

[First Reprint]

SENATE, No. 3279

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED DECEMBER 14, 2020

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

Co-Sponsored by:

Senator Diegnan

SYNOPSIS

Authorizes motor vehicle dealers to sell motor vehicles online and obtain electronic signatures for motor vehicle transactions.

CURRENT VERSION OF TEXT

As reported by the Senate Transportation Committee on May 6, 2021, with amendments.



(Sponsorship Updated As Of: 6/3/2021)

1 AN ACT concerning the sale of motor vehicles by motor vehicle
2 dealers, amending various parts of the statutory law, 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. R.S.39:10-2 is amended to read as follows:

9 39:10-2. As used in this chapter unless other meaning is clearly
10 apparent from the language or context, or unless inconsistent with
11 the manifest intention of the Legislature:

12 "New motor vehicle" means only a newly manufactured motor
13 vehicle, except a nonconventional type motor vehicle, and includes
14 all such vehicles propelled otherwise than by muscular power, and
15 motorcycles, motorized bicycles, trailers and tractors, and
16 manufactured homes not subject to real property taxation pursuant
17 to P.L.1983, c.400 (C.54:4-1.2 et seq.), excepting such vehicles as
18 run only upon rails or tracks and manufactured homes subject to
19 real property taxation.

20 "Used motor vehicle" means every motor vehicle and motorized
21 bicycle, except a nonconventional type motor vehicle, title to, or
22 possession of, which has been transferred from the person who first
23 acquired it from the manufacturer or dealer, and so used as to
24 become what is commonly known as "secondhand" within the
25 ordinary meaning thereof, and includes every motor vehicle and
26 motorized bicycle other than a "new motor vehicle," a
27 "nonconventional type motor vehicle" or a manufactured home
28 subject to real property taxation.

29 "Any motor vehicle," "every motor vehicle," or similar term,
30 means both new and used motor vehicles, except a
31 "nonconventional type motor vehicle."

32 "Nonconventional type motor vehicle" means every vehicle not
33 designed or used primarily for the transportation of persons or
34 property and only incidentally operated or moved over a highway,
35 including, but not limited to, ditch-digging apparatus, well-boring
36 apparatus, road and general purpose construction and maintenance
37 machinery, asphalt spreaders, bituminous mixers, bucket loaders,
38 ditchers, leveling graders, finishing machines, motor graders, road
39 rollers, scarifiers, earth-moving carryalls, scrapers, power shovels,
40 drag lines, self-propelled cranes, earth-moving equipment, trailers
41 and semitrailers which weigh less than 2,500 pounds, except that no
42 mobile or manufactured home or travel trailer shall be classified as
43 a nonconventional type motor vehicle, motorized wheelchairs,
44 motorized lawn mowers, bogies, farm equipment having a factory
45 shipping weight of less than 1,500 pounds, whether or not

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

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate STR committee amendments adopted May 6, 2021.

1 motorized, including farm tractors within said weight limitation,
2 industrial tractors, scooters, go-carts, gas buggies and golf carts.
3 The **【Director of Motor Vehicles】** Chief Administrator of the New
4 Jersey Motor Vehicle Commission shall have power to make,
5 amend and repeal regulations, not inconsistent with the provisions
6 of this paragraph, prescribing what further vehicles or types of
7 vehicles, not specified in this paragraph, shall be included in the
8 category of nonconventional type motor vehicles.

9 "Motor vehicles which constitute inventory held for sale" means
10 ^{1,1} new motor vehicles and used motor vehicles held for the purpose
11 of sale by new motor vehicle dealers ¹ **【and used motor vehicles**
12 **held for sale by new or used motor vehicle dealers which can be**
13 **identified by a manufacturer's Vehicle Identification Number (VIN)**
14 **and title is or right to title is held by the used motor vehicle owner.**
15 **and used motor vehicles held for the purpose of sale by used motor**
16 **vehicle dealers, and excludes】** which can be identified by a
17 manufacturer's Vehicle Identification Number (VIN) and have been
18 invoiced to, allocated to, or reserved by a new motor vehicle dealer
19 licensed to do business in New Jersey, and such vehicle can be
20 shipped by the manufacturer or distributor within a reasonable
21 period of time and used motor vehicles held for the purpose of sale
22 by new or used motor vehicle dealers which can be identified by a
23 manufacturer's VIN and title papers or right to title is held by the
24 used motor vehicle owner. This term shall exclude¹ motor vehicles
25 held for the purpose of lease or rental by a person engaged in the
26 motor vehicle leasing or rental business.

27 "Manufacturer's or importer's certificate of origin" means the
28 original written instrument or document required to be executed and
29 delivered by the manufacturer to his agent or a dealer, or a person
30 purchasing direct from the manufacturer, certifying the origin of the
31 vehicle.

32 "Certificate of ownership" means the document issued in
33 conformance with this chapter, certifying ownership of a motor
34 vehicle, other than manufacturer's or importer's certificate of origin.

35 "Assignment" means the execution of a prescribed form
36 transferring ownership of a motor vehicle from the person named
37 therein to the purchaser.

38 "Contract" means conditional sale agreement, bailment, lease,
39 chattel mortgage, trust receipt or any other form of security or
40 possession agreement executed prior to January 1, 1963, wherein
41 and whereby possession of a motor vehicle is delivered to the buyer
42 and title therein is to vest in the buyer at a subsequent time upon the
43 payment of part or all of the price, or upon the performance of any
44 other condition or happening of any contingency, or upon the
45 payment of a sum substantially equivalent to the value of the motor
46 vehicle, by which contract it is agreed that the buyer is bound to

1 become, or has the option of becoming, the owner of the motor
2 vehicle upon full compliance with the terms of the contract.

3 "Abstract" means the duplicate copy of the original certificate of
4 ownership recording any encumbrance or upon which the existence
5 of a security interest is noted.

6 "Title papers" means any instrument or document that is
7 evidence of ownership of a vehicle.

8 **["Director" means the Director of Motor Vehicles, his deputy or
9 duly authorized agent]**

10 "Chief Administrator" means the Chief Administrator of the
11 New Jersey Motor Vehicle Commission.

12 "Manufacturer" means the person who originally manufactured
13 the motor vehicle.

14 **["Dealer" means the agent, distributor or authorized dealer of the
15 manufacturer of the new motor vehicle, and who has an established
16 place of business]**

17 "Licensee" means any person that is licensed to buy, sell or deal
18 in, or lease motor vehicles pursuant to R.S.39:10-19.

19 "Established place of business" means a permanent, properly
20 identified location within the State where the books, records, and
21 files necessary to buy, sell, or deal in motor vehicles are kept and
22 maintained, including, but not limited to, all documents required by
23 R.S.39:10-6, title papers, manufacturers' or importers' certificates
24 of origin, motor vehicle registration records, contracts, security
25 agreements, all payroll records, including, but not limited to,
26 ¹[W4] IRS Form W-2¹ and ¹[W2] IRS Form W-4¹ records,
27 checkbooks, ledgers for business accounts and trust accounts,
28 corporate authorities and licenses, dealer plates, ledgers listing all
29 issued and unissued dealer assignments, and dealer plates.

30 "New motor vehicle dealer" means the agent, distributor, or
31 authorized dealer of the manufacturer of the new motor vehicle who
32 has an established place of business. A new motor vehicle dealer
33 may engage in the business of buying, selling, or dealing in used
34 motor vehicles in this State under the provisions of this chapter.

35 "Used motor vehicle dealer" means a person engaged in the
36 business of selling, buying or dealing in four or more used motor
37 vehicles[, and who has] per year at an established place of
38 business, but who is not a licensed new motor vehicle dealer. A
39 used motor vehicle dealer shall engage only in the business of
40 buying, selling, or dealing in used motor vehicles in this State under
41 the provisions of this chapter and shall not engage in the business of
42 buying, selling, or dealing in new motor vehicles in this State.

43 "Person" includes natural persons, firms or copartnerships,
44 corporations, associations, or other artificial bodies, receivers,
45 trustees, common law or statutory assignees, executors,
46 administrators, sheriffs, constables, marshals, or other persons in
47 representative or official capacity, and members, officers, agents,

1 employees, or other representatives of those hereinbefore
2 enumerated.

3 "Buyer" includes purchaser, debtor, lessee, bailee, transferee,
4 and any person buying, attempting to buy, or receiving a motor
5 vehicle subject to a security interest, lease, bailment or transfer
6 agreement, and their legal successors in interest.

7 "Seller" means manufacturer, dealer, lessor, bailor, transferor
8 with or without a security interest, and any other person selling,
9 attempting to sell, or delivering a motor vehicle, and their legal
10 successors in interest.

11 The terms "sell," **[or]** "sale," "buy," or "purchase" and any form
12 thereof include absolute or voluntary sales and purchases,
13 agreements to sell and purchase, bailments, leases, security
14 agreements whereby any motor vehicles are sold and purchased, or
15 agreed to be sold and purchased, involuntary, statutory and judicial
16 sales, inheritance, devise, or bequest, gift or any other form or
17 manner of sale or agreement of sale thereof, or the giving or
18 transferring possession of a motor vehicle to a person for a
19 permanent use; continued possession for 60 days or more is to be
20 construed as permanent use.

21 "Online sale" means buying, selling, or dealing in motor vehicles
22 in this State over the Internet using electronic means.

23 "Electronic" means relating to technology having electrical,
24 digital, magnetic, optical, electromagnetic, or similar capabilities.

25 "Manufacturer's number" means the original manufacturer's
26 vehicle identification number die stamped upon the body, or frame,
27 or either or both of them, of a motor vehicle or the original
28 manufacturer's number die stamped upon the engine or motor of a
29 motor vehicle.

30 "Purchaser" means a person who takes possession of a motor
31 vehicle by transfer of ownership, either for use or resale, except a
32 dealer when he takes possession through a certificate of origin.

33 "Debtor" means the person who owes payment or other
34 performance of the obligation secured by a security interest in a
35 motor vehicle.

36 "Security interest" means an interest in a motor vehicle which
37 secures payment or other performance of an obligation.

38 "Security agreement" means an agreement which creates or
39 provides for a security interest in a motor vehicle.

40 "Secured party" means a lender, seller or other person in whose
41 favor there is a security interest.

42 "Gross vehicle weight rating" means the value specified by the
43 manufacturer as the loaded weight of the single or combination
44 vehicle and, if the manufacturer has not specified a value for a
45 towed vehicle, means the value specified for the towing vehicle plus
46 the loaded weight of the towed unit.

47 (cf: P.L.1990, c.115, s.4)

1 2. R.S.39:10-19 is amended to read as follows:

2 39:10-19. No person shall engage in the business of buying,
3 selling or dealing in motor vehicles in this State, nor shall a person
4 engage in activity that would qualify the person as a leasing dealer,
5 as defined in section 2 of P.L.1994, c.190 (C.56:12-61), unless: a.
6 the person is a licensed real estate broker acting as an agent or
7 broker in the sale of mobile homes without their own motor power
8 other than recreation vehicles as defined in section 3 of
9 P.L.1990, c.103 (C.39:3-10.11), or manufactured homes as defined
10 in section 3 of P.L.1983, c.400 (C.54:4-1.4); or b. the person is
11 authorized to do so under the provisions of this chapter and
12 P.L.1985, c.361 (C.56:10-26 et seq.).

13 The chief administrator may, upon application in such form as
14 the chief administrator prescribes, license any proper person as
15 such a new motor vehicle dealer, a used motor vehicle dealer or a
16 leasing dealer. A licensed real estate broker shall be entitled to act
17 as an agent or broker in the sale of a mobile or manufactured home
18 as defined in subsection a. of this section without obtaining a
19 license from the chief administrator. For the purposes of this
20 chapter, a "licensed real estate broker" means a real estate broker
21 licensed by the New Jersey Real Estate Commission pursuant to the
22 provisions of chapter 15 of Title 45 of the Revised Statutes. Any
23 sale or transfer of a mobile or manufactured home, in which a
24 licensed real estate broker acts as a broker or agent pursuant to this
25 section, which sale or transfer is subject to any other requirements
26 of R.S.39:10-1 et seq., shall comply with all of those requirements.

27 No person who has been convicted of a crime, arising out of
28 fraud or misrepresentation in the sale, leasing or financing of a
29 motor vehicle, shall be eligible to receive a license. For the
30 purposes of this section, each applicant for a license shall submit to
31 the chief administrator the applicant's name, address, fingerprints,
32 and written consent for a criminal history record background check
33 to be performed. The chief administrator is hereby authorized to
34 exchange fingerprint data with and receive criminal history record
35 information from the State Bureau of Identification in the Division
36 of State Police and the Federal Bureau of Investigation consistent
37 with applicable State and federal laws, rules, and regulations, for
38 purposes of facilitating determinations concerning licensure
39 eligibility. The applicant shall bear the cost for the criminal history
40 record background check, including all costs of administering and
41 processing the check. The Division of State Police shall promptly
42 notify the chief administrator in the event a current holder of a
43 license or prospective applicant, who was the subject of a criminal
44 history record background check pursuant to this section, is arrested
45 for a crime or offense in this State after the date the background
46 check was performed.

1 Each applicant for a new motor vehicle dealer license shall at the
2 time such license is issued have established and maintained, or by
3 that application shall agree to establish and maintain, within 90
4 days after the issuance thereof, a place of business consisting of a
5 permanent building not less than 1,000 square feet in floor space
6 located in the State of New Jersey to be used principally for the
7 servicing and display of motor vehicles with such equipment
8 installed therein as shall be requisite for the servicing of motor
9 vehicles in such manner as to make them comply with the laws of
10 this State and with any rules and regulations made by the board
11 governing the equipment, use, and operation of motor vehicles
12 within the State. **【However, a leasing dealer, who is not engaged in**
13 the business of buying, selling, or dealing in motor vehicles in the
14 State, shall not be required to maintain a place of business with
15 floor space available for the servicing or display of motor vehicles
16 or to have an exterior sign at the lessor's place of business. **】**

17 Each applicant for a used motor vehicle dealer license shall at the
18 time such license is issued maintain an established place of business
19 consisting of a minimum office space of 72 square feet within a
20 permanent, enclosed building located in the State of New Jersey,
21 and where there are included or immediately contiguous, clearly
22 identified, fixed facilities for the licensee to display at least two
23 automobiles.

24 An established place of business of a new motor vehicle dealer
25 or a used motor vehicle dealer shall display an exterior sign
26 permanently affixed to the land or building, which sign is consistent
27 with local ordinances and has letters easily readable from the major
28 avenues of traffic. The sign shall include the dealer name or trade
29 name, provided such trade name has been previously disclosed to
30 the chief administrator.

31 A license fee of \$200 shall be paid by an applicant upon the
32 applicant's initial application for a license. The chief administrator
33 may renew an applicant's license upon application for renewal on a
34 form prescribed by the chief administrator and accompanied by a
35 renewal fee of \$200. Every license shall expire 24 months from the
36 date on which it is issued. The chief administrator may, at the chief
37 administrator's discretion and for good cause shown, extend an
38 applicant's license for an additional period not to exceed 12 months
39 from the date on which it is scheduled to expire. The chief
40 administrator may, at the chief administrator's discretion and for
41 good cause shown, issue a license which shall expire on a date fixed
42 by the chief administrator. The fee for licenses with an expiration
43 date fixed by the chief administrator shall be fixed by the chief
44 administrator in an amount proportionately less or greater than the
45 fee established herein.

46 For the purposes of this section, a leasing dealer or an assignee
47 of a leasing dealer whose leasing activities are limited to buying

1 motor vehicles for the purpose of leasing them and selling motor
2 vehicles at the termination of a lease shall not be deemed to be
3 engaged in the business of buying, selling, or dealing in motor
4 vehicles in this State. A leasing dealer, who is not engaged in the
5 business of buying, selling, or dealing in motor vehicles in the
6 State, shall not be required to maintain a place of business with
7 floor space available for the servicing or display of motor vehicles
8 or have an exterior sign at the lessor's place of business.

9 (cf: P.L.2015, c.24, s.1)

10
11 3. Section 1 of P.L.2005, c.351 (C.39:10-19.1) is amended to
12 read as follows:

13 1. As used in this act:

14 "Off-site sale" means the display and sale of new or used
15 recreational vehicles by a recreational vehicle dealer, or used motor
16 vehicles registered in New Jersey by a used motor vehicle dealer,
17 licensed under the provisions of R.S.39:10-19, at a location other
18 than the dealer's established place of business. An "off-site sale"
19 includes any off-site display of vehicles at which a recreational
20 vehicle or used motor vehicle dealer has a sales person or employee
21 present. For the purposes of this act, "off-site sale" does not
22 include:

23 a. An off-site display of vehicles at which a recreational
24 vehicle or used motor vehicle dealer has no sales personnel present;

25 b. The sale of a vehicle at an auction at which only wholesale
26 purchases are permitted; **[or]**

27 c. The use of telephones, telephone call-forwarding, email,
28 internet websites or other internet communications which allow a
29 licensed dealer or dealership employee to communicate with
30 customers while either the customer or the dealer or employee
31 thereof is not present at the licensed physical location of the
32 dealership, provided the contract for the sale of a vehicle is
33 finalized and the sale transaction completed at the licensed location;
34 or

35 d. An online sale authorized pursuant to section 4 of
36 P.L. , c. (C.) (pending before the Legislature as this bill).

37 "Sponsoring organization" means:

38 a. a credit union, automobile club, or other such not for profit
39 organization or entity that makes the opportunity to attend and
40 purchase a motor vehicle at an off-site sale available to its
41 members; or

42 b. a trade show coordinator, or other such organization, entity,
43 or individual that makes the opportunity to attend and purchase a
44 recreational vehicle at an off-site sale available to ticketed
45 individuals.

46 (cf: P.L.2007, c.335, s.25)

1 4. (New section) a. A licensee may conduct online sales of
2 motor vehicles anywhere in this State in accordance with this
3 chapter subject to the additional requirements set forth in subsection
4 b. of this section.

5 b. In addition to meeting the requirements set forth in this
6 chapter for engaging in the business of buying, selling, and dealing
7 in motor vehicles in this State, licensees conducting online sales of
8 motor vehicles in this State shall meet the following requirements:

9 (1) ¹Licensees shall maintain a physical presence in the State of
10 New Jersey equal to or greater than the minimum established place
11 of business requirements for new and used motor vehicle
12 dealerships pursuant to R.S. 39:10-19;

13 (2)¹ Licensees may keep and maintain non-physical, electronic
14 records of online sales of motor vehicles, but the records shall be
15 kept and maintained in a format that allows immediate inspection
16 and examination by the chief administrator or his or her agent; and

17 ¹[(2)] (3)¹ Licensees shall only conduct online sales of motor
18 vehicles that constitute inventory held for sale by the licensee or a
19 parent or affiliate thereof.

20
21 5. (New section) Sections 5 through 8 of P.L. , c.
22 (C. through C.) (pending before the Legislature as this
23 bill) shall be known and may be cited as the “Motor Vehicle
24 Transaction Modernization Act.”

25
26 6. (New section) As used in sections 5 through 8 of P.L. , c.
27 (C. through C.) (pending before the Legislature as this
28 bill):

29 “Buyer” includes a purchaser, debtor, lessee, bailee, transferee,
30 and any person buying, attempting to buy, or receiving a motor
31 vehicle subject to a security interest, lease, bailment or transfer
32 agreement, or their legal successors in interest.

33 “Electronic” means relating to technology having electrical,
34 digital, magnetic, optical, electromagnetic, or similar capabilities.

35 “Electronic signature” means an electronic symbol, sound, or
36 process attached to, or logically associated with, a record and
37 executed or adopted by an individual with the intent to sign the
38 record.

39 “Licensee” means any natural person or entity that is licensed to
40 buy, sell or deal in, on lease motor vehicles pursuant to R.S.39:10-
41 19.

42 “Motor vehicle transaction” means any “sale,” “purchase,” or
43 “online sale” as those terms are defined pursuant to R.S.39:10-2 or
44 any lease as defined pursuant to section 2 of P.L.1994, c.190
45 (C.56:12-61), conducted by a licensee.

46 “Transaction documents” means any documents required to
47 complete the sale or lease of a motor vehicle in the State, including,

1 but not limited to, title papers, manufacturers' or importers'
2 certificates of origin, contracts, security agreements, assignments,
3 abstracts, or any other documents required by chapters 3 and 10 of
4 Title 39 of the Revised Statutes. Transaction documents shall also
5 include, but not be limited to, any powers of attorney granted by a
6 buyer ¹through electronic signature¹ to a licensee for purposes of
7 execution of any other transaction documents.

8
9 7. (New section) a. Notwithstanding any provision of law or
10 regulation to the contrary, during a motor vehicle transaction
11 conducted by a licensee ¹authorized to conduct online sales
12 pursuant to section 4 of P.L. , c. (C.) (pending before the
13 Legislature as this bill)¹, the buyer and ¹authorized¹ licensee may
14 execute and acknowledge all ¹**[transaction]** power of attorney¹
15 documents by electronic signature.

16 b. When executing ¹**[transaction]** power of attorney¹
17 documents, an electronic signature shall be attributable to a person
18 if it is the action of the person. The act of the person may be shown
19 in any manner, including a showing of the efficacy of any security
20 procedure applied to determine the person to which the electronic
21 signature is attributable.

22 c. The effect of an electronic signature attributed to a person
23 under subsection b. of this section shall be determined from the
24 context and surrounding circumstances at the time of the creation,
25 execution, or adoption of the electronic signature, including the
26 parties' agreement, if any, and as otherwise provided by law.

27 d. ¹Electronic signatures shall be executed in accordance with
28 the minimum security requirements set forth by the National
29 Highway Traffic Safety Administration under 49 C.F.R. s.580.1 et
30 seq. for Assurance Level 2.

31 e.¹ Nothing in sections 5 through 8 of P.L. , c.
32 (C. through C.) (pending before the Legislature as this
33 bill) shall mandate the use of electronic signatures or require buyers
34 and ¹authorized¹ licensees to provide electronic signatures. An
35 electronic signature shall be a valid and acceptable alternative to a
36 traditional ink signature for the purposes of executing
37 ¹**[transaction]** power of attorney¹ documents.

38 ¹**[e.] f.**¹ The Chief Administrator of the New Jersey Motor
39 Vehicle Commission shall not reject ¹**[transaction]** power of
40 attorney¹ documents submitted by a licensee on the basis that such
41 documents bear electronic signatures.

42
43 8. (New section) Notwithstanding any provision of law or
44 regulation to the contrary, during a motor vehicle transaction
45 conducted by ¹**[a]** an authorized¹ licensee, the Chief Administrator

1 of the New Jersey Motor Vehicle Commission shall not require a
2 notarized signature on any transaction documents.

3
4 ¹9. (New section) Not later than 90 days after the effective date
5 of P.L. , c. (C.) (pending before the Legislature as this
6 bill), the Chief Administrator of the New Jersey Motor Vehicle
7 Commission shall engage with the industry to update any rules or
8 regulations to enable the commission to accept electronic signatures
9 on all transaction documents. The commission shall accept
10 electronic signatures on all transaction documents no later than 24
11 months after the effective date of P.L. , c. (C.) (pending
12 before the Legislature as this bill).¹

13
14 ¹[9.] 10.¹ Section 1 of P.L.1999, c.149 (C.39:2-3.8) is amended
15 to read as follows:

16 1. a. Whenever any law, rule or regulation requires or permits
17 documents or information to be prepared by or submitted to the
18 **【Division of Motor Vehicles in the Department of Transportation】**
19 New Jersey Motor Vehicle Commission, the **【director】** chief
20 administrator may permit the documents or information to be
21 prepared by or submitted to the **【division】** commission in electronic
22 or digital form, or processed electronically, except that the
23 commission shall permit documents or information related to the
24 “Motor Vehicle Transaction Modernization Act” pursuant to
25 sections 5 through 8 of P.L. , c. (C. through C.)
26 (pending before the Legislature as this bill) to be prepared by or
27 submitted to the commission in electronic or digital form, or
28 processed electronically. In no event shall an individual be required
29 to submit documents or information only in electronic or digital
30 form; nor shall documents or information be made available to an
31 individual only in electronic or digital form. Submission in
32 electronic or digital form **【may】** shall be permitted pursuant to this
33 section notwithstanding that any law, rule or regulation requires
34 documents or information to be written or to be submitted in
35 writing, specifies that documents or information be signed,
36 certified, verified or witnessed, or otherwise explicitly or implicitly
37 requires the preparation or submission of documents or information
38 on paper or in written form. As used in this subsection,
39 "individual" means a natural person.

40 b. The **【director】** chief administrator, after consultation with
41 the State Records Committee **【in the Department of State】**, shall
42 adopt, pursuant to the "Administrative Procedure Act,"
43 P.L.1968, c.410 (C.52:14B-1 et seq.), regulations specifying ¹**【how**
44 **the signature, verification, certification, witnessing or other formal**
45 **requirements shall be met with respect to documents or information**
46 **permitted to be prepared or submitted in electronic or digital form**
47 **pursuant to this section and specifying such additional safeguards as**

1 the **【director】** chief administrator deems necessary to protect the
2 privacy, and prevent improper access to or disclosure, of any
3 personal information as defined in section 1 of P.L.1997, c.188
4 (C.39:2-3.3) that may be transmitted in an electronic or digital
5 form, or processed electronically**】** how electronic signatures shall
6 be obtained in accordance with the requirements set forth by
7 National Highway Traffic Safety Administration under 49 C.F.R.
8 s.580.1 et seq. for Assurance Level 2¹. Regulations adopted
9 pursuant to this subsection **【may】** shall permit the use of digital
10 signature technology for the signing of documents and other
11 appropriate purposes. If necessary, the chief administrator may
12 adopt regulations to implement the provisions of
13 P.L. , c. (C.) (pending before the Legislature as this bill)
14 not later than 60 days after the effective date of
15 P.L. , c. (C.) (pending before the Legislature as this bill).
16 ¹If the chief administrator does not adopt regulations within 60
17 days, then all electronic signatures shall be obtained in accordance
18 with the requirements set forth by the National Highway Traffic
19 Safety Administration under 49 C.F.R. s.580.1 et seq. for
20 Assurance Level 2.¹
21 (cf: P.L.1999, c.149, s.1)

22
23 ¹**【10.】** 11.¹ This act shall take effect immediately.