

CHAPTER 308

AN ACT concerning an electronic lien and titling system for New Jersey motor vehicles and supplementing Title 39 of the Revised Statutes.

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

C.39:10-11.2 Electronic lien, titling system for motor vehicles.

1. a. Within 60 days of the effective date of this act, the Chief Administrator of the New Jersey Motor Vehicle Commission shall complete a study to determine whether the commission has the resources and capability to establish and implement, within 12 months of the effective date of this act, an electronic lien and titling system to process and administer, in a cost-effective manner, the notification, recording, and release of security interests and title information by the lienholders of motor vehicles in lieu of a paper based system used for those purposes.

b. If the chief administrator determines that the commission has the resources and capability to establish and implement an electronic lien and titling system, the commission shall establish and implement an electronic lien and titling system within 12 months of the effective date of this act.

c. If the chief administrator determines that the commission does not have the resources and capability to establish and implement an electronic lien and titling system, the commission shall contract with a qualified bidder to establish and implement an electronic lien and titling system for the State. A contract entered into pursuant to this subsection shall be offered, advertised, and awarded in the manner prescribed in chapter 34 of Title 52 of the Revised Statutes and consistent with the provisions of sections 2 and 3 of this act.

C.39:10-11.3 Additional requirements.

2. In addition to the requirements set forth in chapter 34 of Title 52 of the Revised Statutes, whenever the chief administrator seeks to contract for the establishment and implementation of an electronic lien and titling system, the specifications and invitations for bids shall include, but not be limited to, provisions providing that the contract:

a. shall be for a term of not less than seven years;

b. shall be a no-cost contract, ensuring that: (1) the commission shall be assessed no charges by the successful bidder for establishing and implementing the electronic lien and titling system; and (2) the successful bidder shall be obligated to reimburse the commission for all reasonable implementation costs directly associated with the establishment and implementation of the electronic lien and titling system; and

c. authorizes the successful bidder to charge participating lienholders and their agents reasonable fees for implementing and administering an electronic lien and titling system.

C.39:10-11.4 Requirements for bidders.

3. In addition to the provisions of chapter 34 of Title 52 of the Revised Statutes concerning the qualifications of bidders, an applicant seeking to enter into a contract with the State to establish and implement an electronic lien and titling system shall have a demonstrated history of directly providing both electronic lien services to state motor vehicle departments or agencies and electronic lien software and services to lienholders.

C.39:10-11.5 Participation.

4. Within one year of the date upon which an electronic lien and titling system established pursuant to this act becomes operational, all lienholders, except individuals and those lienholders who are not normally engaged in the business of financing motor vehicles

and are administratively exempted by the chief administrator, shall participate in the electronic lien and titling system.

C.39:10-11.6 Rules, regulations.

5. The chief administrator may adopt, pursuant to the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations to effectuate the purposes of this act, including, but not necessarily limited to, regulations providing for the oversight of any successful bidder by the chief administrator and regulations designating the class or classes of lienholders that are exempt from the provisions of the act requiring participation by all lienholders within one year.

6. This act shall take effect immediately.

Approved January 16, 2018.