor vehicles sold or leased by any licensed dealer. The bill requires licensed dealers to enter into the vehicle registry any information required by the chief administrator. Following the establishment of the vehicle registry by the chief administrator, a temporary registration certificate and license plate may only be issued to a licensed dealer for a motor vehicle that is listed in the vehicle registry. The bill defines “vehicle registry” to mean a database that includes the following information: a listing of motor vehicles owned, leased, or sold by the licensed dealer; any motor vehicles delivered to the licensed dealer for either wholesale or retail sale; the name and address of the buyer or lessee of the motor vehicle; the motor vehicle identification number; and any other information as required by the chief administrator.

The bill increases penalties for licensed motor vehicle dealers who violate the provisions of the bill or any rule or regulation prescribed by the chief administrator related to the issuance of temporary license plates and temporary registration certificates. Under the bill, a violator would be liable to a penalty of \$2,500 for a first offense and \$5,000 for any subsequent offense. Each temporary license plate issued in violation of this bill is to constitute a separate offense. The bill grants the chief administrator the discretion to permanently prohibit any member, officer, agent, employee, or other representative of a licensed dealer who violates the provisions of this bill from obtaining a position as an owner, officer or director, at any licensed dealership, or as an employee at any licensed dealership, if the employee’s position involves access to the computer system used to request or print temporary registration certificates or license plates.

In addition, this bill establishes: (1) a crime of the fourth degree for any person who knowingly produces, sells, offers, or exposes for sale a temporary license plate or temporary registration certificate obtained by providing false information to the chief administrator; (2) a disorderly persons offense for any person who knowingly exhibits or displays or produces a temporary license plate or temporary registration certificate obtained by providing false information; (3) a petty disorderly persons offense for any person possessing a temporary license plate or temporary registration certificate obtained by providing false information; (4) a crime of the fourth degree for any person who knowingly produces, sells, offers, or exposes for sale a forged, altered, counterfeited, or simulated temporary registration certificate or temporary license plate; (5) a disorderly persons offense for any person who exhibits or displays on a motor vehicle a falsely made, forged, altered, counterfeited or simulated temporary registration certificate or temporary license plate, knowing that the temporary registration certificate or temporary license plate was falsely made, forged, altered, counterfeited or simulated; and (6) a petty disorderly persons offense for any person who possesses a falsely

made, forged, altered, counterfeited, or simulated temporary registration certificate or temporary license plate, knowing that the temporary registration certificate or temporary license plate was falsely made, forged, altered, counterfeited, or simulated.

A crime of the fourth degree is punishable by up to 18 months imprisonment, a fine of up to \$10,000, or both. A disorderly persons offense is punishable by up to six months imprisonment, a fine of up to \$1,000, or both. A petty disorderly persons offense is punishable by up to 30 days imprisonment, a fine of up to \$500, or both.

Under the bill, following a hearing, the chief administrator may suspend or revoke the dealer license of a dealer who commits multiple violations of the provisions of this bill or who is convicted of a criminal violation of the provisions of this bill.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) require the licensed dealer to maintain in a physical or electronic file certain documents related to each temporary license plate printed for a period of three years;

(2) clarify that any member, officer, agent, employee, or other representative who has been found to have abused the temporary license plate system is prohibited from being employed by a licensed dealer in any position that involves access to the computer system used to request or print temporary license plates;

(3) provide that chief administrator or designated vendor is to implement security features to prevent a licensed dealer from printing more than one temporary license plate per bona fide sale;

(4) provide that the chief administrator has three months from the bill's effective date to select and authorize the use of a specific type of security paper for printing temporary license plates that does not interfere with the ability of toll monitoring systems to detect toll violations;

(5) clarify that within one year of the bill's effective date, a licensed dealer is to complete the training course required for approval of the dealer's application to issue temporary registration certificates and license plates;

(6) provide that the clerk of the court in which a conviction is rendered or any other person designated by the court is to forward to the chief administrator a certified copy of the conviction or a transcript;

(7) provide certain notice and other requirements for any hearing held by the chief administrator in response to a violation the bill's provisions;

(8) provide that sections three and four of the bill are to take effect immediately and that sections one and two of the bill are to take effect on the first day of the sixth month next following enactment, except

that the chief administrator may take any anticipatory administrative action necessary to implement the bill's provisions;

(9) revise the definition of "vehicle registry" to mean a database established and maintained by the chief administrator that includes the following information: a listing of motor vehicles owned, leased, or sold by the licensed dealer; any motor vehicles delivered to the licensed dealer for either wholesale or retail sale; the name and address of the buyer or lessee of the motor vehicle; the motor vehicle identification number; and any other information required by the chief administrator;

(10) 14 months following the bill's effective date, the chief administrator is required to establish and maintain a vehicle registry;

(11) require a licensed dealer to enter into the vehicle registry any information required by the chief administrator;

(12) provide that following the establishment of the vehicle registry by the chief administrator, a temporary registration certificate and license plate only be issued to a licensed dealer for a motor vehicle that is listed in the vehicle registry; and

(13) make certain technical and clarifying changes.

FISCAL IMPACT:

The Office of Legislative Services (OLS) anticipates an initial State expenditure by the Motor Vehicle Commission to implement the bill's provisions and finds the bill's establishment of crimes of the fourth degree, disorderly persons offenses, and petty disorderly persons offenses will expand the workload of the Department of Law and Public Safety, county prosecutor's offices, the Administrative Office of the Courts, and Superior and municipal courts, as additional defendants will be prosecuted and tried.

The OLS further notes that the bill will increase annual State and municipal revenue collections from fine and penalty payments from convicted violators of new and expanded statutory provisions. The bill increases the fine for violations related to temporary registration certificates and license plates from \$100 to \$2,500 for the first offense and \$5,000 for subsequent offenses. The bill also imposes the penalties for fourth-degree crimes, disorderly persons offenses, and petty disorderly persons offenses. A fourth-degree crime is punishable by up to 18 months imprisonment, a fine of up to \$10,000, or both. A disorderly persons offense is punishable by up to six months imprisonment, a fine of up to \$1,000, or both. A petty disorderly persons offense is punishable by up to 30 days imprisonment, a fine of up to \$500, or both.