

ASSEMBLY, No. 1486

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

SYNOPSIS

“Used Motor Vehicle Dealer Licensing Act.”

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

WITHDRAWN



1 **AN ACT** concerning the licensure of certain motor vehicle dealers,
2 supplementing Title 45 of the Revised Statutes, and revising
3 various parts of the statutory law.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. (New section) This act shall be known and may be cited as
9 the "Used Motor Vehicle Dealer Licensing Act."

10

11 2. (New section) The Legislature finds and declares that the
12 public interest requires greater regulation of used motor vehicle
13 dealers and the establishment of a State board charged with
14 establishing clear licensure standards and providing proper and
15 effective oversight of the State's used motor vehicle dealership
16 community; and that the health and welfare of the residents of the
17 State will be protected by identifying to the public those individuals
18 who are qualified and legally authorized to engage in the business
19 of selling, buying, or dealing used motor vehicles.

20

21 3. (New section) As used in this act:

22 "Board" means the State Board of Used Motor Vehicle Dealers
23 established pursuant to section 4 of this act.

24 "Director" means the Director of the Division of Consumer
25 Affairs in the Department of Law and Public Safety.

26 "Licensed used motor vehicle dealer" means a person who is
27 licensed as a retail used motor vehicle dealer, wholesale used motor
28 vehicle dealer, or retail-wholesale used motor vehicle dealer
29 pursuant to the provisions of this act.

30 "New motor vehicle" means only a newly manufactured motor
31 vehicle, except a nonconventional type motor vehicle, and includes
32 all vehicles propelled otherwise than by muscular power, and
33 motorcycles, motorized bicycles, trailers and tractors, and
34 manufactured homes not subject to real property taxation pursuant
35 to P.L.1983, c.400 (C.54:4-1.2 et seq.), excepting vehicles as run
36 only upon rails or tracks and manufactured homes subject to real
37 property taxation.

38 "Nonconventional type motor vehicle" means every vehicle not
39 designed or used primarily for the transportation of persons or
40 property and only incidentally operated or moved over a highway,
41 and any other motor vehicle deemed by the Chief Administrator of
42 the New Jersey Motor Vehicle Commission to be included in the
43 category of nonconventional type motor vehicles pursuant to
44 regulations, including, but not limited to, ditch-digging apparatus,
45 well-boring apparatus, road and general purpose construction and

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 maintenance machinery, asphalt spreaders, bituminous mixers,
2 bucket loaders, ditchers, leveling graders, finishing machines,
3 motor graders, road rollers, scarifiers, earth-moving carryalls,
4 scrapers, power shovels, drag lines, self-propelled cranes, earth-
5 moving equipment, trailers and semitrailers which weigh less than
6 2,500 pounds, except that no mobile or manufactured home or
7 travel trailer shall be classified as a nonconventional type motor
8 vehicle, motorized wheelchairs, motorized lawn mowers, bogies,
9 farm equipment having a factory shipping weight of less than 1,500
10 pounds, whether or not motorized, including farm tractors within
11 said weight limitation, industrial tractors, scooters, go-carts, gas
12 buggies and golf carts.

13 "Person" means an individual, corporation, partnership,
14 association or any other business entity.

15 "Used motor vehicle" means every motor vehicle and motorized
16 bicycle, except a nonconventional type motor vehicle, for which
17 title to, or possession of, has been transferred from the person who
18 first acquired it from the manufacturer or dealer, and so used as to
19 become what is commonly known as "secondhand" within the
20 ordinary meaning thereof, and includes every motor vehicle and
21 motorized bicycle other than a new motor vehicle, a
22 nonconventional type motor vehicle or a manufactured home
23 subject to real property taxation.

24 "Used motor vehicle dealer" means a person engaged in the
25 business of selling, buying or dealing in only used motor vehicles at
26 retail, wholesale, or retail and wholesale.

27
28 4. (New section) There is created within the Division of
29 Consumer Affairs in the Department of Law and Public Safety the
30 State Board of Used Motor Vehicle Dealers. The board shall
31 consist of eight members who are residents of the State, three of
32 whom shall be public members and one of whom shall be a State
33 executive department member appointed pursuant to the provisions
34 of P.L.1971, c.60 (C.45:1-2.1 et seq.). The remaining four members
35 shall be, except for the members first appointed, licensed used
36 motor vehicle dealers under the provisions of this act, and shall
37 have been actively engaged in business as a used motor vehicle
38 dealer in the State for at least five years immediately preceding
39 their appointment.

40 The Governor shall appoint the three public members and the
41 State executive department member and shall appoint the remaining
42 four members with the advice and consent of the Senate. Each
43 member, other than the State executive department member, shall
44 be appointed for a term of three years, except that of the used motor
45 vehicle dealer members first appointed, two shall serve for a term of
46 three years, one shall serve for a term of two years and one shall
47 serve for a term of one year. Any vacancy in the membership of the
48 board shall be filled for the unexpired term in the manner provided

1 by the original appointment. No member of the board may serve
2 more than two successive terms in addition to any unexpired term to
3 which he has been appointed. The Governor may remove any
4 member of the board, other than the State executive department
5 member, for cause.

6
7 5. (New section) Members of the board shall be compensated
8 and reimbursed for expenses and provided with office and meeting
9 facilities pursuant to section 2 of P.L.1977, c.285 (C.45:1-2.5).

10
11 6. (New section) The board shall organize within 30 days
12 after the appointment of its members and shall annually elect from
13 among its members a chairperson and vice-chairperson, and a
14 secretary who need not be a member of the board. The board shall
15 meet at least once every two months and may hold additional
16 meetings as necessary to discharge its duties. A majority of the
17 board membership shall constitute a quorum.

18
19 7. (New section) The board shall:

- 20 a. Review the qualifications of applicants for licensure;
21 b. Adopt a code of ethics;
22 c. Establish all necessary criteria for licensing retail used
23 motor vehicle dealers, wholesale used motor vehicle dealers, and
24 retail-wholesale used motor vehicle dealers;
25 d. Certify all locations that serve as a multi-used motor vehicle
26 dealer location;
27 e. Issue and renew licenses for used motor vehicle dealers
28 pursuant to this act;
29 f. Refuse to issue or suspend, revoke or fail to renew the
30 license of a used motor vehicle dealer pursuant to the provisions of
31 P.L.1978, c.73 (C.45:1-14 et seq.);
32 g. Maintain a record of every used motor vehicle dealer
33 licensed in this State, their place of business, place of residence and
34 the date and number of their license;
35 h. Prescribe or change the charges for licenses, renewals and
36 other services it performs pursuant to P.L.1974, c.46 (C.45:1-3.1 et
37 seq.);
38 i. Inspect and audit licensed used motor vehicle dealers and
39 multi-used motor vehicle dealer locations;
40 j. Establish information-sharing agreements with regulatory
41 authorities in other states or jurisdictions in order to determine
42 whether licensed used motor vehicle dealers, or applicants for
43 licensure, in this State have had a similar license, certificate, or any
44 other form of permission to engage in business as a used motor
45 vehicle dealer, suspended or revoked for reasonable cause in other
46 states or jurisdictions;
47 k. Disseminate informational material to instruct and assist the
48 used motor vehicle dealer community with regard to best practices

1 in the industry, as well as the types of activities that constitute
2 statutory and regulatory violations;

3 l. Establish a reasonable number of actual annual used motor
4 vehicle transactions necessary to maintain licensure as a wholesale
5 used motor vehicle dealer;

6 m. Establish a system for accurately tracking dealer-to-dealer
7 transactions, which also links the transaction records to a vehicle's
8 title-of-ownership record, so that used motor vehicle dealers and
9 regulatory authorities may readily process, store, review, and audit
10 the full record of a motor vehicle's retail and wholesale transaction
11 history;

12 n. Establish a process by which a used motor vehicle dealer
13 holding a valid license pursuant to R.S.39:10-19, prior to the date of
14 enactment of this act, is eligible for expedited licensure approval
15 consistent with the provisions of this act;

16 o. Ensure that a licensed used motor vehicle dealer complies
17 with the provisions of P.L.1971, c.76 (C.39:10-26 et seq.); and

18 p. Adopt and promulgate rules and regulations pursuant to the
19 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
20 1 et seq.) necessary to effectuate the purposes of this act.

21
22 8. (New section) No person shall engage in business as a used
23 motor vehicle dealer whether compensated or not unless the person
24 holds a valid license issued in this State pursuant to the provisions
25 of this act.

26
27 9. (New section) To be eligible to be licensed as a retail used
28 motor vehicle dealer, a wholesale used motor vehicle dealer, or a
29 retail-wholesale used motor vehicle dealer, an applicant shall fulfill
30 the following requirements:

31 a. Be at least 18 years of age;

32 b. Be of good moral character;

33 c. Hold a valid New Jersey driver's license demonstrating
34 proof of residency;

35 d. Have an established place of business; and

36 e. Undergo a criminal history record background check,
37 including fingerprint comparison, conducted through the Federal
38 Bureau of Investigation and the State Bureau of Identification in the
39 Division of State Police, and the applicant seeking licensure shall
40 bear the cost for the criminal history record background check,
41 including all costs of administering and processing the check.

42 For the purposes of this section, an established place of business
43 shall include a trailer if the trailer is connected to utilities and
44 remains in the same location for at least six months of the year.

45
46 10. (New section) a. No applicant shall be eligible for
47 licensure as a used motor vehicle dealer, and no licensed used
48 motor vehicle dealer shall be eligible for license renewal, if the

1 applicant or licensee has been convicted under the laws of this State
2 of an offense involving dishonesty, fraud, or misrepresentation, or
3 of a crime of the second degree or above, but nothing in this section
4 shall be deemed to supersede P.L.1968, c.282 (C.2A:168A-
5 1 et seq.).

6 b. No applicant shall be eligible for licensure as a used motor
7 vehicle dealer, and no licensed used motor vehicle dealer shall be
8 eligible for license renewal, if the applicant or licensee has been
9 convicted under the laws of another state, or of the United States, of
10 an offense involving dishonesty, fraud, or misrepresentation, or of a
11 crime that, if committed in this State, would be similar to a crime of
12 the second degree or above, but nothing in this section shall be
13 deemed to supersede P.L.1968, c.282 (C.2A:168A-1 et seq.).

14 c. No applicant shall be eligible for licensure as a used motor
15 vehicle dealer, and no licensed used motor vehicle dealer shall be
16 eligible for license renewal, unless the applicant or licensee has
17 provided to the board the following:

18 (1) a letter of reference from a bank or other appropriate
19 financial institution indicating that the applicant or licensee
20 maintains accounts in a manner consistent with standard banking
21 practices;

22 (2) a notarized statement certifying that no monies are due to
23 local, state, or federal tax authorities by the applicant or licensee;
24 and

25 (3) written evidence of any orders, judgments, agreements, or
26 other instruments that show the status or final disposition of any
27 civil or criminal actions brought against the applicant or licensee.
28

29 11. (New section) a. The board shall issue a license to any
30 applicant who, in the opinion of the board, has satisfactorily met all
31 the requirements of this act.

32 b. All licenses shall be issued for up to a two-year period upon
33 the payment of the licensure fee prescribed by the board, and shall
34 be renewed upon filing of a renewal application and the payment of
35 a licensure fee.
36

37 12. (New section) No person, business entity or its employees,
38 agents or representatives shall use the titles “used motor vehicle
39 dealer,” “used car dealer,” or any other title, designation, words,
40 letters, abbreviations or insignia indicating the business of a used
41 motor vehicle dealer unless licensed to engage in business as a used
42 motor vehicle dealer under the provisions of this act.
43

44 13. Section 4 of P.L.1999, c.90 (C.2C:33-26) is amended to read
45 as follows:

46 4. Except as provided in section 1 of P.L.2011, c.29 (C.39:10-
47 38), a person who engages in the business of buying, selling, or
48 exchanging motor vehicles or who opens a place of business and

1 attempts to engage in such conduct on a Sunday commits a
2 disorderly persons offense. The first offense is punishable by a fine
3 not to exceed \$100 or imprisonment for a period of not more than
4 10 days or both; the second offense is punishable by a fine not to
5 exceed \$500 or imprisonment for a period of not more than 30 days
6 or both; the third or each subsequent offense is punishable by a fine
7 of \$750 or imprisonment for a period of six months or both. If the
8 person is a licensed dealer in new or used motor vehicles in this
9 State, under the provisions of chapter 10, Title 39 of the Revised
10 Statutes or under P.L. , c. (C.) (pending before the Legislature
11 as this bill), the person shall also be subject to suspension or
12 revocation of his dealer's license to engage in the business of
13 buying, selling, or exchanging motor vehicles in this State as
14 provided in **【Title 39, chapter 10, section 20,】** R.S.39:10-20 or
15 under P.L. , c. (C.) (pending before the Legislature as this bill)
16 for violation of this statute. Nothing contained in this section shall
17 be construed to prohibit a person from accepting a deposit to secure
18 the sale of a recreational vehicle, as defined in section 1 of
19 P.L.1999, c.284 (C.54:4-1.18), at an off-site sale authorized
20 pursuant to section 2 of P.L.2005, c.351 (C.39:10-19.2), on a
21 Sunday. Nothing contained in this section shall be construed to
22 prohibit a dealer, engaged in the business of selling motorcycles
23 and licensed pursuant to R.S.39:10-19, and who holds a franchise
24 from a manufacturer of new motorcycles from engaging in the
25 business of buying, selling, or exchanging motorcycles on a
26 Sunday, except that such a dealer shall be prohibited from engaging
27 in the business of buying, selling, or exchanging motorcycles on a
28 Sunday in a county where Sunday sales are prohibited pursuant to
29 sections 14 through 18 of P.L.1999, c.90 (C.40A:64-1 **【et seq.】**
30 through C.40A:64-5) and for a violation of this prohibition shall be
31 subject to the penalties provided in this section for the buying,
32 selling, or exchanging of motor vehicles on a Sunday. As used in
33 this section, the terms "dealer," "motor vehicle," and "motorcycle"
34 shall have the meaning set forth in R.S.39:1-1.

35 (cf: P.L.2011, c.29, s.2)

36
37 14. Section 18 of P.L.1983, c.105 (C.39:4-14.3r) is amended to
38 read as follows:

39 18. Requiring a motorized bicycle dealer to be licensed as a
40 motor vehicle dealer under R.S.39:10-19 or P.L. , c. (C.)
41 (pending before the Legislature as this bill) for the purposes of **【this**
42 **act】** P.L.1983, c.105 (C.39:4-14.3i et al.) shall not mean that he is a
43 motor vehicle dealer for the purpose of meeting any restrictions or
44 regulations contained in a planning or zoning ordinance under the
45 "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.).
46 (cf: P.L.1983, c.105, s.18)

47
48 15. R.S.39:10-11 is amended to read as follows:

1 39:10-11. A. The purchaser of a motor vehicle in this State,
2 other than a dealer licensed pursuant to the provisions of R.S.39:10-
3 19 or P.L. , c. (C.) (pending before the Legislature as this bill),
4 shall, within 10 working days after its purchase, submit to the
5 **【director】** chief administrator evidence of the purchase. Upon
6 presentation to the **【director】** chief administrator of the certificate
7 of origin, or certificate of ownership, or bill of sale issued prior to
8 October 1, 1946, with proper assignment and certification of the
9 seller, a record of the transaction shall be made and filed. A
10 certificate of ownership shall be issued by the **【director】** chief
11 administrator and delivered to the buyer, in case of a sale not
12 subject to a security interest, and the **【director】** chief administrator
13 shall collect a fee of \$20 for the issuance and filing thereof.

14 B. In the case of a sale subject to a security interest, a
15 certificate of ownership, with the name and address of the holder of
16 the encumbrance or secured party or his assignee recorded thereon,
17 shall be delivered to the holder of the encumbrance or secured party
18 or his assignee and a copy thereof shall be delivered to the buyer.
19 The **【director】** chief administrator shall collect a fee of \$30 for his
20 services in issuing a certificate and copy thereof, and for making a
21 record of and filing the record of the transaction, pursuant to this
22 subsection.

23 C. Except as hereinafter in this section otherwise expressly
24 provided, whenever a security interest is created in a motor vehicle,
25 other than a security interest which is required to be noted on the
26 certificate of origin or the certificate of ownership, as provided in
27 R.S.39:10-8 and R.S.39:10-9, there shall be filed with the
28 **【director】** chief administrator the certificate of ownership of the
29 motor vehicle, together with a financing statement on a form
30 prescribed by the **【director】** chief administrator. The **【director】**
31 chief administrator shall make and file a record of the transaction
32 and shall issue a certificate of ownership, recording the name and
33 address of the secured party or his assignee thereon, and shall
34 deliver it to the secured party or his assignee. A copy of the
35 certificate of ownership so issued shall be delivered to the buyer.
36 The **【director】** chief administrator shall collect a fee of \$20 for his
37 services in issuing a certificate and copy thereof and for making a
38 record of and filing the record of the transaction, pursuant to this
39 subsection.

40 D. The financing statement required to be filed pursuant to
41 subsection C. **【hereof】** of this section shall be signed only by the
42 buyer, shall not be required to be acknowledged or proved, and
43 shall show, in addition to such matters as the **【director】** chief
44 administrator may require for the proper identification of the motor
45 vehicle affected, the date of the security agreement, and the names
46 and addresses of the parties thereto. Nothing in this section **【39:10-**
47 **11 contained】** shall be construed as requiring that the security

1 agreement or a copy thereof, or any proof of execution thereof other
2 than that contained in the financing statement, shall be presented to
3 the **【director】** chief administrator. When the buyer is a corporation,
4 it shall be sufficient if the financing statement is signed by any
5 officer thereof, or by any agent designated by the corporation for
6 that purpose, and it shall not be necessary that the financing
7 statement recite the authorization of the agent. When there is more
8 than one buyer, it shall be sufficient if the financing statement is
9 signed by any one of them.

10 E. Nothing in subsections C. and D. of this section shall apply
11 to security interests in motor vehicles which constitute inventory
12 held for sale, but such interests shall be subject to chapter 9 of Title
13 12A of the New Jersey Statutes, nor shall anything in the said
14 subsections apply to interests in personal property subject to chapter
15 28 of Title 46 of the Revised Statutes.

16 F. In addition to the fees elsewhere in this section provided for,
17 there shall be paid to the **【director】** chief administrator at the time a
18 certificate of ownership is issued a fee of \$10 for notice of
19 satisfaction of the lien or encumbrance of the record or abstract, or
20 of the termination of the security interest, where the motor vehicle
21 is subject to a lien or encumbrance or a security interest as provided
22 in R.S.39:10-14.

23 G. Notwithstanding any other provision of this chapter, when
24 any dealer licensed under the provisions of R.S.39:10-19 or
25 P.L. , c. (C.) (pending before the Legislature as this bill) is the
26 purchaser of a motor vehicle in this State, he may, within 10
27 working days after its purchase, submit to the **【director】** chief
28 administrator the evidence of purchase. Upon presentation of the
29 certificate of ownership with proper assignment and certification of
30 the seller to the **【director】** chief administrator, a record of the
31 transaction shall be made and filed. A certificate of ownership shall
32 be issued by the **【director】** chief administrator and delivered to
33 such purchaser, and the **【director】** chief administrator shall collect a
34 fee of \$10 for the issuing and filing thereof.

35 If a dealer does not submit the evidence of purchase, upon resale
36 of the motor vehicle he shall execute and attach to the certificate of
37 ownership a dealer reassignment certificate. The **【director】** chief
38 administrator shall issue dealer reassignment certificates in lots
39 upon payment of a fee of \$10 for each certificate.

40 H. Any purchaser of a motor vehicle who fails to comply with
41 the provisions of this section shall pay to the **【director】** chief
42 administrator a penalty of \$25 plus the issuing and filing fee.

43 I. The failure of any person to comply with the requirements of
44 this section shall not constitute a misdemeanor within the
45 provisions of R.S.39:10-24, nor shall such failure affect the validity
46 of any instrument creating or reserving a security interest in a motor
47 vehicle, as between the parties to such instrument.

1 J. The notation of the name and business or residence address
2 of a secured party or his assignee, on the certificate of origin or on
3 the certificate of ownership, as provided in R.S.39:10-8 and
4 R.S.39:10-9, and the presentation to the **[director]** chief
5 administrator, in accordance with R.S.39:10-11, of the certificate of
6 origin or certificate of ownership so noted, and the compliance with
7 the requirements of subsections C. and D. of R.S.39:10-11 shall be
8 in lieu of all filing requirements imposed by chapter 9 of Title 12A
9 of the New Jersey Statutes and shall constitute the perfection of a
10 security interest in the motor vehicle, and the rights and remedies of
11 the debtors and the secured parties in respect to such security
12 interest shall, except as otherwise expressly provided in this
13 chapter, be subject to and governed by chapter 9 of Title 12A of the
14 New Jersey Statutes.
15 (cf: P.L.1994, c.60, s.26)

16
17 16. R.S.39:10-19 is amended to read as follows:

18 39:10-19. No person shall engage in the business of buying,
19 selling or dealing in motor vehicles in this State, nor shall a person
20 engage in activity that would qualify the person as a leasing dealer,
21 as defined in section 2 of P.L.1994, c.190 (C.56:12-61), unless: a.
22 the person is a licensed real estate broker acting as an agent or
23 broker in the sale of mobile homes without their own motor power
24 other than recreation vehicles as defined in section 3 of P.L.1990,
25 c.103 (C.39:3-10.11), or manufactured homes as defined in section
26 3 of P.L.1983, c.400 (C.54:4-1.4); or b. the person is authorized to
27 do so under the provisions of this chapter and P.L.1985, c.361
28 (C.56:10-26 et seq.). Notwithstanding this section or any law or
29 regulation to the contrary, no person shall engage in business as a
30 used motor vehicle dealer unless licensed pursuant to
31 P.L. , c. (C.) (pending before the Legislature as this bill) upon
32 the effective date of that act, and the provisions of this section shall
33 not apply to used motor vehicle dealers on or after the date of
34 enactment of P.L. , c. (C.) (pending before the Legislature as
35 this bill).

36 The chief administrator may, upon application in such form as
37 the chief administrator prescribes, license any proper person as such
38 dealer or leasing dealer. A licensed real estate broker shall be
39 entitled to act as an agent or broker in the sale of a mobile or
40 manufactured home as defined in subsection a. of this section
41 without obtaining a license from the chief administrator. For the
42 purposes of this chapter, a "licensed real estate broker" means a real
43 estate broker licensed by the New Jersey Real Estate Commission
44 pursuant to the provisions of chapter 15 of Title 45 of the Revised
45 Statutes. Any sale or transfer of a mobile or manufactured home, in
46 which a licensed real estate broker acts as a broker or agent
47 pursuant to this section, which sale or transfer is subject to any

1 other requirements of R.S.39:10-1 et seq., shall comply with all of
2 those requirements.

3 No person who has been convicted of a crime, arising out of
4 fraud or misrepresentation in the sale, leasing or financing of a
5 motor vehicle, shall be eligible to receive a license. For the
6 purposes of this section, each applicant for a license shall submit to
7 the chief administrator the applicant's name, address, fingerprints,
8 and written consent for a criminal history record background check
9 to be performed. The chief administrator is hereby authorized to
10 exchange fingerprint data with and receive criminal history record
11 information from the State Bureau of Identification in the Division
12 of State Police and the Federal Bureau of Investigation consistent
13 with applicable State and federal laws, rules, and regulations, for
14 purposes of facilitating determinations concerning licensure
15 eligibility. The applicant shall bear the cost for the criminal history
16 record background check, including all costs of administering and
17 processing the check. The Division of State Police shall promptly
18 notify the chief administrator in the event a current holder of a
19 license or prospective applicant, who was the subject of a criminal
20 history record background check pursuant to this section, is arrested
21 for a crime or offense in this State after the date the background
22 check was performed.

23 Each applicant for a license shall at the time such license is
24 issued have established and maintained, or by that application shall
25 agree to establish and maintain, within 90 days after the issuance
26 thereof, a place of business consisting of a permanent building not
27 less than 1,000 square feet in floor space located in the State of
28 New Jersey to be used principally for the servicing and display of
29 motor vehicles with such equipment installed therein as shall be
30 requisite for the servicing of motor vehicles in such manner as to
31 make them comply with the laws of this State and with any rules
32 and regulations made by the board governing the equipment, use,
33 and operation of motor vehicles within the State. However, a
34 leasing dealer, who is not engaged in the business of buying,
35 selling, or dealing in motor vehicles in the State, shall not be
36 required to maintain a place of business with floor space available
37 for the servicing or display of motor vehicles or to have an exterior
38 sign at the lessor's place of business.

39 A license fee of \$200 shall be paid by an applicant upon the
40 applicant's initial application for a license. The chief administrator
41 may renew an applicant's license upon application for renewal on a
42 form prescribed by the chief administrator and accompanied by a
43 renewal fee of \$200. Every license shall expire 24 months from the
44 date on which it is issued. The chief administrator may, at the chief
45 administrator's discretion and for good cause shown, extend an
46 applicant's license for an additional period not to exceed 12 months
47 from the date on which it is scheduled to expire. The chief
48 administrator may, at the chief administrator's discretion and for

1 good cause shown, issue a license which shall expire on a date fixed
2 by the chief administrator. The fee for licenses with an expiration
3 date fixed by the chief administrator shall be fixed by the chief
4 administrator in an amount proportionately less or greater than the
5 fee established herein.

6 For the purposes of this section, a leasing dealer or an assignee
7 of a leasing dealer whose leasing activities are limited to buying
8 motor vehicles for the purpose of leasing them and selling motor
9 vehicles at the termination of a lease shall not be deemed to be
10 engaged in the business of buying, selling, or dealing in motor
11 vehicles in this State.

12 (cf: P.L.2015, c.24, s.1)

13
14 17. Section 1 of P.L.2005, c.351 (C.39:10-19.1) is amended to
15 read as follows:

16 1. As used in **【this act】** P.L.2005, c.351 (C.39:10-19.1 et seq.):

17 "Off-site sale" means the display and sale of new or used
18 recreational vehicles by a recreational vehicle dealer, licensed under
19 the provisions of R.S.39:10-19, or used motor vehicles registered in
20 New Jersey by a used motor vehicle dealer, licensed **【under the**
21 **provisions of R.S.39:10-19】** pursuant to P.L. , c. (C.) (pending
22 before the Legislature as this bill), at a location other than the
23 dealer's established place of business. An "off-site sale" includes
24 any off-site display of vehicles at which a recreational vehicle or
25 used motor vehicle dealer has a sales person or employee present.
26 For the purposes of **【this act】** P.L.2005, c.351 (C.39:10-
27 19.1 et seq.), "off-site sale" does not include:

28 a. An off-site display of vehicles at which a recreational
29 vehicle or used motor vehicle dealer has no sales personnel present;

30 b. The sale of a vehicle at an auction at which only wholesale
31 purchases are permitted; or

32 c. The use of telephones, telephone call-forwarding, email,
33 internet websites or other internet communications which allow a
34 licensed dealer or dealership employee to communicate with
35 customers while either the customer or the dealer or employee
36 thereof is not present at the licensed physical location of the
37 dealership, provided the contract for the sale of a vehicle is
38 finalized and the sale transaction completed at the licensed location.

39 "Sponsoring organization" means:

40 a. a credit union, automobile club, or other such not for profit
41 organization or entity that makes the opportunity to attend and
42 purchase a motor vehicle at an off-site sale available to its
43 members; or

44 b. a trade show coordinator, or other such organization, entity,
45 or individual that makes the opportunity to attend and purchase a
46 recreational vehicle at an off-site sale available to ticketed
47 individuals.

48 (cf: P.L.2007, c.335, s.25)

1 18. Section 2 of P.L.2005, c.351 (C.39:10-19.2) is amended to
2 read as follows:

3 2. Notwithstanding any other provision of law to the contrary,
4 a recreational vehicle **【or used motor vehicle】** dealer, licensed
5 under the provisions of R.S.39:10-19, or a used motor vehicle
6 dealer, licensed pursuant to P.L. , c. (C.) (pending before the
7 Legislature as this bill), may hold an off-site sale provided he is
8 granted a final permit to do so pursuant to section 3 of **【this act】**
9 P.L.2005, c.351 (C.39:10-19.3).
10 (cf: P.L.2005, c.351, s.2)

11
12 19. Section 3 of P.L.2005, c.351 (C.39:10-19.3) is amended to
13 read as follows:

14 3. a. The Chief Administrator of the New Jersey Motor Vehicle
15 Commission may issue a provisional permit, subject to a fee, for an
16 off-site sale to a licensed recreational vehicle or used motor vehicle
17 dealer, provided:

18 (1) No more than one permit for a particular location is issued
19 during any calendar quarter;

20 (2) A completed application and fee, in an amount determined
21 by the chief administrator, is received by the commission at least 15
22 days prior to the first day of the sale;

23 (3) The applicant is a recreational vehicle **【or used motor**
24 **vehicle】** dealer, licensed under the provisions of R.S.39:10-19, or a
25 used motor vehicle dealer, licensed pursuant to P.L. , c. (C.)
26 (pending before the Legislature as this bill), in good standing;

27 (4) The sale is not conducted within 1,000 feet of the established
28 place of business of any motor vehicle dealer licensed under the
29 provisions of R.S.39:10-19 or P.L. , c. (C.) (pending before the
30 Legislature as this bill);

31 (5) The display and sale of vehicles is conducted for no more
32 than five consecutive days; and

33 (6) The sale is not open to the general public, but limited to
34 members of the sponsoring organization or in the case of the off-
35 site sales of recreational vehicles, only to ticketed individuals.

36 b. Following the issuance of a provisional permit for an off-site
37 sale, and in the event that the chief administrator determines that
38 neither the dealer, the sponsoring organization, nor the off-site sale
39 location has an unsatisfactory history of violations of Title 39, the
40 chief administrator shall issue a final permit for an off-site sale to
41 the applicant, provided the dealer applicant delivers to the
42 commission, no later than five days prior to the sale, a surety bond
43 in the amount of \$500,000 in the case of a permit for an off-site sale
44 to a licensed used motor vehicle dealer; or \$10,000 in the case of a
45 permit for an off-site sale to a licensed recreational vehicle dealer
46 issued by a company authorized to transact surety business in this
47 State and payable to the New Jersey Motor Vehicle Commission. If
48 a surety bond is cancelled or terminated for any reason prior to the

1 end date of the sale, the company that issued the surety bond shall
2 immediately notify the chief administrator of the cancellation or
3 termination. The dealer applicant shall immediately obtain and file
4 with the chief administrator a replacement surety bond prior to the
5 end date of the sale that shall cover the uninsured term of the sale.
6 In lieu of a surety bond, a dealer applicant may submit a notarized
7 copy of a certificate of self-insurance issued pursuant to section 30
8 of P.L.1952, c.173 (C.39:6-52).
9 (cf: P.L.2008, c.73, s.1)

10
11 20. R.S.39:11-9 is amended to read as follows:

12 39:11-9. Every person owning or operating a motor vehicle
13 junk business or motor vehicle junk yard and who is also licensed
14 as a motor vehicle dealer pursuant to the provisions of R.S.39:10-19
15 or as a used motor vehicle dealer pursuant to P.L. , c. (C.)
16 (pending before the Legislature as this bill) shall certify to the
17 commission, upon the sale by him of a motor vehicle, that, at the
18 time of the sale, the motor vehicle was or was not, as the case may
19 be, in suitable condition to be operated on the highways.
20 (cf: P.L.2009, c.298, s.12)

21
22 21. Section 1 of P.L.1971, c.60 (C.45:1-2.1) is amended to read
23 as follows:

24 1. The provisions of this act shall apply to the following boards
25 and commissions: the New Jersey State Board of Accountancy, the
26 New Jersey State Board of Architects, the New Jersey State Board
27 of Cosmetology and Hairstyling, the Board of Examiners of
28 Electrical Contractors, the New Jersey State Board of Dentistry, the
29 State Board of Mortuary Science of New Jersey, the State Board of
30 Professional Engineers and Land Surveyors, the State Board of
31 Marriage and Family Therapy Examiners, the State Board of
32 Medical Examiners, the New Jersey Board of Nursing, the New
33 Jersey State Board of Optometrists, the State Board of Examiners of
34 Ophthalmic Dispensers and Ophthalmic Technicians, the Board of
35 Pharmacy, the State Board of Professional Planners, the State Board
36 of Psychological Examiners, the State Board of Examiners of
37 Master Plumbers, the New Jersey Real Estate Commission, the
38 State Board of Court Reporting, the State Board of Veterinary
39 Medical Examiners, the Radiologic Technology Board of
40 Examiners, the Acupuncture Examining Board, the State Board of
41 Chiropractic Examiners, the State Board of Respiratory Care, the
42 State Real Estate Appraiser Board, the State Board of Social Work
43 Examiners, the State Board of Examiners of Heating, Ventilating,
44 Air Conditioning and Refrigeration Contractors, the Elevator,
45 Escalator, and Moving Walkway Mechanics Licensing Board, the
46 State Board of Physical Therapy Examiners, the Orthotics and
47 Prosthetics Board of Examiners, the New Jersey Cemetery Board,
48 the State Board of Polysomnography, the New Jersey Board of

1 Massage and Bodywork Therapy, the Genetic Counseling Advisory
2 Committee, the State Board of Used Motor Vehicle Dealers and any
3 other entity hereafter created under Title 45 to license or otherwise
4 regulate a profession or occupation.

5 (cf: P.L.2012, c.71, s.13)

6
7 22. Section 1 of P.L.1974, c.46 (C.45:1-3.1) is amended to read
8 as follows:

9 1. The provisions of this act shall apply to the following boards
10 and commissions: the New Jersey State Board of Accountancy, the
11 New Jersey State Board of Architects, the New Jersey State Board
12 of Cosmetology and Hairstyling, the Board of Examiners of
13 Electrical Contractors, the New Jersey State Board of Dentistry, the
14 State Board of Mortuary Science of New Jersey, the State Board of
15 Professional Engineers and Land Surveyors, the State Board of
16 Marriage and Family Therapy Examiners, the State Board of
17 Medical Examiners, the New Jersey Board of Nursing, the New
18 Jersey State Board of Optometrists, the State Board of Examiners of
19 Ophthalmic Dispensers and Ophthalmic Technicians, the Board of
20 Pharmacy, the State Board of Professional Planners, the State Board
21 of Psychological Examiners, the State Board of Examiners of
22 Master Plumbers, the State Board of Court Reporting, the State
23 Board of Veterinary Medical Examiners, the Radiologic
24 Technology Board of Examiners, the Acupuncture Examining
25 Board, the State Board of Chiropractic Examiners, the State Board
26 of Respiratory Care, the State Real Estate Appraiser Board, the New
27 Jersey Cemetery Board, the State Board of Social Work Examiners,
28 the State Board of Examiners of Heating, Ventilating, Air
29 Conditioning and Refrigeration Contractors, the Elevator, Escalator,
30 and Moving Walkway Mechanics Licensing Board, the State Board
31 of Physical Therapy Examiners, the State Board of
32 Polysomnography, the Orthotics and Prosthetics Board of
33 Examiners, the New Jersey Board of Massage and Bodywork
34 Therapy, the Genetic Counseling Advisory Committee, the State
35 Board of Used Motor Vehicle Dealers and any other entity hereafter
36 created under Title 45 to license or otherwise regulate a profession
37 or occupation.

38 (cf: P.L.2012, c.71, s.15)

39
40 23. Section 2 of P.L.1978, c.73 (C.45:1-15) is amended to read
41 as follows:

42 2. The provisions of this act shall apply to the following boards
43 and all professions or occupations regulated by, through or with the
44 advice of those boards: the New Jersey State Board of
45 Accountancy, the New Jersey State Board of Architects, the New
46 Jersey State Board of Cosmetology and Hairstyling, the Board of
47 Examiners of Electrical Contractors, the New Jersey State Board of
48 Dentistry, the State Board of Mortuary Science of New Jersey, the

1 State Board of Professional Engineers and Land Surveyors, the
2 State Board of Marriage and Family Therapy Examiners, the State
3 Board of Medical Examiners, the New Jersey Board of Nursing, the
4 New Jersey State Board of Optometrists, the State Board of
5 Examiners of Ophthalmic Dispensers and Ophthalmic Technicians,
6 the Board of Pharmacy, the State Board of Professional Planners,
7 the State Board of Psychological Examiners, the State Board of
8 Examiners of Master Plumbers, the State Board of Court Reporting,
9 the State Board of Veterinary Medical Examiners, the State Board
10 of Chiropractic Examiners, the State Board of Respiratory Care, the
11 State Real Estate Appraiser Board, the State Board of Social Work
12 Examiners, the State Board of Examiners of Heating, Ventilating,
13 Air Conditioning and Refrigeration Contractors, the Elevator,
14 Escalator, and Moving Walkway Mechanics Licensing Board, the
15 State Board of Physical Therapy Examiners, the State Board of
16 Polysomnography, the Professional Counselor Examiners
17 Committee, the New Jersey Cemetery Board, the Orthotics and
18 Prosthetics Board of Examiners, the Occupational Therapy
19 Advisory Council, the Electrologists Advisory Committee, the
20 Acupuncture Advisory Committee, the Alcohol and Drug Counselor
21 Committee, the Athletic Training Advisory Committee, the
22 Certified Psychoanalysts Advisory Committee, the Fire Alarm,
23 Burglar Alarm, and Locksmith Advisory Committee, the Home
24 Inspection Advisory Committee, the Interior Design Examination
25 and Evaluation Committee, the Hearing Aid Dispensers Examining
26 Committee, the Perfusionists Advisory Committee, the Physician
27 Assistant Advisory Committee, the Audiology and Speech-
28 Language Pathology Advisory Committee, the New Jersey Board of
29 Massage and Bodywork Therapy, the Genetic Counseling Advisory
30 Committee, the State Board of Used Motor Vehicle Dealers and any
31 other entity hereafter created under Title 45 to license or otherwise
32 regulate a profession or occupation.

33 (cf: P.L.2013, c.253, s.34)

34
35 24. This act shall take effect on the 360th day after the date of
36 enactment, except that sections 4 through 7 of this act shall take
37 effect immediately.

40 STATEMENT

41
42 This bill provides for the licensure of used motor vehicle dealers
43 and establishes an eight-member State Board of Used Motor
44 Vehicle Dealers in the Division of Consumer Affairs in the
45 Department of Law and Public Safety to oversee their licensure.
46 The board is to consist of four licensed used motor vehicle dealers,
47 three public members, and a State executive department member.

1 The bill provides for three types of licensure: retail used motor
2 vehicle dealer, wholesale used motor vehicle dealer, and retail-
3 wholesale used motor vehicle dealer. To be eligible for licensure as
4 a used motor vehicle dealer, an applicant is required to be at least
5 18 years old, be of good moral character, and fulfill the following
6 requirements:

7 (1) hold a valid New Jersey driver's license demonstrating proof
8 of residency;

9 (2) have an established place of business; and

10 (3) undergo a criminal history record background check.

11 Under the bill, an established place of business is to include a
12 trailer if the trailer is connected to utilities and remains in the same
13 location for at least six months of the year.

14 Further, under the bill, an applicant is not eligible to be licensed
15 as a used motor vehicle dealer if the applicant has been convicted of
16 an offense involving dishonesty, fraud, or misrepresentation, or of a
17 crime of the second degree or above.

18 The bill provides that no person may engage in business as a
19 used motor vehicle dealer in this State unless that person holds a
20 valid license.

21 As defined in the bill, "used motor vehicle" means every motor
22 vehicle and motorized bicycle, except a nonconventional type motor
23 vehicle, for which title to, or possession of, has been transferred
24 from the person who first acquired it from the manufacturer or
25 dealer, and so used as to become what is commonly known as
26 "secondhand" within the ordinary meaning of that term, and
27 includes every motor vehicle and motorized bicycle other than a
28 new motor vehicle, a nonconventional type motor vehicle, or a
29 manufactured home subject to real property taxation.

30 The bill also makes changes to several statutes relating to the
31 licensure of motor vehicle dealers by the New Jersey Motor Vehicle
32 Commission (MVC), currently the regulatory authority that licenses
33 used motor vehicle dealers in the State. In amending these statutes,
34 the bill clarifies that the MVC will no longer license used motor
35 vehicle dealers on or after the bill's date of enactment.