

SENATE, No. 2968

STATE OF NEW JERSEY
217th LEGISLATURE

INTRODUCED JANUARY 30, 2017

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Co-Sponsored by:

Senator Oroho

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/13/2017)

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 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.

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 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.

1 3. In addition to the provisions of chapter 34 of Title 52 of the
2 Revised Statutes concerning the qualifications of bidders, an
3 applicant seeking to enter into a contract with the State to establish
4 and implement an electronic lien and titling system shall have a
5 demonstrated history of directly providing both electronic lien
6 services to state motor vehicle departments or agencies and
7 electronic lien software and services to lienholders.

8
9 4. Within one year of the date upon which an electronic lien
10 and titling system established pursuant to this act becomes
11 operational, all lienholders, except individuals and those lienholders
12 who are not normally engaged in the business of financing motor
13 vehicles and are administratively exempted by the chief
14 administrator, shall participate in the electronic lien and titling
15 system.

16
17 5. The chief administrator may adopt, pursuant to the
18 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
19 seq.), rules and regulations to effectuate the purposes of this act,
20 including, but not necessarily limited to, regulations designating the
21 class or classes of lienholders that are exempt from the provisions
22 of the act requiring participation by all lienholders within one year.

23

24 6. This act shall take effect immediately.

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STATEMENT

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29 This bill establishes an electronic lien and titling system for New
30 Jersey motor vehicles, replacing the State’s current paper based
31 system for those vehicles.

32 The New Jersey Motor Vehicle Commission (MVC) is required
33 to complete a study to determine whether it has the resources and
34 capability to establish and implement, within one year of the bill’s
35 enactment, an electronic lien and titling system to process and
36 administer, in a cost-effective manner, the notification, recording,
37 and release of security interests and titling information by the
38 lienholders of motor vehicles in lieu of the current paper based
39 system.

40 If the MVC determines it does have the resources and capability
41 to implement a system, it is to proceed immediately to establish a
42 system within 12 months of the bill’s effective date.

43 If the MVC determines it does not have the resources and
44 capability to implement a system, the MVC would be required to
45 contract with a qualified bidder to establish and implement a system
46 for the State. Any contract is to be offered, advertised, and awarded
47 subject to the State public contracts law (chapter 34 of Title 52 of

1 the Revised Statutes). In addition, the bill specifies that the
2 contract would: 1) be for a term of not less than seven years;
3 2) be a no-cost contract, ensuring that the MVC is assessed no
4 charges by the successful bidder for establishing and implementing
5 the electronic lien and titling system and that the successful bidder
6 is obligated to reimburse the MVC for all reasonable costs directly
7 associated with the establishment and implementation of the
8 system; and 3) include an authorization permitting the successful
9 bidder to charge participating lienholders and their agents
10 reasonable fees.

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

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