

SENATE, No. 2756

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JULY 30, 2020

Sponsored by:

Senator ANTHONY M. BUCCO

District 25 (Morris and Somerset)

SYNOPSIS

Permits licensed motor vehicle dealers to facilitate issuance of titles and registrations for used motor vehicles purchased by private sale.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the issuance of certain used motor vehicle titles
2 and registrations, amending R.S.39:10-11, and supplementing
3 chapter 10 of 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.39:10-11 is amended to read as follows:

9 39:10-11. A. The purchaser of a motor vehicle in this State,
10 other than a dealer licensed pursuant to the provisions of R.S.39:10-
11 19, shall, within 10 working days after its purchase, submit to the
12 **【director】** chief administrator evidence of the purchase. Upon
13 presentation to the **【director】** chief administrator of the certificate
14 of origin, or certificate of ownership, or bill of sale issued prior to
15 October 1, 1946, with proper assignment and certification of the
16 seller, a record of the transaction shall be made and filed. A
17 certificate of ownership shall be issued by the **【director】** chief
18 administrator and delivered to the buyer, in case of a sale not
19 subject to a security interest, and the **【director】** chief administrator
20 shall collect a fee of \$20 for the issuance and filing thereof.

21 If the purchaser of a used motor vehicle purchased by private
22 sale, as that term is defined in section 2 of P.L. , c. (C.)
23 (pending before the Legislature as this bill), applies to a licensed
24 motor vehicle dealer for a certificate of ownership and certificate of
25 registration and complies with the provisions of section 2 of
26 P.L. , c. (C.) (pending before the Legislature as this bill)
27 and all rules and regulations promulgated pursuant thereto, the
28 purchaser shall be deemed to be in compliance with the provisions
29 of this subsection.

30 For purposes of this subsection, “licensed motor vehicle dealer”
31 means a motor vehicle dealer licensed pursuant to R.S.39:10-19 that
32 is authorized to facilitate the issuance of a certificate of ownership
33 and certificate of registration pursuant to section 2 of
34 P.L. , c. (C.) (pending before the Legislature as this bill).

35 B. In the case of a sale subject to a security interest, a
36 certificate of ownership, with the name and address of the holder of
37 the encumbrance or secured party or his assignee recorded thereon,
38 shall be delivered to the holder of the encumbrance or secured party
39 or his assignee and a copy thereof shall be delivered to the buyer.
40 The **【director】** chief administrator shall collect a fee of \$30 for his
41 services in issuing a certificate and copy thereof, and for making a
42 record of and filing the record of the transaction, pursuant to this
43 subsection.

44 C. Except as hereinafter in this section otherwise expressly
45 provided, whenever a security interest is created in a 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.

1 other than a security interest which is required to be noted on the
2 certificate of origin or the certificate of ownership, as provided in
3 R.S.39:10-8 and R.S.39:10-9, there shall be filed with the
4 **【director】** chief administrator the certificate of ownership of the
5 motor vehicle, together with a financing statement on a form
6 prescribed by the **【director】** chief administrator. The **【director】**
7 chief administrator shall make and file a record of the transaction
8 and shall issue a certificate of ownership, recording the name and
9 address of the secured party or his assignee thereon, and shall
10 deliver it to the secured party or his assignee. A copy of the
11 certificate of ownership so issued shall be delivered to the buyer.
12 The **【director】** chief administrator shall collect a fee of \$20 for his
13 services in issuing a certificate and copy thereof and for making a
14 record of and filing the record of the transaction, pursuant to this
15 subsection.

16 D. The financing statement required to be filed pursuant to
17 subsection C. hereof shall be signed only by the buyer, shall not be
18 required to be acknowledged or proved, and shall show, in addition
19 to such matters as the **【director】** chief administrator may require for
20 the proper identification of the motor vehicle affected, the date of
21 the security agreement, and the names and addresses of the parties
22 thereto. Nothing in this section **【39:10-11 contained】** shall be
23 construed as requiring that the security agreement or a copy thereof,
24 or any proof of execution thereof other than that contained in the
25 financing statement, shall be presented to the **【director】** chief
26 administrator. When the buyer is a corporation, it shall be
27 sufficient if the financing statement is signed by any officer thereof,
28 or by any agent designated by the corporation for that purpose, and
29 it shall not be necessary that the financing statement recite the
30 authorization of the agent. When there is more than one buyer, it
31 shall be sufficient if the financing statement is signed by any one of
32 them.

33 E. Nothing in subsections C. and D. of this section shall apply
34 to security interests in motor vehicles which constitute inventory
35 held for sale, but such interests shall be subject to chapter 9 of Title
36 12A of the New Jersey Statutes, nor shall anything in the said
37 subsections apply to interests in personal property subject to chapter
38 28 of Title 46 of the Revised Statutes.

39 F. In addition to the fees elsewhere in this section provided for,
40 there shall be paid to the **【director】** chief administrator at the time a
41 certificate of ownership is issued a fee of \$10 for notice of
42 satisfaction of the lien or encumbrance of the record or abstract, or
43 of the termination of the security interest, where the motor vehicle
44 is subject to a lien or encumbrance or a security interest as provided
45 in R.S.39:10-14.

46 G. Notwithstanding any other provision of this chapter, when
47 any dealer licensed under the provisions of R.S.39:10-19 is the
48 purchaser of a motor vehicle in this State, he may, within 10

1 working days after its purchase, submit to the **【director】** chief
2 administrator the evidence of purchase. Upon presentation of the
3 certificate of ownership with proper assignment and certification of
4 the seller to the **【director】** chief administrator, a record of the
5 transaction shall be made and filed. A certificate of ownership shall
6 be issued by the **【director】** chief administrator and delivered to
7 such purchaser, and the **【director】** chief administrator shall collect a
8 fee of \$10 for the issuing and filing thereof.

9 If a dealer does not submit the evidence of purchase, upon resale
10 of the motor vehicle he shall execute and attach to the certificate of
11 ownership a dealer reassignment certificate. The **【director】** chief
12 administrator shall issue dealer reassignment certificates in lots
13 upon payment of a fee of \$10 for each certificate.

14 H. Any purchaser of a motor vehicle who fails to comply with
15 the provisions of this section shall pay to the **【director】** chief
16 administrator a penalty of \$25 plus the issuing and filing fee.

17 I. The failure of any person to comply with the requirements of
18 this section shall not constitute a misdemeanor within the
19 provisions of R.S.39:10-24, nor shall such failure affect the validity
20 of any instrument creating or reserving a security interest in a motor
21 vehicle, as between the parties to such instrument.

22 J. The notation of the name and business or residence address
23 of a secured party or his assignee, on the certificate of origin or on
24 the certificate of ownership, as provided in R.S.39:10-8 and
25 R.S.39:10-9, and the presentation to the **【director】** chief
26 administrator, in accordance with R.S.39:10-11, of the certificate of
27 origin or certificate of ownership so noted, and the compliance with
28 the requirements of subsections C. and D. of R.S.39:10-11 shall be
29 in lieu of all filing requirements imposed by chapter 9 of Title 12A
30 of the New Jersey Statutes and shall constitute the perfection of a
31 security interest in the motor vehicle, and the rights and remedies of
32 the debtors and the secured parties in respect to such security
33 interest shall, except as otherwise expressly provided in this
34 chapter, be subject to and governed by chapter 9 of Title 12A of the
35 New Jersey Statutes.

36 (cf: P.L.1994, c.60, s.26)

37
38 2. (New section) a. As used in this section:

39 “Licensed motor vehicle dealer” means a motor vehicle dealer
40 licensed pursuant to R.S.39:10-19.

41 “Private sale” means the transfer of a motor vehicle from a
42 person who sells the motor vehicle and is not the manufacturer of
43 the motor vehicle or a licensed motor vehicle dealer to a person
44 who purchases the motor vehicle and is not a licensed motor vehicle
45 dealer.

46 b. The New Jersey Motor Vehicle Commission shall permit a
47 licensed motor vehicle dealer to, in accordance with rules and
48 regulations promulgated by the commission, facilitate the issuance

1 of a certificate of ownership and certificate of registration for a used
2 motor vehicle purchased by private sale that shall be registered in
3 this State and that complies with all requirements for issuance of a
4 certificate of ownership and certificate of registration in this State.

5 The Chief Administrator of the New Jersey Motor Vehicle
6 Commission may suspend the authority of a licensed motor vehicle
7 dealer to facilitate the issuance of a certificate of ownership and
8 certificate of registration upon the finding that the licensed motor
9 vehicle dealer has engaged in abusive practices.

10 c. A person 17 years of age or older who has purchased a used
11 motor vehicle by private sale that shall be registered in this State
12 and complies with all requirements for issuance of a certificate of
13 ownership and certificate of registration in this State may apply to a
14 licensed motor vehicle dealer within 10 working days after its
15 purchase for the issuance of a certificate of ownership and a
16 certificate of registration, instead of applying to the commission
17 pursuant to the provisions of R.S.39:10-11 and R.S.39:3-4. A
18 licensed motor vehicle dealer may charge a purchaser a reasonable
19 fee for this service, as determined by the chief administrator, in
20 addition to the fees otherwise required for the issuance of a
21 certificate of ownership and certificate of registration. A licensed
22 motor vehicle dealer may issue a temporary registration certificate
23 for a used motor vehicle purchased by private sale in accordance
24 with the provisions of P.L.1969, c.301 (C.39:3-4b et seq.). A
25 person shall apply to the commission to renew a certificate of
26 registration.

27 d. Notwithstanding the provisions of the "Administrative
28 Procedure Act," P.L.1968, c.410 (52:14B-1 et seq.), within three
29 months of the effective date of P.L. , c. (C.) (pending
30 before the Legislature as this bill), the chief administrator shall
31 adopt immediately upon filing proper notice with the Office of
32 Administrative Law, such temporary rules and regulations
33 necessary to effectuate the purposes of P.L. , c. (C.)
34 (pending before the Legislature as this bill). The rules and
35 regulations so adopted shall be effective for a period not to exceed
36 one year from the date of the filing. The rules and regulations shall
37 thereafter be amended, adopted, or readopted by the chief
38 administrator in accordance with the requirements of the
39 "Administrative Procedure Act," P.L.1968, c.410 (52:14B-1 et
40 seq.).

41
42 3. This act shall take effect immediately.
43

44 STATEMENT

45
46 This bill requires the New Jersey Motor Vehicle Commission
47 (commission) to permit a licensed motor vehicle dealer to facilitate
48 the issuance of a certificate of ownership and certificate of

1 registration for a used motor vehicle that is purchased by private
2 sale if the vehicle is to be registered in New Jersey and complies
3 with all requirements for issuance of a certificate of ownership and
4 certificate of registration.

5 The bill authorizes a person who is 17 years of age or older and
6 has purchased a used motor vehicle by private sale that is to be
7 registered in New Jersey to apply to a licensed motor vehicle dealer
8 within 10 working days after purchasing the motor vehicle for the
9 issuance of a certificate of ownership and certificate of registration,
10 instead of applying to the commission for those documents. A
11 licensed motor vehicle dealer may charge a reasonable fee, as
12 determined by the commission, for this service and may issue a
13 temporary registration certificate for the used motor vehicle. A
14 person is required to apply to the commission to renew the motor
15 vehicle's certificate of registration.

16 The bill requires the Chief Administrator of the commission to
17 adopt temporary rules and regulations within three months of the
18 effective date of the bill. The temporary rules and regulations are to
19 be effective for a period not to exceed one year from the date they
20 are filed with the Office of Administrative Law. The bill provides
21 that the rules and regulations are to be amended, adopted, or
22 readopted in accordance with the "Administrative Procedure Act."