

# ASSEMBLY, No. 4327

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JUNE 29, 2020

**Sponsored by:**

**Assemblyman KEVIN J. ROONEY**  
**District 40 (Bergen, Essex, Morris and Passaic)**  
**Assemblywoman SERENA DIMASO**  
**District 13 (Monmouth)**  
**Assemblywoman AURA K. DUNN**  
**District 25 (Morris and Somerset)**

**Co-Sponsored by:**

**Assemblywoman N.Munoz**

**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.



**(Sponsorship Updated As Of: 7/9/2020)**

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 P.L. ,  
26 c. (C. ) (pending before the Legislature as this bill) and all  
27 rules and regulations promulgated pursuant thereto, the purchaser  
28 shall be deemed to be in compliance with the provisions of this  
29 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 P.L. , c.  
34 (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  
49 working days after its purchase, submit to the **【director】** chief

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

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

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

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

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

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

36  
37 2. (New section) a. As used in this section:

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

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

45 b. The New Jersey Motor Vehicle Commission shall permit a  
46 licensed motor vehicle dealer to, in accordance with rules and  
47 regulations promulgated by the commission, facilitate the issuance  
48 of a certificate of ownership and certificate of registration for a used  
49 motor vehicle purchased by private sale that shall be registered in

1 this State and that complies with all requirements for issuance of a  
2 certificate of ownership and certificate of registration in this State.

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

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

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

39

40 3. This act shall take effect immediately.

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#### STATEMENT

44 This bill requires the New Jersey Motor Vehicle Commission  
45 (commission) to permit a licensed motor vehicle dealer to facilitate  
46 the issuance of a certificate of ownership and certificate of  
47 registration for a used motor vehicle that is purchased by private  
48 sale if the vehicle is to be registered in New Jersey and complies

1 with all requirements for issuance of a certificate of ownership and  
2 certificate of registration.

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

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