

[First Reprint]

ASSEMBLY, No. 5033

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED NOVEMBER 19, 2020

Sponsored by:

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

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District 15 (Hunterdon and Mercer)

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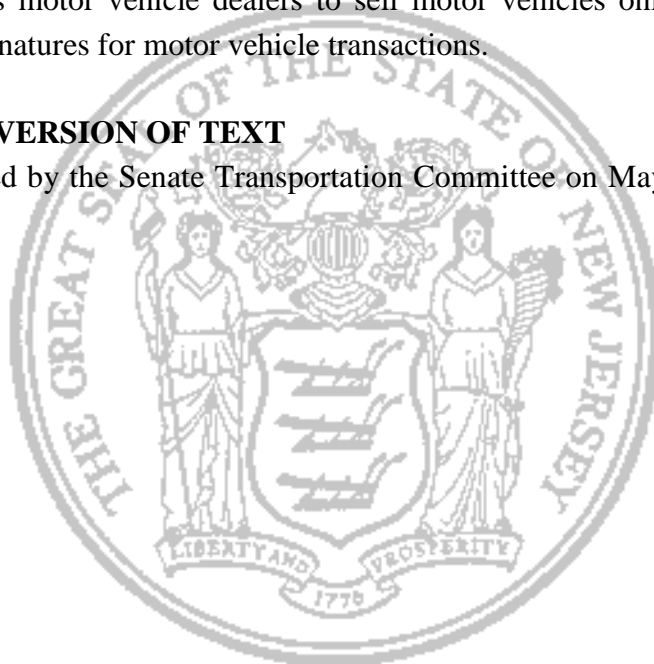
Assemblyman Freiman, Assemblywoman Murphy, Assemblyman Chiaravalloti, Assemblywoman Quijano, Assemblymen Moen, Houghtaling and Assemblywoman Downey

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: 1/11/2021)

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
11 purpose of sale by new motor vehicle dealers ¹**【and used motor**
12 **vehicles held for sale by new or used motor vehicle dealers which**
13 **can be identified by a manufacturer's Vehicle Identification**
14 **Number (VIN) and title is or right to title is held by the used motor**
15 **vehicle owner. and used motor vehicles held for the purpose of sale**
16 **by used motor vehicle dealers, and excludes】** which can be
17 identified by a manufacturer's Vehicle Identification Number (VIN)
18 and have been invoiced to, allocated to, or reserved by a new motor
19 vehicle dealer licensed to do business in New Jersey, and such
20 vehicle can be shipped by the manufacturer or distributor within a
21 reasonable period of time and used motor vehicles held for the
22 purpose of sale by new or used motor vehicle dealers which can be
23 identified by a manufacturer's VIN and title papers or right to title
24 is held by the used motor vehicle owner. This term shall exclude¹
25 motor vehicles held for the purpose of lease or rental by a person
26 engaged in the 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 '[W4] IRS Form W-2' and '[W2] IRS Form W-4' 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.

47 Each applicant for a new motor vehicle dealer license shall at the
48 time such license is issued have established and maintained, or by

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

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

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

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

44 For the purposes of this section, a leasing dealer or an assignee
45 of a leasing dealer whose leasing activities are limited to buying
46 motor vehicles for the purpose of leasing them and selling motor
47 vehicles at the termination of a lease shall not be deemed to be
48 engaged in the business of buying, selling, or dealing in motor

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

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

7
8 3. Section 1 of P.L.2005, c.351 (C.39:10-19.1) is amended to
9 read as follows:

10 1. As used in this act:

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

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

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

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

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

34 "Sponsoring organization" means:

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

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

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

44
45 4. (New section) a. A licensee may conduct online sales of
46 motor vehicles anywhere in this State in accordance with this
47 chapter subject to the additional requirements set forth in subsection
48 b. of this section.

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

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

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

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

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

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

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

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

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

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

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

“Transaction documents” means any documents required to complete the sale or lease of a motor vehicle in the State, including, but not limited to, title papers, manufacturers’ or importers’ certificates of origin, contracts, security agreements, assignments, abstracts, or any other documents required by chapters 3 and 10 of Title 39 of the Revised Statutes. Transaction documents shall also include, but not be limited to, any powers of attorney granted by a

1 buyer ¹through electronic signature¹ to a licensee for purposes of
2 execution of any other transaction documents.

3

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

11 b. When executing ¹【transaction】 power of attorney¹
12 documents, an electronic signature shall be attributable to a person
13 if it is the action of the person. The act of the person may be shown
14 in any manner, including a showing of the efficacy of any security
15 procedure applied to determine the person to which the electronic
16 signature is attributable.

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

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

26 e.¹ Nothing in sections 5 through 8 of P.L. , c.
27 (C. through C.) (pending before the Legislature as this
28 bill) shall mandate the use of electronic signatures or require buyers
29 and ¹authorized¹ licensees to provide electronic signatures. An
30 electronic signature shall be a valid and acceptable alternative to a
31 traditional ink signature for the purposes of executing
32 ¹【transaction】 power of attorney¹ documents.

33 ¹【e.】 f.¹ The Chief Administrator of the New Jersey Motor
34 Vehicle Commission shall not reject ¹【transaction】 power of
35 attorney¹ documents submitted by a licensee on the basis that such
36 documents bear electronic signatures.

37

38 8. (New section) Notwithstanding any provision of law or
39 regulation to the contrary, during a motor vehicle transaction
40 conducted by ¹【a】 an authorized¹ licensee, the Chief Administrator
41 of the New Jersey Motor Vehicle Commission shall not require a
42 notarized signature on any transaction documents.

43

44 ¹9. (New section) Not later than 90 days after the effective date
45 of P.L. , c. (C.) (pending before the Legislature as this
46 bill), the Chief Administrator of the New Jersey Motor Vehicle
47 Commission shall engage with the industry to update any rules or

1 regulations to enable the commission to accept electronic signatures
2 on all transaction documents. The commission shall accept
3 electronic signatures on all transaction documents no later than 24
4 months after the effective date of P.L. , c. (C.) (pending
5 before the Legislature as this bill).¹

6
7 ¹**[9.] 10.**¹ Section 1 of P.L.1999, c.149 (C.39:2-3.8) is amended
8 to read as follows:

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

33 b. The **[director]** chief administrator, after consultation with
34 the State Records Committee **[in the Department of State]**, shall
35 adopt, pursuant to the "Administrative Procedure Act,"
36 P.L.1968, c.410 (C.52:14B-1 et seq.), regulations specifying ¹**[how**
37 **the signature, verification, certification, witnessing or other formal**
38 **requirements shall be met with respect to documents or information**
39 **permitted to be prepared or submitted in electronic or digital form**
40 **pursuant to this section and specifying such additional safeguards as**
41 **the [director] chief administrator deems necessary to protect the**
42 **privacy, and prevent improper access to or disclosure, of any**
43 **personal information as defined in section 1 of P.L.1997, c.188**
44 **(C.39:2-3.3) that may be transmitted in an electronic or digital**
45 **form, or processed electronically]** how electronic signatures shall
46 be obtained in accordance with the requirements set forth by the
47 National Highway Traffic Safety Administration under 49 C.F.R.

1 s.580.1 et seq. for Assurance Level 2¹. Regulations adopted
2 pursuant to this subsection **【may】 shall** permit the use of digital
3 signature technology for the signing of documents and other
4 appropriate purposes. If necessary, the chief administrator may
5 adopt regulations to implement the provisions of
6 P.L. , c. (C.) (pending before the Legislature as this bill)
7 not later than 60 days after the effective date of
8 P.L. , c. (C.) (pending before the Legislature as this bill).
9 ¹If the chief administrator does not adopt regulations within 60
10 days, then all electronic signatures shall be obtained in accordance
11 with the requirements set forth by the National Highway Traffic
12 Safety Administration under 49 C.F.R. s.580.1 et seq. for Assurance
13 Level 2.¹
14 (cf: P.L.1999, c.149, s.1)
15
16 ¹**【10.】 11.¹** This act shall take effect immediately.