

§3
C.39:10-19.5
§§4-7
C.39:10-39 to
39:10-42
§8
C.39:10-4.1

P.L. 2021, CHAPTER 462, *approved January 18, 2022*
Assembly, No. 5033 (*Third Reprint*)

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.

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

4 "Nonconventional type motor vehicle" means every vehicle not
5 designed or used primarily for the transportation of persons or
6 property and only incidentally operated or moved over a highway,
7 including, but not limited to, ditch-digging apparatus, well-boring
8 apparatus, road and general purpose construction and maintenance
9 machinery, asphalt spreaders, bituminous mixers, bucket loaders,
10 ditchers, leveling graders, finishing machines, motor graders, road
11 rollers, scarifiers, earth-moving carryalls, scrapers, power shovels,
12 drag lines, self-propelled cranes, earth-moving equipment, trailers
13 and semitrailers which weigh less than 2,500 pounds, except that no
14 mobile or manufactured home or travel trailer shall be classified as
15 a nonconventional type motor vehicle, motorized wheelchairs,
16 motorized lawn mowers, bogies, farm equipment having a factory
17 shipping weight of less than 1,500 pounds, whether or not
18 motorized, including farm tractors within said weight limitation,
19 industrial tractors, scooters, go-carts, gas buggies and golf carts.
20 The **【Director of Motor Vehicles】** Chief Administrator of the New
21 Jersey Motor Vehicle Commission shall have power to make,
22 amend and repeal regulations, not inconsistent with the provisions
23 of this paragraph, prescribing what further vehicles or types of
24 vehicles, not specified in this paragraph, shall be included in the
25 category of nonconventional type motor vehicles.

26 "Motor vehicles which constitute inventory held for sale"
27 means ¹ new motor vehicles and used motor vehicles held for the
28 purpose of sale by new motor vehicle dealers ¹**【and used motor**
29 **vehicles held for sale by new or used motor vehicle dealers which**
30 **can be identified by a manufacturer's Vehicle Identification**
31 **Number (VIN) and title is or right to title is held by the used motor**
32 **vehicle owner. and used motor vehicles held for the purpose of sale**
33 **by used motor vehicle dealers, and excludes】** which can be
34 identified by a manufacturer's Vehicle Identification Number (VIN)
35 and have been invoiced to, allocated to, or reserved by a new motor
36 vehicle dealer licensed to do business in New Jersey, and such
37 vehicle can be shipped by the manufacturer or distributor within a
38 reasonable period of time and used motor vehicles held for the
39 purpose of sale by new or used motor vehicle dealers which can be
40 identified by a manufacturer's VIN and title papers or right to title
41 is held by the used motor vehicle ²**【owner】 dealer**². This term shall
42 exclude¹ motor vehicles held for the purpose of lease or rental by a
43 person engaged in the motor vehicle leasing or rental business.

44 "Manufacturer's or importer's certificate of origin" means the
45 original written instrument or document required to be executed and
46 delivered by the manufacturer to his agent or a dealer, or a person
47 purchasing direct from the manufacturer, certifying the origin of the
48 vehicle.

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

4 "Assignment" means the execution of a prescribed form
5 transferring ownership of a motor vehicle from the person named
6 therein to the purchaser.

7 "Contract" means conditional sale agreement, bailment, lease,
8 chattel mortgage, trust receipt or any other form of security or
9 possession agreement executed prior to January 1, 1963, wherein
10 and whereby possession of a motor vehicle is delivered to the buyer
11 and title therein is to vest in the buyer at a subsequent time upon the
12 payment of part or all of the price, or upon the performance of any
13 other condition or happening of any contingency, or upon the
14 payment of a sum substantially equivalent to the value of the motor
15 vehicle, by which contract it is agreed that the buyer is bound to
16 become, or has the option of becoming, the owner of the motor
17 vehicle upon full compliance with the terms of the contract.

18 "Abstract" means the duplicate copy of the original certificate of
19 ownership recording any encumbrance or upon which the existence
20 of a security interest is noted.

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

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

25 "Chief Administrator" means the Chief Administrator of the
26 New Jersey Motor Vehicle Commission.

27 "Manufacturer" means the person who originally manufactured
28 the motor vehicle.

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

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

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

45 "New motor vehicle dealer" means the agent, distributor, or
46 authorized dealer of the manufacturer of the new motor vehicle who
47 has an established place of business. A new motor vehicle dealer
48 ²shall sell a minimum of four or more new motor vehicles within a

1 12-month timeframe and² may engage in the business of buying,
2 selling, or dealing in used motor vehicles in this State under the
3 provisions of this chapter.

4 "Used motor vehicle dealer" means a person engaged in the
5 business of selling, buying or dealing in four or more used motor
6 vehicles **【**, and who has**】** per year at an established place of
7 business, but who is not a licensed new motor vehicle dealer. A
8 used motor vehicle dealer shall engage only in the business of
9 buying, selling, or dealing in used motor vehicles in this State under
10 the provisions of this chapter and shall not engage in the business of
11 buying, selling, or dealing in new motor vehicles in this State.

12 "Person" includes natural persons, firms or copartnerships,
13 corporations, associations, or other artificial bodies, receivers,
14 trustees, common law or statutory assignees, executors,
15 administrators, sheriffs, constables, marshals, or other persons in
16 representative or official capacity, and members, officers, agents,
17 employees, or other representatives of those hereinbefore
18 enumerated.

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

23 "Seller" means manufacturer, dealer, lessor, bailor, transferor
24 with or without a security interest, and any other person selling,
25 attempting to sell, or delivering a motor vehicle, and their legal
26 successors in interest.

27 The terms "sell," **【or】** "sale," "buy," or "purchase" and any form
28 thereof include absolute or voluntary sales and purchases,
29 agreements to sell and purchase, bailments, leases, security
30 agreements whereby any motor vehicles are sold and purchased, or
31 agreed to be sold and purchased, involuntary, statutory and judicial
32 sales, inheritance, devise, or bequest, gift or any other form or
33 manner of sale or agreement of sale thereof, or the giving or
34 transferring possession of a motor vehicle to a person for a
35 permanent use; continued possession for 60 days or more is to be
36 construed as permanent use.

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

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

41 "Manufacturer's number" means the original manufacturer's
42 vehicle identification number die stamped upon the body, or frame,
43 or either or both of them, of a motor vehicle or the original
44 manufacturer's number die stamped upon the engine or motor of a
45 motor vehicle.

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

1 "Debtor" means the person who owes payment or other
2 performance of the obligation secured by a security interest in a
3 motor vehicle.

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

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

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

10 "Gross vehicle weight rating" means the value specified by the
11 manufacturer as the loaded weight of the single or combination
12 vehicle and, if the manufacturer has not specified a value for a
13 towed vehicle, means the value specified for the towing vehicle plus
14 the loaded weight of the towed unit.

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

16

17 2. 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
25 P.L.1990, c.103 (C.39:3-10.11), or manufactured homes as defined
26 in section 3 of P.L.1983, c.400 (C.54:4-1.4); or b. the person is
27 authorized to do so under the provisions of this chapter and
28 P.L.1985, c.361 (C.56:10-26 et seq.).

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

43 No person who has been convicted of a crime, arising out of
44 fraud or misrepresentation in the sale, leasing or financing of a
45 motor vehicle, shall be eligible to receive a license. For the
46 purposes of this section, each applicant for a license shall submit to
47 the chief administrator the applicant's name, address, fingerprints,
48 and written consent for a criminal history record background check

1 to be performed. The chief administrator is hereby authorized to
2 exchange fingerprint data with and receive criminal history record
3 information from the State Bureau of Identification in the Division
4 of State Police and the Federal Bureau of Investigation consistent
5 with applicable State and federal laws, rules, and regulations, for
6 purposes of facilitating determinations concerning licensure
7 eligibility. The applicant shall bear the cost for the criminal history
8 record background check, including all costs of administering and
9 processing the check. The Division of State Police shall promptly
10 notify the chief administrator in the event a current holder of a
11 license or prospective applicant, who was the subject of a criminal
12 history record background check pursuant to this section, is arrested
13 for a crime or offense in this State after the date the background
14 check was performed.

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

31 ²However, a leasing dealer, who is not engaged in the business of
32 buying, selling, or dealing in motor vehicles in the State, shall not
33 be required to maintain a place of business with floor space
34 available for the servicing or display of motor vehicles or to have an
35 exterior sign at the lessor's place of business.²

36 Each applicant for a used motor vehicle dealer license shall at the
37 time such license is issued maintain an established place of business
38 ²【consisting of a minimum office space of 72 square feet within a
39 permanent, enclosed building located in the State of New Jersey,
40 and where there are included or immediately contiguous, clearly
41 identified, fixed facilities for the licensee to display at least two
42 automobiles.】 located in the State of New Jersey. The commission
43 shall establish, by regulation, the requirements for an established
44 place of business.²

45 An established place of business of a new motor vehicle dealer
46 or a used motor vehicle dealer shall display an exterior sign
47 permanently affixed to the land or building, which sign is consistent
48 with local ordinances and has letters easily readable from the major

1 avenues of traffic. The sign shall include the dealer name or trade
2 name, provided such trade name has been previously disclosed to
3 the chief administrator.

4 A license fee of \$200 shall be paid by an applicant upon the
5 applicant's initial application for a license. The chief administrator
6 may renew an applicant's license upon application for renewal on a
7 form prescribed by the chief administrator and accompanied by a
8 renewal fee of \$200. Every license shall expire 24 months from the
9 date on which it is issued. The chief administrator may, at the chief
10 administrator's discretion and for good cause shown, extend an
11 applicant's license for an additional period not to exceed 12 months
12 from the date on which it is scheduled to expire. The chief
13 administrator may, at the chief administrator's discretion and for
14 good cause shown, issue a license which shall expire on a date fixed
15 by the chief administrator. The fee for licenses with an expiration
16 date fixed by the chief administrator shall be fixed by the chief
17 administrator in an amount proportionately less or greater than the
18 fee established herein.

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

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

35
36 ²[3. Section 1 of P.L.2005, c.351 (C.39:10-19.1) is amended to
37 read as follows:

38 1. As used in this act:

39 "Off-site sale" means the display and sale of new or used
40 recreational vehicles by a recreational vehicle dealer, or used motor
41 vehicles registered in New Jersey by a used motor vehicle dealer,
42 licensed under the provisions of R.S.39:10-19, at a location other
43 than the dealer's established place of business. An "off-site sale"
44 includes any off-site display of vehicles at which a recreational
45 vehicle or used motor vehicle dealer has a sales person or employee
46 present. For the purposes of this act, "off-site sale" does not
47 include:

- 1 a. An off-site display of vehicles at which a recreational
 2 vehicle or used motor vehicle dealer has no sales personnel present;
- 3 b. The sale of a vehicle at an auction at which only wholesale
 4 purchases are permitted; **or**
- 5 c. The use of telephones, telephone call-forwarding, email,
 6 internet websites or other internet communications which allow a
 7 licensed dealer or dealership employee to communicate with
 8 customers while either the customer or the dealer or employee
 9 thereof is not present at the licensed physical location of the
 10 dealership, provided the contract for the sale of a vehicle is
 11 finalized and the sale transaction completed at the licensed location;
 12 or
- 13 d. An online sale authorized pursuant to section 4 of
 14 P.L. , c. (C.) (pending before the Legislature as this bill).
- 15 "Sponsoring organization" means:
- 16 a. a credit union, automobile club, or other such not for profit
 17 organization or entity that makes the opportunity to attend and
 18 purchase a motor vehicle at an off-site sale available to its
 19 members; or
- 20 b. a trade show coordinator, or other such organization, entity,
 21 or individual that makes the opportunity to attend and purchase a
 22 recreational vehicle at an off-site sale available to ticketed
 23 individuals.
- 24 (cf: P.L.2007, c.335, s.25)**1**²
- 25
- 26 **²[4.] 3.²** (New section) a. A licensee may conduct online sales
 27 of motor vehicles anywhere in this State in accordance with this
 28 chapter subject to the additional requirements set forth in subsection
 29 b. of this section.
- 30 b. In addition to meeting the requirements set forth in this
 31 chapter for engaging in the business of buying, selling, and dealing
 32 in motor vehicles in this State, licensees conducting online sales of
 33 motor vehicles in this State shall meet the following requirements:
- 34 (1) ¹Licensees shall maintain a physical presence in the State of
 35 New Jersey equal to or greater than the minimum established place
 36 of business requirements for new and used motor vehicle
 37 dealerships pursuant to R.S. 39:10-19;
- 38 (2)¹ Licensees may keep and maintain non-physical, electronic
 39 records of online sales of motor vehicles ²and shall have a stable
 40 Internet connection in the office², but the records shall be kept and
 41 maintained in a format that allows immediate inspection and
 42 examination by the chief administrator or his or her agent; and
- 43 **¹[(2)] (3)¹** Licensees shall only conduct online sales of motor
 44 vehicles that constitute inventory held for sale by the licensee or a
 45 ²licensed² parent or ²licensed² affiliate thereof.

1 ²[5.] 4.² (New section) Sections ²[5] 4² through ²[8] 7² of
 2 P.L. , c. (C. through C.) (pending before the
 3 Legislature as this bill) shall be known and may be cited as the
 4 “Motor Vehicle Transaction Modernization Act.”

5
 6 ²[6.] 5.² (New section) As used in sections ²[5] 4² through
 7 ²[8] 7² of P.L. , c. (C. through C.) (pending before
 8 the Legislature as this bill):

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

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

15 “Electronic signature” means an electronic symbol, sound, or
 16 process attached to, or logically associated with, a record and
 17 executed or adopted by an individual with the intent to sign the
 18 record.

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

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

26 ³“Transaction documents” means any documents required to
 27 complete the sale or lease of a motor vehicle in the State, including,
 28 but not limited to, title papers, manufacturers’ or importers’
 29 certificates of origin, contracts, security agreements, assignments,
 30 abstracts, or any other documents required by chapters 3 and 10 of
 31 Title 39 of the Revised Statutes. Transaction documents shall also
 32 include, but not be limited to, any powers of attorney granted by a
 33 buyer ‘through electronic signature’¹ to a licensee for purposes of
 34 execution of any other transaction documents.³

35
 36 ²[7.] 6.² (New section) a. Notwithstanding any provision of
 37 law or regulation to the contrary, during a motor vehicle transaction
 38 conducted by a licensee ‘authorized to conduct online sales
 39 pursuant to section ²[4] 3² of P.L. , c. (C.) (pending before
 40 the Legislature as this bill)¹, the buyer and ‘authorized’¹ licensee
 41 may execute and acknowledge ³[all]³ ‘[transaction] power of
 42 attorney’¹ documents by electronic signature.

43 b. When executing ‘[transaction] power of attorney’¹
 44 documents ‘pursuant to this section’³, an electronic signature shall
 45 be attributable to a person if it is the action of the person. The act
 46 of the person may be shown in any manner, including a showing of

1 the efficacy of any security procedure applied to determine the
2 person to which the electronic signature is attributable.

3 c. The effect of an electronic signature attributed to a person
4 under subsection b. of this section shall be determined from the
5 context and surrounding circumstances at the time of the creation,
6 execution, or adoption of the electronic signature, including the
7 parties' agreement, if any, and as otherwise provided by law.

8 d. ¹Electronic signatures ³permitted under this section³ shall be
9 executed in accordance with the minimum security requirements set
10 forth by the National Highway Traffic Safety Administration under
11 49 C.F.R. s.580.1 et seq. for Assurance Level 2.

12 e.¹ Nothing in sections ²[5] ⁴² through ²[8] ⁷² of P.L. ,
13 c. (C. through C.) (pending before the Legislature as
14 this bill) shall mandate the use of electronic signatures or require
15 buyers and ¹authorized¹ licensees to provide electronic signatures
16 ³on power of attorney documents³. An electronic signature shall be
17 a valid and acceptable alternative to a traditional ink signature for
18 the purposes of executing ¹[transaction] power of attorney¹
19 documents ³executed in accordance with this section³.

20 ¹[e.] ¹f.¹ The Chief Administrator of the New Jersey Motor
21 Vehicle Commission shall not reject ¹[transaction] power of
22 attorney¹ documents submitted by a licensee ³in accordance with
23 this section³ on the basis that such documents bear electronic
24 signatures. ³Nothing in this section shall permit the electronic
25 execution of any documents for the purpose of mileage disclosure
26 subject to R.S.39:10-9 or the federal Truth in Mileage Act of 1986,
27 Pub.L.99-579 (49 U.S.C. s.32705) unless authorized by the chief
28 administrator by regulations adopted pursuant to section 8 of
29 P.L. , c. (C.) (pending before the Legislature as this bill).³
30

31 ²[8.] ⁷² (New section) Notwithstanding any provision of law
32 or regulation to the contrary, during a motor vehicle transaction
33 conducted by ¹[a] an authorized¹ licensee, the Chief Administrator
34 of the New Jersey Motor Vehicle Commission shall not require a
35 notarized signature on any ³[transaction documents] electronically
36 signed power of attorney permitted by section 6 of
37 P.L. , c. (C.) (pending before the Legislature as this bill).³
38

39 ²[¹9.] ⁸² (New section) Not later than ³[90 days] ^{24 months}³
40 after the effective date of P.L. , c. (C.) (pending before the
41 Legislature as this bill), the Chief Administrator of the New Jersey
42 Motor Vehicle Commission shall ³[engage with the industry to
43 update any rules or regulations to enable the commission to accept
44 electronic signatures on all transaction documents. The commission
45 shall accept electronic signatures on all transaction documents no
46 later than 24 months after the effective date of P.L. , c. (C.)
47 (pending before the Legislature as this bill).¹] , in accordance with

1 the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1
 2 et seq.), adopt rules and regulations necessary to establish and
 3 administer a system to permit new motor vehicle sales transaction
 4 documents to be prepared by or submitted to the commission in
 5 electronic form, or processed electronically in compliance with
 6 R.S.39:10-1 et seq., the federal Truth in Mileage Act of 1986,
 7 Pub.L.99-579 (49 U.S.C. s.32705), and the regulations promulgated
 8 pursuant to the federal Truth in Mileage Act of 1986, Pub.L.99-579
 9 (49 U.S.C. s.32705).

10 The chief administrator shall, by regulations adopted pursuant to
 11 this section, establish a schedule to permit used motor vehicle sales
 12 transaction documents to be prepared by or submitted to the
 13 commission in electronic form, or processed electronically, in
 14 compliance with R.S.39:10-1 et seq., the federal Truth in Mileage
 15 Act of 1986, Pub.L.99-579 (49 U.S.C. s.32705), and the regulations
 16 promulgated pursuant to the federal Truth in Mileage Act of 1986,
 17 Pub.L.99-579 (49 U.S.C. s.32705).

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

24
 25 ¹[9.] ²[10.1] ^{9.}² Section 1 of P.L.1999, c.149 (C.39:2-3.8) is
 26 amended to read as follows:

27 1. a. Whenever any law, rule or regulation requires or permits
 28 documents or information to be prepared by or submitted to the
 29 **【Division of Motor Vehicles in the Department of Transportation】**
 30 New Jersey Motor Vehicle Commission, the **【director】** chief
 31 administrator may permit the documents or information to be
 32 prepared by or submitted to the **【division】** commission in electronic
 33 or digital form, or processed electronically³**【, except that the**
 34 commission shall permit documents or information related to the
 35 “Motor Vehicle Transaction Modernization Act” pursuant to
 36 sections ²[5] ⁴ through ²[8] ⁷ of P.L. , c. (C. through
 37 C.) (pending before the Legislature as this bill) to be prepared
 38 by or submitted to the commission in electronic or digital form, or
 39 processed electronically】³. In no event shall an individual be
 40 required to submit documents or information only in electronic or
 41 digital form; nor shall documents or information be made available
 42 to an individual only in electronic or digital form. Submission in
 43 electronic or digital form **【may】** ³**【shall】** may³ be permitted
 44 pursuant to this section notwithstanding that any law, rule or
 45 regulation requires documents or information to be written or to be
 46 submitted in writing, specifies that documents or information be
 47 signed, certified, verified or witnessed, or otherwise explicitly or
 48 implicitly requires the preparation or submission of documents or

1 information on paper or in written form. As used in this subsection,
2 "individual" means a natural person.

3 b. The **【director】** chief administrator, after consultation with
4 the State Records Committee **【in the Department of State】**, shall
5 adopt, pursuant to the "Administrative Procedure Act,"
6 P.L.1968, c.410 (C.52:14B-1 et seq.), regulations specifying ³how
7 the signature, verification, certification, witnessing or other formal
8 requirements shall be met with respect to documents or information
9 permitted to be prepared or submitted in electronic or digital form
10 pursuant to this section and specifying such additional safeguards as
11 the chief administrator deems necessary to protect the privacy, and
12 prevent improper access to or disclosure, of any personal
13 information as defined in section 1 of P.L.1997, c.188 (C.39:2-3.3)
14 that may be transmitted in an electronic or digital form, or
15 processed electronically³ ¹**【how the signature, verification,**
16 **certification, witnessing or other formal requirements shall be met**
17 **with respect to documents or information permitted to be prepared**
18 **or submitted in electronic or digital form pursuant to this section**
19 **and specifying such additional safeguards as the 【director】 chief**
20 **administrator deems necessary to protect the privacy, and prevent**
21 **improper access to or disclosure, of any personal information as**
22 **defined in section 1 of P.L.1997, c.188 (C.39:2-3.3) that may be**
23 **transmitted in an electronic or digital form, or processed**
24 **electronically】** ³**【how electronic signatures shall be obtained in**
25 **accordance with the requirements set forth by National Highway**
26 **Traffic Safety Administration under 49 C.F.R. s.580.1 et seq. for**
27 **Assurance Level 2¹】**³. Regulations adopted pursuant to this
28 subsection **【may】** ³**【shall】 may**³ permit the use of digital signature
29 technology for the signing of documents and other appropriate
30 purposes. ³**【If necessary, the chief administrator may adopt**
31 **regulations to implement the provisions of**
32 **P.L. , c. (C.) (pending before the Legislature as this bill)**
33 **not later than 60 days after the effective date of**
34 **P.L. , c. (C.) (pending before the Legislature as this bill).**
35 ¹**【If the chief administrator does not adopt regulations within 60**
36 **days, then all electronic signatures shall be obtained in accordance**
37 **with the requirements set forth by the National Highway Traffic**
38 **Safety Administration under 49 C.F.R. s.580.1 et seq. for**
39 **Assurance Level 2.¹】**³
40 (cf: P.L.1999, c.149, s.1)

41
42 ¹**【10.】** ²**【11.】** ¹**10.**² This act shall take effect immediately.

43
44
45
46
47 Authorizes motor vehicle dealers to sell motor vehicles online
48 and obtain electronic signatures for motor vehicle transactions.