

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5033

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 6, 2021

The Senate Transportation Committee reports favorably and with committee amendments Assembly Bill No. 5033.

As amended and reported, this bill authorizes motor vehicle dealers to sell motor vehicles online. Further, to facilitate the online sale of motor vehicles, this bill allows the buyer and the licensed motor vehicle dealer to acknowledge all motor vehicle transaction documents by electronic signature, as a valid and acceptable alternative to a traditional ink signature. Under the bill, an off-site sale of a motor vehicle does not include an online sale of a motor vehicle that meets the requirements under the bill.

The bill prohibits the Chief Administrator of the New Jersey Motor Vehicle Commission (commission) from refusing to accept electronically signed transaction documents and from requiring a notarized signature of any transaction documents completed by a licensed motor vehicle dealer. The bill also requires the commission to permit the use of digital signature technology for the signing of documents and other appropriate purposes and to allow documents to be submitted in electronic form if the documents pertain to the provisions of the “Motor Vehicle Transaction Modernization Act.”

The bill adds certain definitions and modifies the definition of a “used motor vehicle dealer” to provide that a person meets the definition of a used motor vehicle dealer if the person engages in the business of selling, buying, or dealing in four or more used motor vehicles per year at an established place of business. The bill prohibits a used motor vehicle dealer from engaging in the business of buying, selling, or dealing in new motor vehicles in New Jersey.

The bill requires a used motor vehicle dealer to maintain an established place of business that meets certain requirements described in the bill. The bill also requires that the established place of business of a new motor vehicle dealer or used motor vehicle dealer display an exterior sign that meets certain requirements described in the bill.

The committee amended the bill to update defined terms, increase requirements for licensees, and to include certain allowances for electronic signatures.

As amended and reported, Assembly Bill No. 5033 is identical to Senate Bill No. 3279, which was also amended and reported by the committee on this date.