

ASSEMBLY, No. 1943

STATE OF NEW JERSEY

217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Assemblyman JOHN S. WISNIEWSKI

District 19 (Middlesex)

Assemblyman NICHOLAS CHIARAVALLOTI

District 31 (Hudson)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Co-Sponsored by:

Assemblyman Diegnan and Assemblywoman Pinkin

SYNOPSIS

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

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 1/20/2017)

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.

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

7
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 or not the commission has
11 the 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 proceed to
20 establish and implement an electronic lien and titling system within
21 12 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.

31
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
40 commission shall be assessed no charges by the successful bidder
41 for establishing and implementing the electronic lien and titling
42 system; and (2) the successful bidder shall be obligated to
43 reimburse the commission for all reasonable implementation costs
44 directly associated with the establishment and implementation of
45 the 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.

1 (chapter 34 of Title 52 of the Revised Statutes). In addition, the bill
2 specifies that the contract would:

3 (1) be for a term of not less than seven years;

4 (2) be a no-cost contract, ensuring that the MVC is assessed no
5 charges by the successful bidder for establishing and implementing
6 the electronic lien and titling system and that the successful bidder
7 is obligated to reimburse the MVC for all reasonable costs directly
8 associated with the establishment and implementation of the
9 system; and

10 (3) include an authorization permitting the successful bidder to
11 charge participating lienholders and their agents reasonable fees.

12 The bill also specifies requirements for applicants seeking to
13 enter into a contract with the State. In addition to the qualifications
14 set forth in the State public contracts law, the bill requires
15 applicants to have a demonstrated history of directly providing both
16 electronic lien services to state motor vehicle departments or
17 agencies and electronic lien software and services to lienholders.

18 Finally, the bill mandates that within one year of the date upon
19 which the electronic lien and titling system becomes operational, all
20 lienholders in New Jersey must participate in the system, except
21 individuals and those lienholders who are not normally engaged in
22 the business of financing motor vehicles and are administratively
23 exempted by the chief administrator.