

SENATE, No. 2110

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

SYNOPSIS

Establishes electronic lien and titling system for New Jersey motor vehicles.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning an electronic lien and titling system for New
2 Jersey motor vehicles and supplementing Title 39 of the Revised
3 Statutes.

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

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

17 b. If the chief administrator determines that the commission
18 has the resources and capability to establish and implement an
19 electronic lien and titling system, the commission shall establish
20 and implement an electronic lien and titling system within 12
21 months of the effective date of this act.

22 c. If the chief administrator determines that the commission
23 does not have the resources and capability to establish and
24 implement an electronic lien and titling system, the commission
25 shall contract with a qualified bidder to establish and implement an
26 electronic lien and titling system for the State. A contract entered
27 into pursuant to this subsection shall be offered, advertised, and
28 awarded in the manner prescribed in chapter 34 of Title 52 of the
29 Revised Statutes and consistent with the provisions of sections 2
30 and 3 of this act.

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32 2. In addition to the requirements set forth in chapter 34 of
33 Title 52 of the Revised Statutes, whenever the chief administrator
34 seeks to contract for the establishment and implementation of an
35 electronic lien and titling system, the specifications and invitations
36 for bids shall include, but not be limited to, provisions providing
37 that the contract:

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

39 b. shall be a no-cost contract, ensuring that: (1) the commission
40 shall be assessed no charges by the successful bidder for
41 establishing and implementing the electronic lien and titling system;
42 and (2) the successful bidder shall be obligated to reimburse the
43 commission for all reasonable implementation costs directly
44 associated with the establishment and implementation of the
45 electronic lien and titling system; and

46 c. authorizes the successful bidder to charge participating
47 lienholders and their agents reasonable fees for implementing and
48 administering an electronic lien and titling system.

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- 1 (1) be for a term of not less than seven years;
 - 2 (2) be a no-cost contract, ensuring that the MVC is assessed no
 - 3 charges by the successful bidder for establishing and
 - 4 implementing the electronic lien and titling system and that
 - 5 the successful bidder is obligated to reimburse the MVC for
 - 6 all reasonable costs directly associated with the
 - 7 establishment and implementation of the system; and
 - 8 (3) permit the successful bidder to charge participating
 - 9 lienholders and their agents reasonable fees.
- 10 Further, the bill requires contract applicants to have a
- 11 demonstrated history of directly providing both electronic lien
- 12 services to state motor vehicle departments or agencies and
- 13 electronic lien software and services to lienholders.
- 14 The bill mandates that within one year of the date upon which
- 15 the electronic lien and titling system becomes operational, all
- 16 lienholders in New Jersey are required to participate in the system,
- 17 except individuals and those lienholders who are not normally
- 18 engaged in the business of financing motor vehicles and who are
- 19 administratively exempted by the Chief Administrator of the MVC.