

P.L. 2026, CHAPTER 63, *approved July 30, 2026*
Assembly, No. 4050 (*Second Reprint*)

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

3

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

6

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

8 39:10-2. As used in this chapter unless other meaning is clearly
9 apparent from the language or context, or unless inconsistent with the
10 manifest intention of the Legislature:

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

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

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

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

37 "Nonconventional type motor vehicle" means every vehicle not
38 designed or used primarily for the transportation of persons or property
39 and only incidentally operated or moved over a highway, including,

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:

¹Assembly ATR committee amendments adopted June 1, 2026.

²Senate SBA committee amendments adopted June 28, 2026.

1 but not limited to, ditch-digging apparatus, well-boring apparatus, road
2 and general purpose construction and maintenance machinery, asphalt
3 spreaders, bituminous mixers, bucket loaders, ditchers, leveling
4 graders, finishing machines, motor graders, road rollers, scarifiers,
5 earth-moving carryalls, scrapers, power shovels, drag lines, self-
6 propelled cranes, earth-moving equipment, trailers and semitrailers
7 which weigh less than 2,500 pounds, except that no mobile or
8 manufactured home or travel trailer shall be classified as a
9 nonconventional type motor vehicle, motorized wheelchairs,
10 motorized lawn mowers, bogies, farm equipment having a factory
11 shipping weight of less than 1,500 pounds, whether or not motorized,
12 including farm tractors within said weight limitation, industrial
13 tractors, scooters, go-carts, gas buggies and golf carts. The Chief
14 Administrator of the New Jersey Motor Vehicle Commission shall
15 have power to make, amend, and repeal regulations, not inconsistent
16 with the provisions of this paragraph, prescribing what further vehicles
17 or types of vehicles, not specified in this paragraph, shall be included
18 in the category of nonconventional type motor vehicles.

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

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

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

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

43 "Contract" means conditional sale agreement, bailment, lease,
44 chattel mortgage, trust receipt, or any other form of security or
45 possession agreement executed prior to January 1, 1963, wherein and
46 whereby possession of a motor vehicle is delivered to the buyer and
47 title therein is to vest in the buyer at a subsequent time upon the
48 payment of part or all of the price, or upon the performance of any

1 other condition or happening of any contingency, or upon the payment
2 of a sum substantially equivalent to the value of the motor vehicle, by
3 which contract it is agreed that the buyer is bound to become, or has
4 the option of becoming, the owner of the motor vehicle upon full
5 compliance with the terms of the contract.

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

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

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

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

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

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

28 "New motor vehicle dealer" means ~~the agent, distributor, or~~ ¹the
29 ~~agent, distributor, or~~ ¹an authorized dealer of ~~the manufacturer~~ ¹~~a~~
30 ~~motor vehicle franchisor, as defined in this section,~~ ¹the manufacturer
31 of ~~the~~ ¹~~a~~ ¹the new motor vehicle who has an established place of
32 business. A new motor vehicle dealer shall sell a minimum of four or
33 more new motor vehicles within a 12-month timeframe and may
34 engage in the business of buying, selling, or dealing in used motor
35 vehicles in this State under the provisions of this chapter.

36 ¹"Motor vehicle franchisor" means a person engaged in the
37 business of manufacturing, assembling, or distributing new motor
38 vehicles, or importing new motor vehicles into the United States that
39 were manufactured or assembled in a foreign country, who, under
40 normal business conditions, manufactures, assembles, distributes, or
41 imports at least 10 new motor vehicles during a calendar year. ¹

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

1 shall not engage in the business of buying, selling, or dealing in new
2 motor vehicles in this State.

3 "Person" includes natural persons, firms or copartnerships,
4 corporations, associations, or other artificial bodies, receivers, trustees,
5 common law or statutory assignees, executors, administrators, sheriffs,
6 constables, marshals, or other persons in representative or official
7 capacity, and members, officers, agents, employees, or other
8 representatives of those hereinbefore enumerated.

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

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

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

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

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

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

35 "Purchaser" means a person who takes possession of a motor
36 vehicle by transfer of ownership, either for use or resale, except a
37 dealer when **【he】** the dealer takes possession through a certificate of
38 origin.

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

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

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

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

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

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

7
8 2. R.S.39:10-19 is amended to read as follows:

9 39:10-19. a. No person shall engage in the business of buying,
10 selling, or dealing in motor vehicles in this State, nor shall a person
11 engage in activity that would qualify the person as a leasing dealer, as
12 defined in section 2 of P.L.1994, c.190 (C.56:12-61), unless:

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

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

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

34 c. No person who has been convicted of a crime, arising out of
35 fraud or misrepresentation in the sale, leasing, or financing of a motor
36 vehicle, shall be eligible to receive a license pursuant to subsection b.
37 of this section. For the purposes of this section, each applicant for a
38 license shall submit to the chief administrator the applicant's name,
39 address, fingerprints, and written consent for a criminal history record
40 background check to be performed. The chief administrator is hereby
41 authorized to exchange fingerprint data with and receive criminal
42 history record information from the State Bureau of Identification in
43 the Division of State Police and the Federal Bureau of Investigation,
44 consistent with applicable State and federal laws, rules, and
45 regulations, for purposes of facilitating determinations concerning
46 licensure eligibility. The applicant shall bear the cost for the criminal
47 history record background check, including all costs of administering
48 and processing the check. The Division of State Police shall promptly

1 notify the chief administrator in the event a current holder of a license
2 or prospective applicant, who was the subject of a criminal history
3 record background check pursuant to this section, is arrested for a
4 crime or offense in this State after the date the background check was
5 performed.

6 d. Each applicant for a new motor vehicle dealer license shall at
7 the time such license is issued have established and maintained, or by
8 that application shall agree to establish and maintain, within 90 days
9 after the issuance thereof, a place of business consisting of a
10 permanent building not less than 1,000 square feet in floor space
11 located in the State of New Jersey to be used principally for the
12 servicing ~~and~~ or display of motor vehicles ~~with such~~ . For the
13 purpose of servicing motor vehicles, the applicant's place of business
14 shall have equipment ~~installed~~ therein as shall be requisite for the
15 servicing of motor vehicles in such manner as to make ~~them~~ the
16 motor vehicles comply with the laws of this State and with any rules
17 and regulations made by the board governing the equipment, use, and
18 operation of motor vehicles within the State. Each applicant shall have
19 the choice to:

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

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

24 (3) establish an off-site facility within the relevant market area of
25 the applicant's ²~~exiting~~² place of business, as defined by section 1
26 of P.L.1982, c.156 (C.56:10-16). The off-site facility shall be used
27 solely for the servicing of motor vehicles ¹, shall be located within the
28 State,¹ and shall be subject to the provisions of ¹~~section 1 of~~¹
29 P.L.1982, c.156 (C.56:10-16 et. seq.).

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

35 e. ²~~1~~(1)¹ The chief administrator shall issue a provisional
36 license upon the substantial completion of the new motor vehicle
37 dealer license application. ¹~~The chief administrator shall issue a~~
38 provisional license to an applicant that is in the process of meeting
39 certain requirements for the issuance of a new motor vehicle dealer
40 license, including, but not limited to, an applicant who is in the process
41 of obtaining a franchise agreement or installing a permanent sign
42 pursuant to subsection g. of this section, provided that the sign has
43 been ordered.] For the purposes of this paragraph, an application shall
44 be deemed substantially complete when the applicant has submitted all
45 required documents, except the following:

46 (a) a fully-executed franchise agreement;

47 (b) a fully-executed lease agreement;

1 (c) any required closing letters;

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

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

6 An applicant shall submit a certification along with the application
7 certifying that the applicant has ordered and is in the process of
8 obtaining all outstanding items for a provisional license to be issued.
9 Evidence of site control shall be submitted with the application, but a
10 fully-executed lease agreement may be submitted after closing.

11 (2)¹ The provisional license issued pursuant to this subsection
12 shall be valid for a period of 90 days. The chief administrator may, at
13 the chief administrator's discretion, extend an applicant's provisional
14 license for a one-time additional ¹【90 day】 90-day¹ period. The chief
15 administrator shall not charge an additional fee for the issuance of a
16 provisional license.

17 f.² (1) Any person who possesses a used motor vehicle dealer
18 license at the time of enactment of P.L.2021, c.484 shall maintain an
19 established place of business consisting of a minimum office space of
20 72 square feet within a permanent, enclosed building located in the
21 State of New Jersey, in addition to complying with all other applicable
22 regulations prescribed by the chief administrator.

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

30 ²【g.】 f.² An established place of business of a new motor vehicle
31 dealer or a used motor vehicle dealer shall display an exterior sign
32 permanently affixed to the land or building, which sign is consistent
33 with local ordinances and has letters easily readable from the major
34 avenues of traffic. The sign shall include the dealer name or trade
35 name, provided such trade name has been previously disclosed to the
36 chief administrator.

37 ²【h.】 g.² A license fee of \$200 shall be paid by an applicant upon
38 the applicant's initial application for a license. The chief administrator
39 may renew an applicant's license upon application for renewal on a
40 form prescribed by the chief administrator and accompanied by a
41 renewal fee of \$200. Every license shall expire 24 months from the
42 date on which it is issued. The chief administrator may, at the chief
43 administrator's discretion and for good cause shown, extend an
44 applicant's license for an additional period not to exceed 12 months
45 from the date on which it is scheduled to expire. The chief
46 administrator may, at the chief administrator's discretion and for good
47 cause shown, issue a license which shall expire on a date fixed by the

1 chief administrator. The fee for licenses with an expiration date fixed
2 by the chief administrator shall be fixed by the chief administrator in
3 an amount proportionately less or greater than the fee established
4 herein.

5 ²~~【i.】~~ h.² For the purposes of this section, a leasing dealer or an
6 assignee of a leasing dealer whose leasing activities are limited to
7 buying motor vehicles for the purpose of leasing them and selling
8 motor vehicles at the termination of a lease to the lessee shall not be
9 deemed to be engaged in the business of buying, selling, or dealing in
10 motor vehicles in this State. ~~【Provided however, that】~~ However, a
11 leasing dealer who wishes to engage in the business of buying, selling,
12 or dealing in motor vehicles in this State by selling any vehicle at the
13 end of the lease term to a consumer other than the lessee, shall be
14 required to obtain a used car dealer license pursuant to this section.
15 (cf: P.L.2021, c.484, s.1)

16
17 3. This act shall take effect immediately and shall apply to all
18 initial and renewal new motor vehicle dealer license applications
19 and to all initial and renewal new motor vehicle dealer license
20 applications that are currently subject to a pending administrative
21 proceeding pending before the chief administrator or the Office of
22 Administrative Law or on appeal thereof.

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27 Concerns facilities used by applicants for new motor vehicle
28 dealer licenses.