

[Third Reprint]

ASSEMBLY, No. 5033

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED NOVEMBER 19, 2020

Sponsored by:

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Assemblyman ANTHONY S. VERRELLI

District 15 (Hunterdon and Mercer)

Senator VIN GOPAL

District 11 (Monmouth)

Co-Sponsored by:

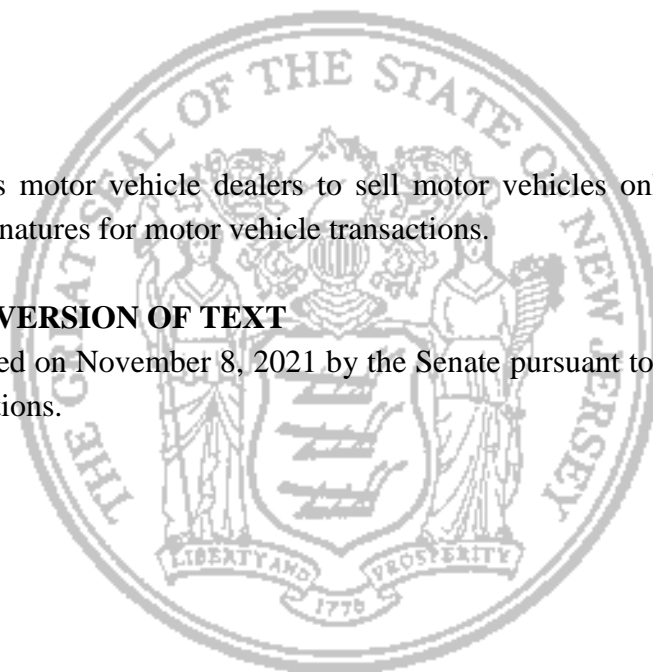
Assemblyman Freiman, Assemblywoman Murphy, Assemblyman Chiaravalloti, Assemblywoman Quijano, Assemblymen Moen, Houghtaling, Assemblywoman Downey, Senator Diegnan, Assemblywoman McKnight, Assemblymen Calabrese, Stanley, Assemblywoman Swain, Assemblymen Tully and Wimberly

SYNOPSIS

Authorizes motor vehicle dealers to sell motor vehicles online and obtain electronic signatures for motor vehicle transactions.

CURRENT VERSION OF TEXT

As amended on November 8, 2021 by the Senate pursuant to the Governor's recommendations.



(Sponsorship Updated As Of: 12/2/2021)

1 AN ACT concerning the sale of motor vehicles by motor vehicle
2 dealers, amending various parts of the statutory law, and
3 supplementing Title 39 of the Revised Statutes.

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

7
8 1. R.S.39:10-2 is amended to read as follows:

9 39:10-2. As used in this chapter unless other meaning is clearly
10 apparent from the language or context, or unless inconsistent with
11 the manifest intention of the Legislature:

12 ²“Authorized signatory” means a dealer or leasing dealer and any
13 employee, officer, director, partner, or other holder of an ownership
14 interest in the licensed business authorized to execute documents on
15 behalf of the dealer or leasing dealer, but shall not include any
16 attorney-in-fact who is not an employee, officer, director, partner,
17 or holder of an ownership interest.²

18 "New motor vehicle" means only a newly manufactured motor
19 vehicle, except a nonconventional type motor vehicle, and includes
20 all such vehicles propelled otherwise than by muscular power, and
21 motorcycles, motorized bicycles, trailers and tractors, and
22 manufactured homes not subject to real property taxation pursuant
23 to P.L.1983, c.400 (C.54:4-1.2 et seq.), excepting such vehicles as
24 run only upon rails or tracks and manufactured homes subject to
25 real property taxation.

26 "Used motor vehicle" means every motor vehicle and motorized
27 bicycle, except a nonconventional type motor vehicle, title to, or
28 possession of, which has been transferred from the person who first
29 acquired it from the manufacturer or dealer, and so used as to
30 become what is commonly known as "secondhand" within the
31 ordinary meaning thereof, and includes every motor vehicle and
32 motorized bicycle other than a "new motor vehicle," a
33 "nonconventional type motor vehicle" or a manufactured home
34 subject to real property taxation.

35 "Any motor vehicle," "every motor vehicle," or similar term,
36 means both new and used motor vehicles, except a
37 "nonconventional type motor vehicle."

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 including, but not limited to, ditch-digging apparatus, well-boring
42 apparatus, road and general purpose construction and maintenance
43 machinery, asphalt spreaders, bituminous mixers, bucket loaders,
44 ditchers, leveling graders, finishing machines, motor graders, road

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate STR committee amendments adopted May 6, 2021.

²Senate floor amendments adopted June 3, 2021.

³Senate amendments adopted in accordance with Governor's recommendations November 8, 2021.

1 rollers, scarifiers, earth-moving carryalls, scrapers, power shovels,
2 drag lines, self-propelled cranes, earth-moving equipment, trailers
3 and semitrailers which weigh less than 2,500 pounds, except that no
4 mobile or manufactured home or travel trailer shall be classified as
5 a nonconventional type motor vehicle, motorized wheelchairs,
6 motorized lawn mowers, bogies, farm equipment having a factory
7 shipping weight of less than 1,500 pounds, whether or not
8 motorized, including farm tractors within said weight limitation,
9 industrial tractors, scooters, go-carts, gas buggies and golf carts.
10 The **【Director of Motor Vehicles】** Chief Administrator of the New
11 Jersey Motor Vehicle Commission shall have power to make,
12 amend and repeal regulations, not inconsistent with the provisions
13 of this paragraph, prescribing what further vehicles or types of
14 vehicles, not specified in this paragraph, shall be included in the
15 category of nonconventional type motor vehicles.

16 "Motor vehicles which constitute inventory held for sale"
17 means ¹:¹ new motor vehicles and used motor vehicles held for the
18 purpose of sale by new motor vehicle dealers ¹**【and used motor**
19 **vehicles held for sale by new or used motor vehicle dealers which**
20 **can be identified by a manufacturer's Vehicle Identification**
21 **Number (VIN) and title is or right to title is held by the used motor**
22 **vehicle owner. and used motor vehicles held for the purpose of sale**
23 **by used motor vehicle dealers, and excludes】** which can be
24 identified by a manufacturer's Vehicle Identification Number (VIN)
25 and have been invoiced to, allocated to, or reserved by a new motor
26 vehicle dealer licensed to do business in New Jersey, and such
27 vehicle can be shipped by the manufacturer or distributor within a
28 reasonable period of time and used motor vehicles held for the
29 purpose of sale by new or used motor vehicle dealers which can be
30 identified by a manufacturer's VIN and title papers or right to title
31 is held by the used motor vehicle ²**【owner】** dealer². This term shall
32 exclude¹ motor vehicles held for the purpose of lease or rental by a
33 person engaged in the motor vehicle leasing or rental business.

34 "Manufacturer's or importer's certificate of origin" means the
35 original written instrument or document required to be executed and
36 delivered by the manufacturer to his agent or a dealer, or a person
37 purchasing direct from the manufacturer, certifying the origin of the
38 vehicle.

39 "Certificate of ownership" means the document issued in
40 conformance with this chapter, certifying ownership of a motor
41 vehicle, other than manufacturer's or importer's certificate of origin.

42 "Assignment" means the execution of a prescribed form
43 transferring ownership of a motor vehicle from the person named
44 therein to the purchaser.

45 "Contract" means conditional sale agreement, bailment, lease,
46 chattel mortgage, trust receipt or any other form of security or
47 possession agreement executed prior to January 1, 1963, wherein
48 and whereby possession of a motor vehicle is delivered to the buyer

1 and title therein is to vest in the buyer at a subsequent time upon the
2 payment of part or all of the price, or upon the performance of any
3 other condition or happening of any contingency, or upon the
4 payment of a sum substantially equivalent to the value of the motor
5 vehicle, by which contract it is agreed that the buyer is bound to
6 become, or has the option of becoming, the owner of the motor
7 vehicle upon full compliance with the terms of the contract.

8 "Abstract" means the duplicate copy of the original certificate of
9 ownership recording any encumbrance or upon which the existence
10 of a security interest is noted.

11 "Title papers" means any instrument or document that is
12 evidence of ownership of a vehicle.

13 **["Director" means the Director of Motor Vehicles, his deputy or
14 duly authorized agent]**

15 "Chief Administrator" means the Chief Administrator of the
16 New Jersey Motor Vehicle Commission.

17 "Manufacturer" means the person who originally manufactured
18 the motor vehicle.

19 **["Dealer" means the agent, distributor or authorized dealer of the
20 manufacturer of the new motor vehicle, and who has an established
21 place of business]**

22 "Licensee" means any person that is licensed to buy, sell or deal
23 in, or lease motor vehicles pursuant to R.S.39:10-19.

24 "Established place of business" means a permanent, properly
25 identified location within the State where the books, records, and
26 files necessary to buy, sell, or deal in motor vehicles are kept and
27 maintained, including, but not limited to, all documents required by
28 R.S.39:10-6, title papers, manufacturers' or importers' certificates
29 of origin, motor vehicle registration records, contracts, security
30 agreements, all payroll records, including, but not limited to,
31 ¹**[W4] IRS Form W-2¹** and ¹**[W2] IRS Form W-4¹** records,
32 checkbooks, ledgers for business accounts and trust accounts,
33 corporate authorities and licenses, dealer plates, ledgers listing all
34 issued and unissued dealer assignments, and dealer plates.

35 "New motor vehicle dealer" means the agent, distributor, or
36 authorized dealer of the manufacturer of the new motor vehicle who
37 has an established place of business. A new motor vehicle dealer
38 ²shall sell a minimum of four or more new motor vehicles within a
39 12-month timeframe and² may engage in the business of buying,
40 selling, or dealing in used motor vehicles in this State under the
41 provisions of this chapter.

42 "Used motor vehicle dealer" means a person engaged in the
43 business of selling, buying or dealing in four or more used motor
44 vehicles **[, and who has]** per year at an established place of
45 business, but who is not a licensed new motor vehicle dealer. A
46 used motor vehicle dealer shall engage only in the business of
47 buying, selling, or dealing in used motor vehicles in this State under

1 the provisions of this chapter and shall not engage in the business of
2 buying, selling, or dealing in new motor vehicles in this State.

3 "Person" includes natural persons, firms or copartnerships,
4 corporations, associations, or other artificial bodies, receivers,
5 trustees, common law or statutory assignees, executors,
6 administrators, sheriffs, constables, marshals, or other persons in
7 representative or official capacity, and members, officers, agents,
8 employees, or other representatives of those hereinbefore
9 enumerated.

10 "Buyer" includes purchaser, debtor, lessee, bailee, transferee,
11 and any person buying, attempting to buy, or receiving a motor
12 vehicle subject to a security interest, lease, bailment or transfer
13 agreement, and their legal successors in interest.

14 "Seller" means manufacturer, dealer, lessor, bailor, transferor
15 with or without a security interest, and any other person selling,
16 attempting to sell, or delivering a motor vehicle, and their legal
17 successors in interest.

18 The terms "sell," **[or]** "sale," "buy," or "purchase" and any form
19 thereof include absolute or voluntary sales and purchases,
20 agreements to sell and purchase, bailments, leases, security
21 agreements whereby any motor vehicles are sold and purchased, or
22 agreed to be sold and purchased, involuntary, statutory and judicial
23 sales, inheritance, devise, or bequest, gift or any other form or
24 manner of sale or agreement of sale thereof, or the giving or
25 transferring possession of a motor vehicle to a person for a
26 permanent use; continued possession for 60 days or more is to be
27 construed as permanent use.

28 "Online sale" means buying, selling, or dealing in motor vehicles
29 in this State over the Internet using electronic means.

30 "Electronic" means relating to technology having electrical,
31 digital, magnetic, optical, electromagnetic, or similar capabilities.

32 "Manufacturer's number" means the original manufacturer's
33 vehicle identification number die stamped upon the body, or frame,
34 or either or both of them, of a motor vehicle or the original
35 manufacturer's number die stamped upon the engine or motor of a
36 motor vehicle.

37 "Purchaser" means a person who takes possession of a motor
38 vehicle by transfer of ownership, either for use or resale, except a
39 dealer when he takes possession through a certificate of origin.

40 "Debtor" means the person who owes payment or other
41 performance of the obligation secured by a security interest in a
42 motor vehicle.

43 "Security interest" means an interest in a motor vehicle which
44 secures payment or other performance of an obligation.

45 "Security agreement" means an agreement which creates or
46 provides for a security interest in a motor vehicle.

47 "Secured party" means a lender, seller or other person in whose
48 favor there is a security interest.

1 "Gross vehicle weight rating" means the value specified by the
2 manufacturer as the loaded weight of the single or combination
3 vehicle and, if the manufacturer has not specified a value for a
4 towed vehicle, means the value specified for the towing vehicle plus
5 the loaded weight of the towed unit.

6 (cf: P.L.1990, c.115, s.4)

7
8 2. R.S.39:10-19 is amended to read as follows:

9 39:10-19. No person shall engage in the business of buying,
10 selling or dealing in motor vehicles in this State, nor shall a person
11 engage in activity that would qualify the person as a leasing dealer,
12 as defined in section 2 of P.L.1994, c.190 (C.56:12-61), unless: a.
13 the person is a licensed real estate broker acting as an agent or
14 broker in the sale of mobile homes without their own motor power
15 other than recreation vehicles as defined in section 3 of
16 P.L.1990, c.103 (C.39:3-10.11), or manufactured homes as defined
17 in section 3 of P.L.1983, c.400 (C.54:4-1.4); or b. the person is
18 authorized to do so under the provisions of this chapter and
19 P.L.1985, c.361 (C.56:10-26 et seq.).

20 The chief administrator may, upon application in such form as
21 the chief administrator prescribes, license any proper person as
22 **[such]** a new motor vehicle dealer, a used motor vehicle dealer or a
23 leasing dealer. A licensed real estate broker shall be entitled to act
24 as an agent or broker in the sale of a mobile or manufactured home
25 as defined in subsection a. of this section without obtaining a
26 license from the chief administrator. For the purposes of this
27 chapter, a "licensed real estate broker" means a real estate broker
28 licensed by the New Jersey Real Estate Commission pursuant to the
29 provisions of chapter 15 of Title 45 of the Revised Statutes. Any
30 sale or transfer of a mobile or manufactured home, in which a
31 licensed real estate broker acts as a broker or agent pursuant to this
32 section, which sale or transfer is subject to any other requirements
33 of R.S.39:10-1 et seq., shall comply with all of those requirements.

34 No person who has been convicted of a crime, arising out of
35 fraud or misrepresentation in the sale, leasing or financing of a
36 motor vehicle, shall be eligible to receive a license. For the
37 purposes of this section, each applicant for a license shall submit to
38 the chief administrator the applicant's name, address, fingerprints,
39 and written consent for a criminal history record background check
40 to be performed. The chief administrator is hereby authorized to
41 exchange fingerprint data with and receive criminal history record
42 information from the State Bureau of Identification in the Division
43 of State Police and the Federal Bureau of Investigation consistent
44 with applicable State and federal laws, rules, and regulations, for
45 purposes of facilitating determinations concerning licensure
46 eligibility. The applicant shall bear the cost for the criminal history
47 record background check, including all costs of administering and
48 processing the check. The Division of State Police shall promptly

1 notify the chief administrator in the event a current holder of a
2 license or prospective applicant, who was the subject of a criminal
3 history record background check pursuant to this section, is arrested
4 for a crime or offense in this State after the date the background
5 check was performed.

6 Each applicant for a new motor vehicle dealer license shall at the
7 time such license is issued have established and maintained, or by
8 that application shall agree to establish and maintain, within 90
9 days after the issuance thereof, a place of business consisting of a
10 permanent building not less than 1,000 square feet in floor space
11 located in the State of New Jersey to be used principally for the
12 servicing and display of motor vehicles with such equipment
13 installed therein as shall be requisite for the servicing of motor
14 vehicles in such manner as to make them comply with the laws of
15 this State and with any rules and regulations made by the board
16 governing the equipment, use, and operation of motor vehicles
17 within the State. **】**However, a leasing dealer, who is not engaged in
18 the business of buying, selling, or dealing in motor vehicles in the
19 State, shall not be required to maintain a place of business with
20 floor space available for the servicing or display of motor vehicles
21 or to have an exterior sign at the lessor's place of business.**】**
22 ²However, a leasing dealer, who is not engaged in the business of
23 buying, selling, or dealing in motor vehicles in the State, shall not
24 be required to maintain a place of business with floor space
25 available for the servicing or display of motor vehicles or to have an
26 exterior sign at the lessor's place of business.²

27 Each applicant for a used motor vehicle dealer license shall at the
28 time such license is issued maintain an established place of business
29 ²【consisting of a minimum office space of 72 square feet within a
30 permanent, enclosed building located in the State of New Jersey,
31 and where there are included or immediately contiguous, clearly
32 identified, fixed facilities for the licensee to display at least two
33 automobiles.】 located in the State of New Jersey. The commission
34 shall establish, by regulation, the requirements for an established
35 place of business.²

36 An established place of business of a new motor vehicle dealer
37 or a used motor vehicle dealer shall display an exterior sign
38 permanently affixed to the land or building, which sign is consistent
39 with local ordinances and has letters easily readable from the major
40 avenues of traffic. The sign shall include the dealer name or trade
41 name, provided such trade name has been previously disclosed to
42 the chief administrator.

43 A license fee of \$200 shall be paid by an applicant upon the
44 applicant's initial application for a license. The chief administrator
45 may renew an applicant's license upon application for renewal on a
46 form prescribed by the chief administrator and accompanied by a
47 renewal fee of \$200. Every license shall expire 24 months from the
48 date on which it is issued. The chief administrator may, at the chief

1 administrator's discretion and for good cause shown, extend an
2 applicant's license for an additional period not to exceed 12 months
3 from the date on which it is scheduled to expire. The chief
4 administrator may, at the chief administrator's discretion and for
5 good cause shown, issue a license which shall expire on a date fixed
6 by the chief administrator. The fee for licenses with an expiration
7 date fixed by the chief administrator shall be fixed by the chief
8 administrator in an amount proportionately less or greater than the
9 fee established herein.

10 For the purposes of this section, a leasing dealer or an assignee
11 of a leasing dealer whose leasing activities are limited to buying
12 motor vehicles for the purpose of leasing them and selling motor
13 vehicles at the termination of a lease to ²the lessee² shall not be
14 deemed to be engaged in the business of buying, selling, or dealing
15 in motor vehicles in this State. ²[A leasing dealer, who is not
16 engaged in the business of buying, selling, or dealing in motor
17 vehicles in the State, shall not be required to maintain a place of
18 business with floor space available for the servicing or display of
19 motor vehicles or have an exterior sign at the lessor's place of
20 business.] Provided however, that a leasing dealer who wishes to
21 engage in the business of buying, selling, or dealing in motor
22 vehicles in this State by selling any vehicle at the end of the lease
23 term to a consumer other than the lessee, shall be required to obtain
24 a used car dealer license pursuant to this section.²

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

26

27 ²[3. Section 1 of P.L.2005, c.351 (C.39:10-19.1) is amended to
28 read as follows:

29 1. As used in this act:

30 "Off-site sale" means the display and sale of new or used
31 recreational vehicles by a recreational vehicle dealer, or used motor
32 vehicles registered in New Jersey by a used motor vehicle dealer,
33 licensed under the provisions of R.S.39:10-19, at a location other
34 than the dealer's established place of business. An "off-site sale"
35 includes any off-site display of vehicles at which a recreational
36 vehicle or used motor vehicle dealer has a sales person or employee
37 present. For the purposes of this act, "off-site sale" does not
38 include:

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

41 b. The sale of a vehicle at an auction at which only wholesale
42 purchases are permitted; **[or]**

43 c. The use of telephones, telephone call-forwarding, email,
44 internet websites or other internet communications which allow a
45 licensed dealer or dealership employee to communicate with
46 customers while either the customer or the dealer or employee
47 thereof is not present at the licensed physical location of the
48 dealership, provided the contract for the sale of a vehicle is

1 finalized and the sale transaction completed at the licensed location;
2 or

3 d. An online sale authorized pursuant to section 4 of
4 P.L. , c. (C.) (pending before the Legislature as this bill).

5 "Sponsoring organization" means:

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

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

14 (cf: P.L.2007, c.335, s.25)]²

15

16 ²[4.] 3.² (New section) a. A licensee may conduct online sales
17 of motor vehicles anywhere in this State in accordance with this
18 chapter subject to the additional requirements set forth in subsection
19 b. of this section.

20 b. In addition to meeting the requirements set forth in this
21 chapter for engaging in the business of buying, selling, and dealing
22 in motor vehicles in this State, licensees conducting online sales of
23 motor vehicles in this State shall meet the following requirements:

24 (1) ¹Licensees shall maintain a physical presence in the State of
25 New Jersey equal to or greater than the minimum established place
26 of business requirements for new and used motor vehicle
27 dealerships pursuant to R.S. 39:10-19;

28 (2)¹ Licensees may keep and maintain non-physical, electronic
29 records of online sales of motor vehicles ²and shall have a stable
30 Internet connection in the office², but the records shall be kept and
31 maintained in a format that allows immediate inspection and
32 examination by the chief administrator or his or her agent; and

33 ¹[(2)] (3)¹ Licensees shall only conduct online sales of motor
34 vehicles that constitute inventory held for sale by the licensee or a
35 ²licensed² parent or ²licensed² affiliate thereof.

36

37 ²[5.] 4.² (New section) Sections ²[5] 4² through ²[8] 7² of
38 P.L. , c. (C. through C.) (pending before the
39 Legislature as this bill) shall be known and may be cited as the
40 "Motor Vehicle Transaction Modernization Act."

41

42 ²[6.] 5.² (New section) As used in sections ²[5] 4² through
43 ²[8] 7² of P.L. , c. (C. through C.) (pending before
44 the Legislature as this bill):

45 "Buyer" includes a purchaser, debtor, lessee, bailee, transferee,
46 and any person buying, attempting to buy, or receiving a motor

1 vehicle subject to a security interest, lease, bailment or transfer
2 agreement, or their legal successors in interest.

3 “Electronic” means relating to technology having electrical,
4 digital, magnetic, optical, electromagnetic, or similar capabilities.

5 “Electronic signature” means an electronic symbol, sound, or
6 process attached to, or logically associated with, a record and
7 executed or adopted by an individual with the intent to sign the
8 record.

9 “Licensee” means any natural person or entity that is licensed to
10 buy, sell or deal in, ³**[on]** or³ lease motor vehicles pursuant to
11 R.S.39:10-19.

12 “Motor vehicle transaction” means any “sale,” “purchase,” or
13 “online sale” as those terms are defined pursuant to R.S.39:10-2 or
14 any lease as defined pursuant to section 2 of P.L.1994, c.190
15 (C.56:12-61), conducted by a licensee.

16 ³**[**“Transaction documents” means any documents required to
17 complete the sale or lease of a motor vehicle in the State, including,
18 but not limited to, title papers, manufacturers’ or importers’
19 certificates of origin, contracts, security agreements, assignments,
20 abstracts, or any other documents required by chapters 3 and 10 of
21 Title 39 of the Revised Statutes. Transaction documents shall also
22 include, but not be limited to, any powers of attorney granted by a
23 buyer ¹through electronic signature¹ to a licensee for purposes of
24 execution of any other transaction documents.³**]**³

25

26 ²**[7.]** ^{6.}² (New section) a. Notwithstanding any provision of
27 law or regulation to the contrary, during a motor vehicle transaction
28 conducted by a licensee ¹authorized to conduct online sales
29 pursuant to section ²**[4]** ³² of P.L. , c. (C.) (pending before
30 the Legislature as this bill)¹, the buyer and ¹authorized¹ licensee
31 may execute and acknowledge ³**[all]**³ ¹**[transaction]** power of
32 attorney¹ documents by electronic signature.

33 b. When executing ¹**[transaction]** power of attorney¹
34 documents ³pursuant to this section³, an electronic signature shall
35 be attributable to a person if it is the action of the person. The act
36 of the person may be shown in any manner, including a showing of
37 the efficacy of any security procedure applied to determine the
38 person to which the electronic signature is attributable.

39 c. The effect of an electronic signature attributed to a person
40 under subsection b. of this section shall be determined from the
41 context and surrounding circumstances at the time of the creation,
42 execution, or adoption of the electronic signature, including the
43 parties’ agreement, if any, and as otherwise provided by law.

44 d. ¹Electronic signatures ³permitted under this section³ shall be
45 executed in accordance with the minimum security requirements set
46 forth by the National Highway Traffic Safety Administration under
47 49 C.F.R. s.580.1 et seq. for Assurance Level 2.

1 e.¹ Nothing in sections ²**[5]** ⁴4² through ²**[8]** ⁷7² of P.L. ,
 2 c. (C. through C.) (pending before the Legislature as
 3 this bill) shall mandate the use of electronic signatures or require
 4 buyers and ¹authorized¹ licensees to provide electronic signatures
 5 ³on power of attorney documents³. An electronic signature shall be
 6 a valid and acceptable alternative to a traditional ink signature for
 7 the purposes of executing ¹**[transaction]** power of attorney¹
 8 documents ³executed in accordance with this section³.

9 ¹**[e.] f.**¹ The Chief Administrator of the New Jersey Motor
 10 Vehicle Commission shall not reject ¹**[transaction]** power of
 11 attorney¹ documents submitted by a licensee ³in accordance with
 12 this section³ on the basis that such documents bear electronic
 13 signatures. ³Nothing in this section shall permit the electronic
 14 execution of any documents for the purpose of mileage disclosure
 15 subject to R.S.39:10-9 or the federal Truth in Mileage Act of 1986,
 16 Pub.L.99-579 (49 U.S.C. s.32705) unless authorized by the chief
 17 administrator by regulations adopted pursuant to section 8 of
 18 P.L. , c. (C.) (pending before the Legislature as this bill).³

20 ²**[8.] 7.**² (New section) Notwithstanding any provision of law
 21 or regulation to the contrary, during a motor vehicle transaction
 22 conducted by ¹**[a]** an authorized¹ licensee, the Chief Administrator
 23 of the New Jersey Motor Vehicle Commission shall not require a
 24 notarized signature on any ³**[transaction documents]** electronically
 25 signed power of attorney permitted by section 6 of
 26 P.L. , c. (C.) (pending before the Legislature as this bill)³.

28 ²**[19.] 8.**² (New section) Not later than ³**[90 days]** 24 months³
 29 after the effective date of P.L. , c. (C.) (pending before the
 30 Legislature as this bill), the Chief Administrator of the New Jersey
 31 Motor Vehicle Commission shall ³**[engage with the industry to**
 32 update any rules or regulations to enable the commission to accept
 33 electronic signatures on all transaction documents. The commission
 34 shall accept electronic signatures on all transaction documents no
 35 later than 24 months after the effective date of P.L. , c. (C.)
 36 (pending before the Legislature as this bill).¹ ¹**[** in accordance with
 37 the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1
 38 et seq.), adopt rules and regulations necessary to establish and
 39 administer a system to permit new motor vehicle sales transaction
 40 documents to be prepared by or submitted to the commission in
 41 electronic form, or processed electronically in compliance with
 42 R.S.39:10-1 et seq., the federal Truth in Mileage Act of 1986,
 43 Pub.L.99-579 (49 U.S.C. s.32705), and the regulations promulgated
 44 pursuant to the federal Truth in Mileage Act of 1986, Pub.L.99-579
 45 (49 U.S.C. s.32705).

46 The chief administrator shall, by regulations adopted pursuant to
 47 this section, establish a schedule to permit used motor vehicle sales

1 transaction documents to be prepared by or submitted to the
2 commission in electronic form, or processed electronically, in
3 compliance with R.S.39:10-1 et seq., the federal Truth in Mileage
4 Act of 1986, Pub.L.99-579 (49 U.S.C. s.32705), and the regulations
5 promulgated pursuant to the federal Truth in Mileage Act of 1986,
6 Pub.L.99-579 (49 U.S.C. s.32705).

7 Notwithstanding the provisions of P.L.2017, c.308 (C.39:10-11.2
8 to 11.6) to the contrary, the system established by the commission
9 pursuant to this section shall include the notification, recording,
10 transfer, and release of security interests and title information by the
11 lienholders of motor vehicles in lieu of a paper-based system used
12 for those purposes.³

13

14 ¹~~[9.]~~ ²~~[10.1]~~ ^{9.2} Section 1 of P.L.1999, c.149 (C.39:2-3.8) is
15 amended to read as follows:

16 1. a. Whenever any law, rule or regulation requires or permits
17 documents or information to be prepared by or submitted to the
18 **[Division of Motor Vehicles in the Department of Transportation]**
19 New Jersey Motor Vehicle Commission, the **[director]** chief
20 administrator may permit the documents or information to be
21 prepared by or submitted to the **[division]** commission in electronic
22 or digital form, or processed electronically³~~[, except that the~~
23 commission shall permit documents or information related to the
24 “Motor Vehicle Transaction Modernization Act” pursuant to
25 sections ²~~[5]~~ ⁴ through ²~~[8]~~ ⁷ of P.L. , c. (C. through
26 C.) (pending before the Legislature as this bill) to be prepared
27 by or submitted to the commission in electronic or digital form, or
28 processed electronically]³. In no event shall an individual be
29 required to submit documents or information only in electronic or
30 digital form; nor shall documents or information be made available
31 to an individual only in electronic or digital form. Submission in
32 electronic or digital form **[may]** ³~~[shall]~~ may³ be permitted
33 pursuant to this section notwithstanding that any law, rule or
34 regulation requires documents or information to be written or to be
35 submitted in writing, specifies that documents or information be
36 signed, certified, verified or witnessed, or otherwise explicitly or
37 implicitly requires the preparation or submission of documents or
38 information on paper or in written form. As used in this subsection,
39 "individual" means a natural person.

40 b. The **[director]** chief administrator, after consultation with
41 the State Records Committee **[in the Department of State]**, shall
42 adopt, pursuant to the "Administrative Procedure Act,"
43 P.L.1968, c.410 (C.52:14B-1 et seq.), regulations specifying ³how
44 the signature, verification, certification, witnessing or other formal
45 requirements shall be met with respect to documents or information
46 permitted to be prepared or submitted in electronic or digital form
47 pursuant to this section and specifying such additional safeguards as

1 the chief administrator deems necessary to protect the privacy, and
 2 prevent improper access to or disclosure, of any personal
 3 information as defined in section 1 of P.L.1997, c.188 (C.39:2-3.3)
 4 that may be transmitted in an electronic or digital form, or
 5 processed electronically³ ¹how the signature, verification,
 6 certification, witnessing or other formal requirements shall be met
 7 with respect to documents or information permitted to be prepared
 8 or submitted in electronic or digital form pursuant to this section
 9 and specifying such additional safeguards as the [director] chief
 10 administrator deems necessary to protect the privacy, and prevent
 11 improper access to or disclosure, of any personal information as
 12 defined in section 1 of P.L.1997, c.188 (C.39:2-3.3) that may be
 13 transmitted in an electronic or digital form, or processed
 14 electronically] ³how electronic signatures shall be obtained in
 15 accordance with the requirements set forth by National Highway
 16 Traffic Safety Administration under 49 C.F.R. s.580.1 et seq. for
 17 Assurance Level 2¹³. Regulations adopted pursuant to this
 18 subsection **[may]** ³**[shall]** may³ permit the use of digital signature
 19 technology for the signing of documents and other appropriate
 20 purposes. ³If necessary, the chief administrator may adopt
 21 regulations to implement the provisions of
 22 P.L. , c. (C.) (pending before the Legislature as this bill)
 23 not later than 60 days after the effective date of
 24 P.L. , c. (C.) (pending before the Legislature as this bill).
 25 ¹If the chief administrator does not adopt regulations within 60
 26 days, then all electronic signatures shall be obtained in accordance
 27 with the requirements set forth by the National Highway Traffic
 28 Safety Administration under 49 C.F.R. s.580.1 et seq. for
 29 Assurance Level 2.¹³
 30 (cf: P.L.1999, c.149, s.1)

31

32 ¹**[10.]** ²**[11.1]** ^{10.2} This act shall take effect immediately.