

SENATE, No. 1037

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JANUARY 30, 2020

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

SYNOPSIS

Requires MVC to enter into contract to implement electronic lien and title system; removes authority for MVC to implement system by itself.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning an electronic lien and title system for motor
 2 vehicles and amending P.L.2017, c.308.

3
 4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 5 *of New Jersey:*

6
 7 1. Section 1 of P.L.2017, c.308 (C.39:10-11.2) is amended to
 8 read as follows:

9 1. a. **【**Within 60 days of the effective date of this act, the Chief
 10 Administrator of the New Jersey Motor Vehicle Commission shall
 11 complete a study to determine whether the commission has the
 12 resources and capability to establish and implement, within 12
 13 months of the effective date of this act, an electronic lien and titling
 14 system to process and administer, in a cost-effective manner, the
 15 notification, recording, and release of security interests and title
 16 information by the lienholders of motor vehicles in lieu of a paper
 17 based system used for those purposes.**】** (Deleted by amendment,
 18 P.L. , c.) (pending before the Legislature as this bill)

19 b. **【**If the chief administrator determines that the commission
 20 has the resources and capability to establish and implement an
 21 electronic lien and titling system, the commission shall establish
 22 and implement an electronic lien and titling system within 12
 23 months of the effective date of this act.**】** (Deleted by amendment,
 24 P.L. , c.) (pending before the Legislature as this bill)

25 c. **【**If the chief administrator determines that the commission
 26 does not have the resources and capability to establish and
 27 implement an electronic lien and titling system, the commission**】**
 28 The New Jersey Motor Vehicle Commission shall contract with a
 29 qualified bidder to establish and implement an electronic lien and
 30 titling system for the State. A contract entered into pursuant to this
 31 subsection shall be offered, advertised, and awarded in the manner
 32 prescribed in chapter 34 of Title 52 of the Revised Statutes and
 33 consistent with the provisions of **【sections】** section 2 of P.L.2017,
 34 c.308 (C.39:10-11.3) and section 3 of 【this act】 P.L.2017, c.308
 35 (C.39:10-11.4).

36 d. (1) The commission shall award a contract to a qualified
 37 bidder within six months of the effective date of P.L. , c.
 38 (C.) (pending before the Legislature as this bill).

39 (2) If the contract has not been awarded to a qualified bidder
 40 within six months of the effective date of P.L. , c. (C.)
 41 (pending before the Legislature as this bill), the chief administrator
 42 shall thereafter submit on a monthly basis to the President of the
 43 Senate, the Speaker of the General Assembly and the chairpersons
 44 of the Senate Transportation Committee and the Assembly
 45 Transportation and Independent Authorities Committee, or of their

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 successor committees, a report of the commission's ongoing actions
2 to comply with the provisions of this section.

3 (cf: P.L.2017, c.308, s.1)

4
5 2. Section 2 of P.L.2017, c.308 (C.39:10-11.3) is amended to
6 read as follows:

7 2. In addition to the requirements set forth in chapter 34 of
8 Title 52 of the Revised Statutes, **【**whenever the chief administrator
9 seeks to contract for the establishment and implementation of an
10 electronic lien and titling system,**】** the specifications and invitations
11 for bids for the electronic lien and titling system to be established
12 and implemented pursuant to subsection c. of section 1 of P.L.2017,
13 c.308 (C.39:10-11.2) shall include, but not be limited to, provisions
14 providing that the contract:

15 a. shall be for a term of not less than seven years;

16 b. shall be a no-cost contract, ensuring that: (1) the commission
17 shall be assessed no charges by the successful bidder for
18 establishing and implementing the electronic lien and titling system;
19 and (2) the successful bidder shall be obligated to reimburse the
20 commission for all reasonable implementation costs directly
21 associated with the establishment and implementation of the
22 electronic lien and titling system; and

23 c. authorizes the successful bidder to charge participating
24 lienholders and their agents reasonable fees for implementing and
25 administering an electronic lien and titling system.

26 (cf: P.L.2017, c.308, s.2)

27
28 3. Section 3 of P.L.2017, c.308 (C.39:10-11.4) is amended to
29 read as follows:

30 3. In addition to the provisions of chapter 34 of Title 52 of the
31 Revised Statutes concerning the qualifications of bidders, an
32 applicant seeking to enter into a contract with the **【State】**
33 commission to establish and implement an electronic lien and titling
34 system shall have a demonstrated history of directly providing both
35 electronic lien services to state motor vehicle departments or
36 agencies and electronic lien software and services to lienholders.

37 (cf: P.L.2017, c.308, s.3)

38
39 4. Section 4 of P.L.2017, c.308 (C.39:10-11.5) is amended to
40 read as follows:

41 4. Within one year of the date upon which an electronic lien
42 and titling system established pursuant to **【this act】** subsection c. of
43 section 1 of P.L.2017, c.308 (C.39:10-11.2) becomes operational,
44 all lienholders, except individuals and those lienholders who are not
45 normally engaged in the business of financing motor vehicles and
46 are administratively exempted by the chief administrator, shall
47 participate in the electronic lien and titling system.

48 (cf: P.L.2017, c.308, s.4)

1 5. Section 5 of P.L.2017, c.308 (C.39:10-11.6) is amended to
2 read as follows:

3 5. The chief administrator may adopt, pursuant to the
4 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
5 seq.), rules and regulations to effectuate the purposes of this **[act]**
6 P.L.2017, c.308 (C.39:10-11.2 et seq.), including, but not
7 necessarily limited to, regulations providing for the oversight of any
8 successful bidder by the chief administrator and regulations
9 designating the class or classes of lienholders that are exempt from
10 the provisions of **[the act requiring participation by all lienholders**
11 **within one year]** P.L.2017, c.308 (C.39:10-11.2 et seq.) pursuant to
12 section 4 of P.L.2017, c.308 (C.39:10-11.5).
13 (cf: P.L.2017, c.308, s.5)

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15 6. This act shall take effect immediately.

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STATEMENT

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20 This bill requires the New Jersey Motor Vehicle Commission
21 (MVC) to contract with a qualified bidder to establish and
22 implement an electronic lien and titling system for the State within
23 six months of the bill's enactment. If the MVC does not meet that
24 deadline, the Chief Administrator of the MVC is required to report
25 monthly to the Legislature on its progress to comply with the
26 provisions of the bill.

27 Under existing statutory law, the MVC is required to oversee the
28 establishment and implementation of an electronic lien and titling
29 system (system) for motor vehicles. New Jersey law currently
30 grants the MVC the option, following a feasibility study, to
31 establish and implement the system by itself or to contract with an
32 entity to establish and implement the system. The MVC has not yet
33 established or implemented the system. This bill removes the
34 option for the MVC to establish and implement the system by itself
35 and instead requires the MVC to contract with a qualified bidder to
36 establish and implement the system.