

SENATE, No. 1397

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:
Senator MICHAEL J. DOHERTY
District 23 (Hunterdon, Somerset and Warren)

SYNOPSIS

Removes authority of MVC to increase certain fees; sets certain fees by statute.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning certain motor vehicle and boating fees,
2 amending P.L.1984, c.152 and P.L.2007, c.335 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. Section 12 of P.L.1984, c.152 (C.12:7A-12) is amended to
9 read as follows:

10 12. a. The purchaser of any marine equipment for which a
11 certificate of ownership is required in this State shall, within 10
12 days after its purchase, submit to the **【director】** chief administrator
13 evidence of the purchase. Upon presentation to the **【director】** chief
14 administrator of the certificate of origin or certificate of ownership,
15 with proper assignment and certification of the seller, a record of
16 the transaction shall be made and filed. A certificate of ownership
17 shall be made and filed. A certificate of ownership shall be issued
18 by the **【director】** chief administrator and delivered to the buyer, in
19 case of a sale not subject to a security interest, and the **【director】**
20 chief administrator shall collect a fee of \$20 for the issuance and
21 filing thereof.

22 b. In the case of a sale subject to a security interest, the original
23 certificate of ownership, with the name and address of the holder of
24 the encumbrance or secured party or his assignee recorded thereon,
25 shall be delivered to the holder of the encumbrance or secured party
26 or his assignee and a nonnegotiable copy thereof shall be delivered
27 to the buyer. The **【director】** chief administrator shall collect a fee
28 of \$30 for **【his】** the chief administrator's services in issuing a
29 certificate and a copy thereof, and for making and filing a record of
30 the transaction pursuant to this subsection.

31 c. Except as otherwise provided in this section, whenever a
32 security interest is created in any marine equipment, other than a
33 security interest which is required to be noted on the certificate of
34 origin or the certificate of ownership as provided in sections 11 and
35 12 of this act, there shall be filed with the **【director】** chief
36 administrator the certificate of ownership of the marine equipment
37 together with a financing statement on a form prescribed by the
38 **【director】** chief administrator. The **【director】** chief administrator
39 shall make and file a record of the transaction and shall issue a
40 certificate of ownership recording the name and address of the
41 secured party or his assignee thereon, and shall deliver it to the
42 secured party or his assignee. A copy of the certificate of
43 ownership so issued shall be delivered to the owner. The **【director】**
44 chief administrator shall collect a fee of \$30 for **【his】** the chief

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 administrator's services in issuing a certificate and copy thereof and
2 for making and filing a record of the transaction pursuant to this
3 subsection.

4 d. The financing statement required to be filed pursuant to
5 subsection c. of this section shall be signed only by the owner, shall
6 not be required to be acknowledged or proved, and shall show, in
7 addition to such matters as the **【director】** chief administrator may
8 require for the proper identification of the marine equipment
9 affected, the date of the security agreement, and the names and
10 addresses of the parties thereto. The security agreement or a copy
11 thereof, or any proof of execution thereof other than that contained
12 in the financing statement, need not be presented to the **【director】**
13 chief administrator. When the owner is a corporation, it shall be
14 sufficient if the financing statement is signed by any officer thereof,
15 or by any agent designated by the corporation for that purpose, and
16 it shall not be necessary that the financing statement recite the
17 authorization of the agent. When there is more than one owner, it
18 shall be sufficient if the financing statement is signed by any one of
19 them.

20 e. Nothing in subsections c. and d. of this section shall apply to
21 a security interest in marine equipment which constitutes inventory
22 held for sale, but the interest shall be subject to chapter 9 of Title
23 12A of the New Jersey Statutes.

24 f. In addition to the fees elsewhere in this section provided for,
25 there shall be paid to the **【director】** chief administrator a fee of \$10
26 for notice of satisfaction of the lien or encumbrance of the record or
27 abstract, or of the termination of the security interest where the
28 marine equipment is subject to a lien or encumbrance or a security
29 interest.

30 g. Notwithstanding any other provision of this section to the
31 contrary, when any dealer is the purchaser of any marine equipment
32 in this State, **【he】** the dealer shall, within 10 days after its purchase,
33 submit to the **【director】** chief administrator the evidence of
34 purchase. Upon presentation of the certificate of ownership with
35 proper assignment and certification of the seller to the **【director】**
36 chief administrator, a record of the transaction shall be made and
37 filed. A certificate of ownership shall be issued by the **【director】**
38 chief administrator and delivered to the purchaser, and the
39 **【director】** chief administrator shall collect a fee for the issuing and
40 filing thereof. A purchaser of any marine equipment who fails to
41 comply with the provisions of this subsection shall pay the
42 **【director】** chief administrator a penalty plus the issuing and filing
43 fee.

44 h. The failure of a person to comply with the requirements of
45 this section shall constitute a violation within the provisions of
46 section 25 of this act, but the failure shall not affect the validity of

1 any instrument creating or reserving a security interest in any
2 marine equipment as between the parties to the instrument.

3 i. The notation of the name and business or residence address
4 of a secured party or his assignee on the certificate of origin or on
5 the certificate of ownership, as provided in sections 9 and 10 of this
6 act, and the presentation to the **【director】** chief administrator of the
7 certificate of origin or certificate of ownership so noted, in the
8 compliance with the security interest filing requirements of this act,
9 shall be in lieu of all filing requirements imposed by chapter 9 of
10 Title 12A of the New Jersey Statutes and shall constitute the
11 perfection of the security interest in the marine equipment, and the
12 rights and remedies of the debtors and the secured parties in respect
13 to the security interest shall, except as otherwise expressly provided
14 in this act, be subject to and governed by chapter 9 of Title 12A of
15 the New Jersey Statutes.

16 j. Any security interest perfected pursuant to chapter 9 of Title
17 12A of the New Jersey Statutes not later than 30 days after either
18 the effective date of **【this】** P.L.1987 【amendatory act】 , c.138 or
19 June 15, 1987, whichever date is later, shall remain perfected
20 pursuant to that Title 12A until perfected as required under
21 P.L.1984, c.152 (C.12:7A-1 et seq.). For this category of security
22 interest, perfection in accordance with P.L.1984, c.152 shall occur
23 not later than one year after either the effective date of **【this】**
24 P.L.1987 【amendatory act】 , c.138 or June 15, 1987, whichever date
25 is later. For this category of security interest, the subsequent
26 perfection under P.L.1984, c.152 shall be deemed to be a
27 continuation of the initial perfection pursuant to chapter 9 of Title
28 12A of the New Jersey Statutes.
29 (cf: P.L.1987, c.138, s.6)

30

31 2. Section 13 of P.L.1984, c.152 (C.12:7A-13) is amended to
32 read as follows:

33 13. a. If a certificate of ownership or title papers are lost, the
34 **【director】** chief administrator may, upon proof by certification or
35 otherwise in the manner required by **【him】** the chief administrator
36 and if satisfied with the application, prepare a certificate of
37 ownership, certify it, and authorize its use in place of the original,
38 with the same effect as the original. The **【director】** chief
39 administrator shall collect a fee of \$25 for this duplicate certificate.

40 b. A person who falsely states, in an application to the
41 **【director】** chief administrator for a duplicate certificate of
42 ownership, that a certificate of ownership or title papers are lost,
43 shall be subject to the penalties of section 25 of this act.
44 Notwithstanding any other provision of law, a prosecution may be
45 commenced at any time up to three years after the issuance of the
46 duplicate certificate.

47 (cf: P.L.1984, c.152, s.13)

1 3. Section 15 of P.L.1984, c.152 (C.12:7A-15) is amended to
2 read as follows:

3 15. a. The **【director】** chief administrator shall, on the record or
4 abstract of any marine equipment registered with **【him】** the chief
5 administrator which is subject to a security interest of which notice
6 is required to be filed with **【him】** the chief administrator, make a
7 notation of the existence of the security interest and shall index the
8 same under the name of the owner of record of the marine
9 equipment so long as the security interest remains unterminated of
10 record.

11 b. Upon request from any person, the **【director】** chief
12 administrator shall issue a certificate, for which **【he】** the chief
13 administrator shall be entitled to a fee of \$10.50, showing names
14 and addresses of the parties to any contract of conditional sale or
15 chattel mortgage or other instrument or to any financing statement;
16 the name and address of the holder of any lien under such contract,
17 chattel mortgage, or other instrument or of the secured party; the
18 date thereof or of the financing statement; the date of filing; the
19 make, model, and identification number or numbers of the marine
20 equipment; and, if the condition in the contract of conditional sale
21 or chattel mortgage has been performed or the security interest has
22 been terminated, a statement to that effect.

23 c. For a full certified copy of any instrument showing a lien on
24 or a security interest in any marine equipment the **【director】** chief
25 administrator shall be entitled to a fee of \$5 for the certificate plus a
26 fee for each copy of any paper certified.

27 d. When evidence of satisfaction of any contract of conditional
28 sale or chattel mortgage or other instrument or evidence of the
29 termination of the security interest shall be presented to the
30 **【director】** chief administrator, he shall make a notation thereof on
31 his records.

32 e. The **【director】** chief administrator, **【his】** the chief
33 administrator's agents, and employees of the **【Division of Motor**
34 **Vehicles in the Department of Law and Public Safety】** commission
35 or the agency or instrumentality of the State that may process
36 certificates of ownership, registrations, and associated functions
37 shall not incur any personal liability in carrying out the provisions
38 of this section or in furnishing any information provided herein
39 from the records of the State.

40 (cf: P.L.1984, c.152, s.15)

41

42 4. Section 18 of P.L.1984, c.152 (C.12:7A-18) is amended to
43 read as follows:

44 18. a. If the title papers or certificate of ownership are defective
45 or improper, or if the marine equipment was purchased and its sale
46 consummated in another state or country, in accordance with the
47 laws of the state or country regulating the sale of marine equipment

1 and not made for the purpose of evading the provisions of this act,
2 the owner of the marine equipment may apply to the **【director】**
3 chief administrator to correct the defects, or permit the title papers
4 to be received.

5 b. The **【director】** chief administrator, upon whatever proof as
6 **【he】** the chief administrator requires showing that it is just and
7 equitable that the defects should be corrected or that the title papers
8 or certificate of ownership should be received, with or without
9 hearing, shall determine the truth and merits of the application and
10 whether the holder appears to be the bona fide owner of the marine
11 equipment, and may issue **【his】** a certificate correcting the defects
12 or permitting the title papers or certificate of ownership to be so
13 recorded and filed. The person submitting the papers shall pay a
14 fee of \$20 to the **【director】** chief administrator for the issuing and
15 filing of the certificate.

16 c. The **【director】** chief administrator may promulgate
17 regulations supplementing this section, prescribing a procedure for
18 the issuance of a certificate of ownership to a purchaser who
19 purchased marine equipment in a state or jurisdiction that does not
20 require or issue title papers.

21 d. Before issuing a certificate the **【director】** chief administrator
22 may require the person to advertise in a newspaper having a general
23 circulation in the county where **【he】** the person resides, or where
24 the marine equipment is located, or both, for the space of two
25 weeks, at least once a week, a notice briefly stating that the person
26 has applied to the **【director】** chief administrator to correct defects
27 in the marine equipment title papers or receive title papers out of
28 time, or as the case may be, giving a description of the marine
29 equipment as provided by regulation, and that if anyone desires to
30 be heard in opposition thereto **【he】** the person may do so by
31 appearing before the **【director】** chief administrator or **【his】** the
32 chief administrator's designee on a date and at a place named, or
33 communicating with the **【director】** chief administrator or **【his】** the
34 chief administrator's designee prior thereto. The applicant shall
35 also serve like notice on local police, both where the applicant
36 resides and where the marine equipment is located, the State Marine
37 Police Force, and any other person or agency as prescribed by the
38 **【director】** chief administrator. The notice shall be made personally
39 or by certified mail. Proofs of the publication and service shall be
40 submitted to the **【director】** chief administrator. The **【director】**
41 chief administrator, **【his】** the chief administrator's agent, or
42 inspector may have the notice advertised or served at the cost and
43 expense of the applicant.

44 (cf: P.L.1984, c.152, s.18)

1 5. Section 28 of P.L.1984, c.152 (C.12:7A-28) is amended to
2 read as follows:

3 a. The **【director】** New Jersey Motor Vehicle Commission is
4 authorized to adopt, pursuant to law, regulations to implement the
5 provisions of this act. The **【director】** commission shall, to the
6 maximum extent practicable and feasible, adopt regulations similar
7 to those adopted for implementation of chapter 10 of Title 39 of the
8 Revised Statutes.

9 b. The **【director】** commission may adopt regulations regarding
10 stop sale, stop use or stop movement orders in lieu of seizure,
11 whether actual or constructive, of marine equipment that does not
12 conform to the provisions of this act or any regulations adopted
13 pursuant to this act.

14 c. **【The director】** Unless such fees have set by law, the
15 commission shall adopt, and may amend, rules providing a schedule
16 of reasonable fees similar to those adopted for implementation of
17 chapter 10 of Title 39 of the Revised Statutes, to the maximum
18 extent practicable and feasible, to defray the administrative costs of
19 issuing certificates of ownership, providing copies and duplicates of
20 certificates, and filing certificates, as provided for by sections 12,
21 13, 15 and 18 of **【this act】** P.L.1984, c.152.

22 d. All rules and regulations for the implementation of this act
23 shall be adopted by the **【director】** commission pursuant to the
24 provisions of the "Administrative Procedure Act," P.L.1968,
25 c.410 (C.52:14B-1 et seq.).
26 (cf: P.L.1984, c.152, s.28)
27

28 6. Section 16 of P.L.2007, c.335 (C.39:2A-36.1) is amended to
29 read as follows:

30 16. a. On and after the effective date of P.L.2007,
31 c.335 (C.39:2A-36.1 et al.), the board may, by regulation adopted
32 pursuant to the "Administrative Procedure Act," P.L.1968,
33 c.410 (C.52:14B-1 et seq.), increase fees and surcharges collected
34 pursuant to the following statutes, notwithstanding any law, rule, or
35 regulation to the contrary:

36 Section 4 of P.L.1995, c.401 (C.12:7-73); section 24 of
37 P.L.1984, c.152 (C.12:7A-24); section 28 of P.L.1984,
38 c.152 (C.12:7A-28); section 1 of P.L.1983, c.65 (C.17:29A-33);
39 section 6 of P.L.1983, c.65 (C.17:29A-35); section 9 of P.L.1998,
40 c.108 (C.27:5F-42); R.S.39:2-10; section 1 of P.L.1969,
41 c.301 (C.39:3-4b); section 2 of P.L.1969, c.301 (C.39:3-4c); section
42 2 of P.L.1968, c.439 (C.39:3-8.1); section 1 of P.L.1992,
43 c.87 (C.39:3-8.2); section 23 of P.L.1975, c.180 (C.39:3-10a);
44 section 1 of P.L.1977, c.23 (C.39:3-10b); section 1 of P.L.1979,
45 c.261 (C.39:3-10f); section 22 of P.L.1990, c.103 (C.39:3-10.30);
46 **【R.S.39:3-13;】** R.S.39:3-18; R.S.39:3-19; section 2 of P.L.1974,
47 c.162 (C.39:3-19.2); section 12 of P.L.1979, c.224 (C.39:3-19.5);

1 **【R.S.39:3-20;】** section 1 of P.L.1973, c.319 (C.39:3-20.1);
2 **【R.S.39:3-21;】** R.S.39:3-24; R.S.39:3-25; R.S.39:3-26; section 2 of
3 P.L.1964, c.195 (C.39:3-27.4); section 2 of P.L.1968,
4 c.247 (C.39:3-27.6); section 2 of P.L.1977, c.369 (C.39:3-27.9);
5 section 2 of P.L.1979, c.457 (C.39:3-27.16); section 2 of P.L.1981,
6 c.139 (C.39:3-27.19); R.S.39:3-28; R.S.39:3-30; R.S.39:3-31;
7 section 1 of P.L.1961, c.77 (C.39:3-31.1); R.S.39:3-32; section 1 of
8 P.L.1999, c.192 (C.39:3-33a); section 1 of P.L.2001, c.35 (C.39:3-
9 33b); section 2 of P.L.1959, c.56 (C.39:3-33.4); section 4 of
10 P.L.1959, c.56 (C.39:3-33.6); R.S.39:3-36; section 1 of P.L.1979,
11 c.314 (C.39:3-54.14); section 2 of P.L.1999, c.308 (C.39:3-75.2);
12 R.S.39:3-84; section 2 of P.L.1999, c.396 (C.39:3-84.7); section 3
13 of P.L.1973, c.307 (C.39:3C-3); section 10 of P.L.1983,
14 c.105 (C.39:4-14.3j); section 23 of P.L.1983, c.105 (C.39:4-14.3w);
15 R.S.39:4-26; R.S.39:4-30; section 11 of P.L.1985, c.14 (C.39:4-
16 139.12); section 1 of P.L.1972, c.38 (C.39:5-30.4); section 31 of
17 P.L.1994, c.60 (C.39:5-36.1); section 20 of P.L.1952, c.173
18 (C.39:6-42); section 2 of P.L.1983, c.141 (C.39:6B-3); R.S.39:7-3;
19 section 3 of P.L.1975, c.156 (C.39:8-11); section 8 of P.L.1975,
20 c.156 (C.39:8-16); section 9 of P.L.1975, c.156 (C.39:8-17); section
21 15 of P.L.1975, c.156 (C.39:8-23); section 5 of P.L.1995, c.112
22 (C.39:8-45); section 7 of P.L.1995, c.112 (C.39:8-47); section 12 of
23 P.L.1995, c.112 (C.39:8-52); **【section 11 of P.L.1995, c.157**
24 **(C.39:8-69);】** section 13 of P.L.1995, c.112 (C.39:8-53); section 14
25 of P.L.1995, c.112 (C.39:8-54); **【R.S.39:10-11; R.S.39:10-12;**
26 **R.S.39:10-14; R.S.39:10-16】** section 11 of P.L.1995, c.157 (C.39:8-
27 69); R.S.39:10-19; R.S.39:10-25; section 5 of P.L.1983, c.323
28 (C.39:10-35); section 8 of P.L.1983, c.455 (C.39:10A-15);
29 R.S.39:11-8; section 2 of P.L.1951, c.216 (C.39:12-2); section 5 of
30 P.L.1951, c.216 (C.39:12-5); and section 2 of P.L.1983, c.360
31 (C.39:13-2).

32 b. (1) In determining an appropriate increase of any fee or
33 surcharge pursuant to subsection a. of this section, the board shall
34 consider at least the following factors: (a) the year in which the fee
35 or surcharge was last increased; (b) the actual costs to the State of
36 New Jersey for administering any transaction, process, filing,
37 registration, inspection, audit, or any license, permit, or other
38 document issuance, for which the fee or surcharge is collected; and
39 (c) the annual percentage increase in the Consumer Price Index or
40 other similar relevant index.

41 No fee or surcharge set forth in this section shall be increased by
42 regulation more than once during any five-year period, and no such
43 fee or surcharge shall be increased beyond an amount that exceeds
44 the actual costs to the State of New Jersey for administering any
45 transaction, process, filing, registration, inspection, audit, or any
46 license, permit, or other document issuance, for which the fee or
47 surcharge is collected.

1 (2) All increases in a fee or surcharge after the first increase
2 shall also be subject to the following limitation: the increase shall
3 not exceed the cumulative annual percentage increase in the
4 Consumer Price Index for the five fiscal years prior to the date of
5 the proposed subsequent increase.

6 (3) All increases in fees or surcharges imposed by regulation
7 proposed to be adopted in a calendar year shall be consolidated in
8 one single regulatory proposal in that calendar year.

9 (4) As used in this section, the "Consumer Price Index" means
10 the consumer price index for all urban consumers in the New York
11 City and Philadelphia areas as reported by the Department of Labor
12 or successor index.

13 c. Pursuant to subsection b. of section 105 of P.L.2003,
14 c.13 (C.39:2A-36), 100 percent of the increased revenues collected
15 from such increase shall be remitted to the commission.

16 (cf: P.L.2007, c.335, s.16)

17
18 7. (New section) a. Any regulations adopted by the board
19 pursuant to section 16 of P.L.2007, c.335 (C.39:2A-36.1) prior to
20 the effective date of P.L. , c. (C.)(pending before the
21 Legislature as this bill) increasing fees collected pursuant to
22 R.S.39:3-13, R.S.39:3-20, R.S.39:3-21, R.S.39:10-11, R.S.39:10-
23 12, R.S.39:10-14, and R.S.39:10-16 are hereby rescinded.

24 b. The board is directed to rescind regulations adopted after
25 March 5, 2009 and prior to the effective date of
26 P.L. , c. (C.)(pending before the Legislature as this bill)
27 increasing fees under N.J.A.C.13:82-9.1.

28 c. All revenues collected from fees increased pursuant to
29 regulations rescinded under subsection a. or b. of this section shall
30 be refunded to the person who paid the fees.

31
32 8. This act shall take effect immediately.

33 34 35 STATEMENT

36
37 This bill removes the power of the New Jersey Motor Vehicle
38 Commission (MVC) to increase fees by regulation in regard to:
39 R.S.39:3-13 (fees for permits and articulated vehicle endorsements);
40 R.S.39:3-20 (fees for registration of commercial motor vehicles
41 based on weight); R.S.39:3-21 (motorcycle registration fee);
42 R.S.39:10-11 (motor vehicle certificate of ownership fees);
43 R.S.39:10-12 (duplicate certificate of ownership fee); R.S.39:10-14
44 (fees for lien or change of title search); and R.S.39:10-16 (fee for
45 corrected certificate of ownership). The bill amends existing law to
46 set by statute the amount of certain boating certificate of ownership
47 fees rather than to let the fees be established by regulation. The
48 fees are established at the current rates. The bill also rescinds or

S1397 DOHERTY

10

1 requires the rescinding of any regulations increasing the above
2 mentioned fees adopted by the board of the commission before the
3 date this bill becomes law.

4 This bill is in response to a rule adopted by the MVC that
5 increased fees in the above-mentioned areas. Of particular concern
6 is the increase in the fee for motorcycle registration from \$10 to
7 \$65, a more than 600% increase, and the fee for motor vehicle and
8 boat certificates of ownership from \$20 to \$60, a 300% increase.