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ASSEMBLY, No. 4050

STATE OF NEW JERSEY

222nd LEGISLATURE

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Sponsored by:
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District 5 (Camden and Gloucester)
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SYNOPSIS

Concerns facilities used by new motor vehicle dealer licenses; establishes provisional new motor vehicle dealer licenses.

CURRENT VERSION OF TEXT

As reported by the Assembly Transportation and Independent Authorities Committee on June 1, 2026, with amendments.

(Sponsorship Updated As Of: 6/11/2026)

AN ACT concerning new motor vehicle dealer licenses and amending R.S.39:10-2 and R.S.39:10-19.

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

1. R.S.39:10-2 is amended to read as follows:

39:10-2. As used in this chapter unless other meaning is clearly apparent from the language or context, or unless inconsistent with the manifest intention of the Legislature:

"Authorized signatory" means a dealer or leasing dealer and any employee, officer, director, partner, or other holder of an ownership interest in the licensed business authorized to execute documents on behalf of the dealer or leasing dealer, but shall not include any attorney-in-fact who is not an employee, officer, director, partner, or holder of an ownership interest.

"New motor vehicle" means only a newly manufactured motor vehicle, except a nonconventional type motor vehicle, and includes all such vehicles propelled otherwise than by muscular power, and motorcycles, motorized bicycles, trailers and tractors, and manufactured homes not subject to real property taxation pursuant to P.L.1983, c.400 (C.54:4-1.2 et **[**seq.**]** al.), excepting such vehicles as run only upon rails or tracks and manufactured homes subject to real property taxation.

"Used motor vehicle" means every motor vehicle and motorized bicycle, except a nonconventional type motor vehicle, title to, or possession of, which has been transferred from the person who first acquired it from the manufacturer or dealer, and so used as to become what is commonly known as "secondhand" within the ordinary meaning thereof, and includes every motor vehicle and motorized bicycle other than a "new motor vehicle," a "nonconventional type motor vehicle," or a manufactured home subject to real property taxation.

"Any motor vehicle," "every motor vehicle," or similar term, means both new and used motor vehicles, except a "nonconventional type motor vehicle."

"Nonconventional type motor vehicle" means every vehicle not designed or used primarily for the transportation of persons or property and only incidentally operated or moved over a highway, including, but not limited to, ditch-digging apparatus, well-boring apparatus, road and general purpose construction and maintenance machinery, asphalt spreaders, bituminous mixers, bucket loaders, ditchers, leveling graders, finishing machines, motor graders, road rollers, scarifiers, earth-moving carryalls, scrapers, power shovels, drag lines, self-propelled cranes, earth-moving equipment, trailers and semitrailers

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:
[1]Assembly ATR committee amendments adopted June 1, 2026.

which weigh less than 2,500 pounds, except that no mobile or manufactured home or travel trailer shall be classified as a nonconventional type motor vehicle, motorized wheelchairs, motorized lawn mowers, bogies, farm equipment having a factory shipping weight of less than 1,500 pounds, whether or not motorized, including farm tractors within said weight limitation, industrial tractors, scooters, go-carts, gas buggies and golf carts. The Chief Administrator of the New Jersey Motor Vehicle Commission shall have power to make, amend, and repeal regulations, not inconsistent with the provisions of this paragraph, prescribing what further vehicles or types of vehicles, not specified in this paragraph, shall be included in the category of nonconventional type motor vehicles.

"Motor vehicles which constitute inventory held for sale" means: new motor vehicles and used motor vehicles held for the purpose of sale by new motor vehicle dealers which can be identified by a manufacturer's **[**Vehicle Identification Number**]** vehicle identification number (VIN) and have been invoiced to, allocated to, or reserved by a new motor vehicle dealer licensed to do business in New Jersey, and such vehicle can be shipped by the manufacturer or distributor within a reasonable period of time and used motor vehicles held for the purpose of sale by new or used motor vehicle dealers which can be identified by a manufacturer's VIN and title papers or right to title is held by the used motor vehicle dealer. This term shall exclude motor vehicles held for the purpose of lease or rental by a person engaged in the motor vehicle leasing or rental business.

"Manufacturer's or importer's certificate of origin" means the original written instrument or document required to be executed and delivered by the manufacturer to his agent or a dealer, or a person purchasing direct from the manufacturer, certifying the origin of the vehicle.

"Certificate of ownership" means the document issued in conformance with this chapter, certifying ownership of a motor vehicle, other than manufacturer's or importer's certificate of origin.

"Assignment" means the execution of a prescribed form transferring ownership of a motor vehicle from the person named therein to the purchaser.

"Contract" means conditional sale agreement, bailment, lease, chattel mortgage, trust receipt, or any other form of security or possession agreement executed prior to January 1, 1963, wherein and whereby possession of a motor vehicle is delivered to the buyer and title therein is to vest in the buyer at a subsequent time upon the payment of part or all of the price, or upon the performance of any other condition or happening of any contingency, or upon the payment of a sum substantially equivalent to the value of the motor vehicle, by which contract it is agreed that the buyer is bound to become, or has the option of becoming, the owner of the motor vehicle upon full compliance with the terms of the contract.

"Abstract" means the duplicate copy of the original certificate of ownership recording any encumbrance or upon which the existence of a security interest is noted.

"Title papers" means any instrument or document that is evidence of ownership of a vehicle.

"Chief Administrator" means the Chief Administrator of the New Jersey Motor Vehicle Commission.

"Manufacturer" means the person who originally manufactured the motor vehicle.

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

"Established place of business" means a permanent, properly identified location within the State where the books, records, and files necessary to buy, sell, or deal in motor vehicles are kept and maintained, including, but not limited to, all documents required by R.S.39:10-6, title papers, manufacturers' or importers' certificates of origin, motor vehicle registration records, contracts, security agreements, all payroll records, including, but not limited to, IRS Form W-2 and IRS Form W-4 records, checkbooks, ledgers for business accounts and trust accounts, corporate authorities and licenses, dealer plates, ledgers listing all issued and unissued dealer assignments, and dealer plates.

"New motor vehicle dealer" means **[**the agent, distributor, or**]** **[1]**<u>the agent, distributor, or</u>**[1]** <u>an</u> authorized dealer of **[**the manufacturer**]** **[1]****[**<u>a motor vehicle franchisor, as defined in this section,</u>**]** <u>the manufacturer</u>**[1]** of **[**the**]** **[1]****[**<u>a</u>**]** <u>the</u>**[1]** new motor vehicle who has an established place of business. A new motor vehicle dealer shall sell a minimum of four or more new motor vehicles within a 12-month timeframe and may engage in the business of buying, selling, or dealing in used motor vehicles in this State under the provisions of this chapter.

[1]**[**<u>"Motor vehicle franchisor" means a person engaged in the business of manufacturing, assembling, or distributing new motor vehicles, or importing new motor vehicles into the United States that were manufactured or assembled in a foreign country, who, under normal business conditions, manufactures, assembles, distributes, or imports at least 10 new motor vehicles during a calendar year.</u>**]****[1]**

"Used motor vehicle dealer" means a person engaged in the business of selling, buying, or dealing in four or more used motor vehicles per year at an established place of business, but who is not a licensed new motor vehicle dealer. A used motor vehicle dealer shall engage only in the business of buying, selling, or dealing in used motor vehicles in this State under the provisions of this chapter and shall not engage in the business of buying, selling, or dealing in new motor vehicles in this State.

"Person" includes natural persons, firms or copartnerships, corporations, associations, or other artificial bodies, receivers, trustees, common law or statutory assignees, executors, administrators, sheriffs,

constables, marshals, or other persons in representative or official capacity, and members, officers, agents, employees, or other representatives of those hereinbefore enumerated.

"Buyer" includes 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, and their legal successors in interest.

"Seller" means manufacturer, dealer, lessor, bailor, transferor with or without a security interest, and any other person selling, attempting to sell, or delivering a motor vehicle, and their legal successors in interest.

The terms "sell," "sale," "buy," or "purchase" and any form thereof include absolute or voluntary sales and purchases, agreements to sell and purchase, bailments, leases, security agreements whereby any motor vehicles are sold and purchased, or agreed to be sold and purchased, involuntary, statutory and judicial sales, inheritance, devise, or bequest, gift or any other form or manner of sale or agreement of sale thereof, or the giving or transferring possession of a motor vehicle to a person for a permanent use; continued possession for 60 days or more is to be construed as permanent use.

"Online sale" means buying, selling, or dealing in motor vehicles in this State over the Internet using electronic means.

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

"Manufacturer's number" means the original manufacturer's vehicle identification number die stamped upon the body, or frame, or either or both of them, of a motor vehicle or the original manufacturer's number die stamped upon the engine or motor of a motor vehicle.

"Purchaser" means a person who takes possession of a motor vehicle by transfer of ownership, either for use or resale, except a dealer when **[**he**]** the dealer takes possession through a certificate of origin.

"Debtor" means the person who owes payment or other performance of the obligation secured by a security interest in a motor vehicle.

"Security interest" means an interest in a motor vehicle which secures payment or other performance of an obligation.

"Security agreement" means an agreement which creates or provides for a security interest in a motor vehicle.

"Secured party" means a lender, seller, or other person in whose favor there is a security interest.

"Gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of the single or combination vehicle and, if the manufacturer has not specified a value for a towed vehicle, means the value specified for the towing vehicle plus the loaded weight of the towed unit.

(cf: P.L.2021, c.462, s.1)

2. R.S.39:10-19 is amended to read as follows:

39:10-19. a. No person shall engage in the business of buying, selling, or dealing in motor vehicles in this State, nor shall a person engage in activity that would qualify the person as a leasing dealer, as defined in section 2 of P.L.1994, c.190 (C.56:12-61), unless:

[a.**]** (1) the person is a licensed real estate broker acting as an agent or broker in the sale of mobile homes without their own motor power other than recreation vehicles, as defined in section 3 of P.L.1990, c.103 (C.39:3-10.11), or manufactured homes, as defined in section 3 of P.L.1983, c.400 (C.54:4-1.4); or

[b.**]** (2) the person is authorized to do so under the provisions of this chapter and P.L.1985, c.361 (C.56:10-26 et seq.).

b. The chief administrator may, upon application in such form as the chief administrator prescribes, license any proper person as a new motor vehicle dealer, used motor vehicle dealer, or **[**, a**]** leasing dealer. A licensed real estate broker shall be entitled to act as an agent or broker in the sale of a mobile or manufactured home, as defined in paragraph (1) of subsection a. of this section, without obtaining a license from the chief administrator. For the purposes of this chapter, a "licensed real estate broker" means a real estate broker licensed by the New Jersey Real Estate Commission pursuant to the provisions of chapter 15 of Title 45 of the Revised Statutes. Any sale or transfer of a mobile or manufactured home, in which a licensed real estate broker acts as a broker or agent pursuant to this **[**section**]** subsection, which sale or transfer is subject to any other requirements of R.S.39:10-1 et seq., shall comply with all of those requirements.

c. No person who has been convicted of a crime, arising out of fraud or misrepresentation in the sale, leasing, or financing of a motor vehicle, shall be eligible to receive a license pursuant to subsection b. of this section. For the purposes of this section, each applicant for a license shall submit to the chief administrator the applicant's name, address, fingerprints, and written consent for a criminal history record background check to be performed. The chief administrator is hereby authorized to exchange fingerprint data with and receive criminal history record information from the State Bureau of Identification in the Division of State Police and the Federal Bureau of Investigation, consistent with applicable State and federal laws, rules, and regulations, for purposes of facilitating determinations concerning licensure eligibility. The applicant shall bear the cost for the criminal history record background check, including all costs of administering and processing the check. The Division of State Police shall promptly notify the chief administrator in the event a current holder of a license or prospective applicant, who was the subject of a criminal history record background check pursuant to this section, is arrested for a crime or offense in this State after the date the background check was performed.

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

that application shall agree to establish and maintain, within 90 days after the issuance thereof, a place of business consisting of a permanent building not less than 1,000 square feet in floor space located in the State of New Jersey to be used principally for the servicing **[**and**]** or display of motor vehicles **[**with such**]** . For the purpose of servicing motor vehicles, the applicant's place of business shall have equipment **[**installed**]** therein as shall be requisite for the servicing of motor vehicles in such manner as to make **[**them**]** the motor vehicles comply with the laws of this State and with any rules and regulations made by the board governing the equipment, use, and operation of motor vehicles within the State. Each applicant shall have the choice to:

(1) utilize the space attached to the applicant's place of business for the servicing of motor vehicles;

(2) utilize a separate space on the same property as the applicant's place of business for the servicing of motor vehicles; or

(3) establish an off-site facility within the relevant market area of the applicant's exiting place of business, as defined by section 1 of P.L.1982, c.156 (C.56:10-16). The off-site facility shall be used solely for the servicing of motor vehicles **[1]**, shall be located within the State,**[1]** and shall be subject to the provisions of **[1][**section 1 of**]** P.L.1982, c.156 (C.56:10-16 et. seq.).

However, a leasing dealer **[**,**]** who is not engaged in the business of buying, selling, or dealing in motor vehicles in the State **[**,**]** shall not be required to maintain a place of business with floor space available for the servicing or display of motor vehicles or to have an exterior sign at the lessor's place of business.

e. **[1]**(1)**[1]** The chief administrator shall issue a provisional license upon the substantial completion of the new motor vehicle dealer license application. **[1][**The chief administrator shall issue a provisional license to an applicant that is in the process of meeting certain requirements for the issuance of a new motor vehicle dealer license, including, but not limited to, an applicant who is in the process of obtaining a franchise agreement or installing a permanent sign pursuant to subsection g. of this section, provided that the sign has been ordered.**]** For the purposes of this paragraph, an application shall be deemed substantially complete when the applicant has submitted all required documents, except the following:

(a) a fully-executed franchise agreement;

(b) a fully-executed lease agreement;

(c) any required closing letters;

(d) the New Jersey Motor Vehicle Commission's inspection report; and

(e) any permanent signage required pursuant to subsection g. of this section.

An applicant shall submit a certification along with the application certifying that the applicant has ordered and is in the process of

obtaining all outstanding items for a provisional license to be issued. Evidence of site control shall be submitted with the application, but a fully-executed lease agreement may be submitted after closing.

(2)[1] The provisional license issued pursuant to this subsection shall be valid for a period of 90 days. The chief administrator may, at the chief administrator's discretion, extend an applicant's provisional license for a one-time additional [1]⟦90 day⟧ 90-day[1] period. The chief administrator shall not charge an additional fee for the issuance of a provisional license.

f. (1) Any person who possesses a used motor vehicle dealer license at the time of enactment of P.L.2021, c.484 shall maintain an established place of business consisting of a minimum office space of 72 square feet within a permanent, enclosed building located in the State of New Jersey, in addition to complying with all other applicable regulations prescribed by the chief administrator.

(2) Each applicant for a used motor vehicle dealer license, or any licensee who relocates its place of business on or after the effective date of P.L.2021, c.484, shall meet the requirements for an established place of business for a used motor vehicle dealer, which shall be established by the chief administrator by regulation adopted pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

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

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

i. For the purposes of this section, a leasing dealer or an assignee of a leasing dealer whose leasing activities are limited to buying motor vehicles for the purpose of leasing them and selling motor vehicles at the termination of a lease to the lessee shall not be deemed to be

engaged in the business of buying, selling, or dealing in motor vehicles in this State. ⟦Provided however, that⟧ However, a leasing dealer who wishes to engage in the business of buying, selling, or dealing in motor vehicles in this State by selling any vehicle at the end of the lease term to a consumer other than the lessee, shall be required to obtain a used car dealer license pursuant to this section.

(cf: P.L.2021, c.484, s.1)

3. This act shall take effect immediately and shall apply to all initial and renewal new motor vehicle dealer license applications and to all initial and renewal new motor vehicle dealer license applications that are currently subject to a pending administrative proceeding pending before the chief administrator or the Office of Administrative Law or on appeal thereof.