

SENATE, No. 777

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator NICHOLAS P. SCUTARI

District 22 (Middlesex, Somerset and Union)

SYNOPSIS

Requires certain sellers of used motor vehicles to notify MVC of sale; limits liability of certain sellers after sale of used motor vehicles.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning the sale of used motor vehicles and amending
2 R.S.39:10-9.

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

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7 1. R.S.39:10-9 is amended to read as follows:

8 39:10-9. a. When a used motor vehicle is sold in this State, the
9 seller shall, except as provided in **[section 39:10-15 of this Title]**
10 **R.S.39:10-15**, execute and deliver to the purchaser, an assignment
11 of the certificate of ownership or an assignment of the bill of sale
12 issued prior to October 1, 1946, or, in the event the vehicle is
13 subject to a security interest, or for some other reason the original
14 certificate of ownership is not in the possession of the seller, and
15 where the purchaser is a licensed New Jersey motor vehicle dealer,
16 the seller may execute a secure power of attorney as required under
17 the federal “ Truth in Mileage Act of 1986, ” Pub.L.99-579 (49
18 U.S.C. s.32705) or **[such]** other documents as the chief
19 administrator may require, authorizing the licensed dealer to
20 execute the original title upon obtaining possession of same. If a
21 security interest exists at the time of **[such]** the sale and will
22 continue in effect afterwards or if, in connection with **[such]** the
23 sale, a security interest is taken or retained by the seller to secure all
24 or a part of the purchase price of the motor vehicle, or is taken by a
25 person who by making an advance or incurring an obligation gives
26 value to enable the purchaser to acquire rights in the motor vehicle,
27 the name and the business or residence address of the secured party
28 or his assignee shall be noted on the certificate of ownership. If the
29 seller is a licensed New Jersey motor vehicle dealer, the seller shall
30 not be required to deliver an assignment or certificate of ownership
31 at the time of sale, provided that the dealer has satisfied all liens
32 noted on the certificate of title and has the right to title as of the
33 time of sale, and provided that the dealer represents and attests to
34 the same in a writing to be delivered to the purchaser at the time of
35 sale. Nothing in this section shall apply to security interests in
36 motor vehicles which constitute inventory held for sale, but **[such]**
37 the interests shall be subject to chapter 9 of Title 12A of the New
38 Jersey Statutes.

39 b. In addition to the requirements contained in subsection a. of
40 this section, when a used motor vehicle is sold in this State, the
41 seller shall, within five working days of the date of the sale, notify
42 the commission of the sale. The notification shall include the date
43 of the sale, the name and address of the seller and the purchaser,
44 and a description of the used motor vehicle.

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.

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c. A seller who has sold and delivered possession of a used motor vehicle to a purchaser shall not be subject to criminal or civil liability arising out of the operation or use of the used motor vehicle, including parking offenses, if the seller has: (1) executed and delivered to the purchaser an assignment of a certificate of ownership pursuant to subsection a. of this section; and (2) provided notification of the sale to the commission pursuant to subsection b. of this section.

(cf: P.L.2007, c.335, s.23)

2. The Chief Administrator of the New Jersey Motor Vehicle Commission shall adopt rules and regulations pursuant to the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), as are necessary to implement this act.

3. This act shall take effect on the first day of the seventh month after enactment, but the chief administrator may take any administrative action in advance of the effective date as may be necessary.

STATEMENT

This bill requires the seller of a used motor vehicle to notify the New Jersey Motor Vehicle Commission (MVC) of the sale of a used motor vehicle, within five working days of the sale. The notification is required to include the date of the sale, the name and address of the seller and the purchaser, and a description of the used motor vehicle.

In addition, the bill provides that a seller who has sold and delivered possession of a used motor vehicle to a purchaser is not subject to criminal or civil liability arising out of the operation or use of the used motor vehicle, including parking offenses, if the seller has executed and delivered an assignment of a certificate of ownership to the purchaser and has provided notification of the sale to the MVC.