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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

IS 2/29/08

§§1-4
C.39:10-19.1
to
39:10-19.4
§6
Note to §§1-5

P.L. 2005, CHAPTER 351, *approved January 12, 2006*
Senate, No. 2710 (*First Reprint*)

1 AN ACT concerning motor vehicle sales, amending P.L.1999, c.90 and
2 supplementing chapter 10 of Title 39 of the Revised Statutes.

3

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

6

7 1. (New section) As used in this act:

8 "Off-site sale" means the display and sale of ¹new or used
9 recreational vehicles by a recreational vehicle dealer, or¹ used motor
10 vehicles ¹registered in New Jersey¹ by a used motor vehicle dealer,
11 licensed under the provisions of R.S.39:10-19, at a location other than
12 the dealer's established place of business. An "off-site sale" includes
13 any off-site display of vehicles at which a ¹recreational vehicle or¹
14 used motor vehicle dealer has a sales person or employee present. For
15 the purposes of this act, "off-site sale" does not include:

16 a. An off-site display of vehicles at which a ¹recreational vehicle
17 or¹ used motor vehicle dealer has no sales personnel present; or

18 b. The sale of a vehicle at an auction at which only wholesale
19 purchases are permitted.

20 "Sponsoring organization" means:

21 a. a credit union, automobile club, or other such ¹not for profit¹
22 organization or entity that makes the opportunity to attend and
23 purchase a motor vehicle at an off-site sale available to its members;

24 or

25 b. a trade show coordinator, or other such organization, entity, or
26 individual that makes the opportunity to attend and purchase a
27 ¹[motor] recreational¹ vehicle at an off-site sale available to ticketed
28 individuals.

29

30 2. (New section) Notwithstanding any other provision of law to the
31 contrary, a ¹recreational vehicle or¹ used motor vehicle dealer,
32 licensed under the provisions of R.S.39:10-19, may hold an off-site
33 sale provided he is granted a final permit to do so pursuant to section
34 3 of this act.

35

36 3. (New section) a. The Chief Administrator of the Motor Vehicle

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 Senate STR committee amendments adopted December 5, 2005.

1 Commission may issue a provisional permit ¹, subject to a fee,¹ for an
2 off-site sale to a licensed ¹recreational vehicle or¹ used motor vehicle
3 dealer, provided:

4 (1) No more than one permit for a particular location is issued ¹[to
5 the same dealer]¹ during any calendar quarter;

6 (2) A completed application and fee, in an amount determined by
7 the chief administrator, is received by the commission at least 15 days
8 prior to the first day of the sale;

9 (3) The applicant is a ¹recreational vehicle or¹ used motor vehicle
10 dealer, licensed under the provisions of R.S.39:10-19, in good
11 standing;

12 (4) The sale is not conducted within 1,000 feet of the established
13 place of business of any motor vehicle dealer licensed under the
14 provisions of R.S.39:10-19;

15 (5) The display and sale of vehicles is conducted for no more than
16 five consecutive days; and

17 (6) The sale is not open to the general public, but limited to
18 members of the sponsoring organization or ¹in the case of the off-site
19 sales of recreational vehicles, only to¹ ticketed individuals.

20 b. Following the issuance of a provisional permit for an off-site
21 sale, and in the event that the chief administrator determines that
22 neither the dealer, the sponsoring organization, nor the off-site sale
23 location has an unsatisfactory history of violations of Title 39, the
24 chief administrator shall issue a final permit for an off-site sale to the
25 applicant, provided the dealer delivers to the commission, no later than
26 five days prior to the sale:

27 (1) A surety bond in the amount of \$500,000; or

28 (2) A notarized copy of a certificate of self-insurance issued
29 pursuant to section 30 of P.L.1952, c.173 (C.39:6-52).

30

31 4. (New section) a. A dealer conducting an off-site sale shall
32 maintain a booth or desk at the off-site sale ¹[premise]¹ premises¹
33 location for the duration of the sale. The final permit for the sale and
34 the name of the ¹recreational vehicle or used¹ motor vehicle dealer to
35 whom the permit was issued shall be prominently displayed at the
36 booth or desk at all times during the off-site sale.

37 b. Any agreements of sale, offerings, or contracts entered into
38 during the off-site sale shall include, or have attached, the following
39 information, in a clearly identifiable manner:

40 (1) The address and telephone number of the established place of
41 business of the ¹recreational vehicle or¹ used motor vehicle dealer
42 conducting the off-site sale; and

43 (2) The ¹recreational vehicle or¹ used motor vehicle dealer's license
44 number; and

45 (3) A copy of the final permit issued to the ¹recreational vehicle or¹
46 used motor vehicle dealer authorizing him to conduct the off-site sale.

1 5. Section 4 of P.L.1999, c.90 (C.2C:33-26) is amended to read as
2 follows:

3 4. Sale of motor vehicle on Sunday.

4 A person who engages in the business of buying, selling or
5 exchanging motor vehicles or who opens a place of business and
6 attempts to engage in such conduct on a Sunday commits a disorderly
7 persons offense. The first offense is punishable by a fine not to exceed
8 \$100.00 or imprisonment for a period of not more than 10 days or
9 both; the second offense is punishable by a fine not to exceed \$500 or
10 imprisonment for a period of not more than 30 days or both; the third
11 or each subsequent offense is punishable by a fine of \$750.00 or
12 imprisonment for a period of six months or both. If the person is a
13 licensed dealer in new or used motor vehicles in this State, under the
14 provisions of chapter 10, Title 39 of the Revised Statutes, the person
15 shall also be subject to suspension or revocation of his dealer's license
16 to engage in the business of buying, selling or exchanging in motor
17 vehicles in this State as provided in Title 39, chapter 10, section 10,
18 section 20, for violation of this statute. Nothing contained in this
19 section shall be construed to prohibit a person from accepting a
20 deposit to secure the sale of a recreational vehicle, as defined in
21 section 1 of P.L.1999, c.284 (C.54:4-1.18), at an off-site sale
22 authorized pursuant to section 2 of P.L. , c. (C.) (now pending
23 before the Legislature as this bill), on a Sunday.

24 (cf: P.L.1999, c.90, s.4)

25

26 6. This act shall take effect on the first day of the seventh month
27 after enactment, but the Chief Administrator of the Motor Vehicle
28 Commission may take such anticipatory acts in advance of that date as
29 may be necessary for the timely implementation of this act.

30

31

32

33

34 Allows off-site vehicle sales.

SENATE, No. 2710

STATE OF NEW JERSEY
211th LEGISLATURE

INTRODUCED JUNE 23, 2005

Sponsored by:
Senator JOSEPH V. DORIA, JR.
District 31 (Hudson)

SYNOPSIS

Allows off-site vehicle sales.

CURRENT VERSION OF TEXT

As introduced.



S2710 DORIA

2

1 AN ACT concerning motor vehicle sales, amending P.L.1999, c.90 and
2 supplementing chapter 10 of Title 39 of the Revised Statutes.

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

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7 1. (New section) As used in this act:

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

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

16 b. The sale of a vehicle at an auction at which only wholesale
17 purchases are permitted.

18 "Sponsoring organization" means:

19 a. a credit union, automobile club, or other such organization or
20 entity that makes the opportunity to attend and purchase a motor
21 vehicle at an off-site sale available to its members; or

22 b. a trade show coordinator, or other such organization, entity, or
23 individual that makes the opportunity to attend and purchase a motor
24 vehicle at an off-site sale available to ticketed individuals.

25
26 2. (New section) Notwithstanding any other provision of law to
27 the contrary, a used motor vehicle dealer, licensed under the
28 provisions of R.S.39:10-19, may hold an off-site sale provided he is
29 granted a final permit to do so pursuant to section 3 of this act.

30
31 3. (New section) a. The Chief Administrator of the Motor Vehicle
32 Commission may issue a provisional permit for an off-site sale to a
33 licensed used motor vehicle dealer, provided:

34 (1) No more than one permit for a particular location is issued to
35 the same dealer during any calendar quarter;

36 (2) A completed application and fee, in an amount determined by
37 the chief administrator, is received by the commission at least 15 days
38 prior to the first day of the sale;

39 (3) The applicant is a used motor vehicle dealer, licensed under the
40 provisions of R.S.39:10-19, in good standing;

41 (4) The sale is not conducted within 1,000 feet of the established
42 place of business of any motor vehicle dealer licensed under the
43 provisions of R.S.39:10-19;

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.

S2710 DORIA

1 (5) The display and sale of vehicles is conducted for no more than
2 five consecutive days; and

3 (6) The sale is not open to the general public, but limited to
4 members of the sponsoring organization or ticketed individuals.

5 b. Following the issuance of a provisional permit for an off-site
6 sale, and in the event that the chief administrator determines that
7 neither the dealer, the sponsoring organization, nor the off-site sale
8 location has an unsatisfactory history of violations of Title 39, the
9 chief administrator shall issue a final permit for an off-site sale to the
10 applicant, provided the dealer delivers to the commission, no later than
11 five days prior to the sale:

12 (1) A surety bond in the amount of \$500,000; or

13 (2) A notarized copy of a certificate of self-insurance issued
14 pursuant to section 30 of P.L.1952, c.173 (C.39:6-52).

15

16 4. (New section) a. A dealer conducting an off-site sale shall
17 maintain a booth or desk at the off-site sale premise location for the
18 duration of the sale. The final permit for the sale and the name of the
19 motor vehicle dealer to whom the permit was issued shall be
20 prominently displayed at the booth or desk at all times during the off-
21 site sale.

22 b. Any agreements of sale, offerings, or contracts entered into
23 during the off-site sale shall include, or have attached, the following
24 information, in a clearly identifiable manner:

25 (1) The address and telephone number of the established place of
26 business of the used motor vehicle dealer conducting the off-site sale;
27 and

28 (2) The used motor vehicle dealer's license number; and

29 (3) A copy of the final permit issued to the used motor vehicle
30 dealer authorizing him to conduct the off-site sale.

31

32 5. Section 4 of P.L.1999, c.90 (C.2C:33-26) is amended to read as
33 follows:

34 4. Sale of motor vehicle on Sunday.

35 A person who engages in the business of buying, selling or
36 exchanging motor vehicles or who opens a place of business and
37 attempts to engage in such conduct on a Sunday commits a disorderly
38 persons offense. The first offense is punishable by a fine not to exceed
39 \$100.00 or imprisonment for a period of not more than 10 days or
40 both; the second offense is punishable by a fine not to exceed \$500 or
41 imprisonment for a period of not more than 30 days or both; the third
42 or each subsequent offense is punishable by a fine of \$750.00 or
43 imprisonment for a period of six months or both. If the person is a
44 licensed dealer in new or used motor vehicles in this State, under the
45 provisions of chapter 10, Title 39 of the Revised Statutes, the person
46 shall also be subject to suspension or revocation of his dealer's license

1 to engage in the business of buying, selling or exchanging in motor
2 vehicles in this State as provided in Title 39, chapter 10, section 10,
3 section 20, for violation of this statute. Nothing contained in this
4 section shall be construed to prohibit a person from accepting a
5 deposit to secure the sale of a recreational vehicle, as defined in
6 section 1 of P.L.1999, c.284 (C.54:4-1.18), at an off-site sale
7 authorized pursuant to section 2 of P.L. , c. (C.) (now pending
8 before the Legislature as this bill), on a Sunday.
9 (cf: P.L.1999, c.90, s.4)

10

11 6. This act shall take effect on the first day of the seventh month
12 after enactment, but the Chief Administrator of the Motor Vehicle
13 Commission may take such anticipatory acts in advance of that date as
14 may be necessary for the timely implementation of this act.

15

16

17

STATEMENT

18

19 The bill would provide for the issuance of permits authorizing used
20 motor vehicle dealers to conduct off-site sales. An off-site sale is
21 defined as "the display and sale of used motor vehicles by a used
22 motor vehicle dealer...at a location other than the dealer's established
23 place of business," and includes any off-site display of vehicles at
24 which a used motor vehicle dealer has a sales person or employee
25 present. The Motor Vehicle Commission has consistently ruled that
26 these types of events are not permitted under current law, which
27 requires motor vehicle dealers to have an established place of business.

28

29 The bill would require the Chief Administrator of the Motor
30 Vehicle Commission to issue a provisional permit for an off-site sale
31 to a licensed used motor vehicle dealer who meets certain
32 requirements. The bill would restrict the number of permits for a
33 particular location to one per dealer during any calendar quarter and
34 specifies that off-site sales may not be conducted within 1,000 feet of
35 any licensed motor vehicle dealer. In addition, the event would be
36 limited to five consecutive days and restricted to members of the
37 sponsoring organization or ticketed individuals.

37

38 A final permit for an off-site sales would be issued to dealers
39 provided neither the dealer, the sponsoring organization, nor the off-
40 site sale location has an unsatisfactory history of violations of Title 39,
41 and the dealer provides a surety bond or notarized copy of a certificate
42 of self-insurance.

42

43 The bill would require dealers conducting off-site sales to maintain
44 a booth or desk at the off-site sale premise location for the duration of
45 the sale at which the permit is displayed. In addition, any agreements
46 of sale, offerings, or contracts entered into during the off-site sale
would have to include, or have attached, the following information:

S2710 DORIA

5

- 1 C The address and telephone number of the established place of
- 2 business of the dealer;
- 3 C The dealer's license number; and
- 4 C A copy of the final permit for the off-site sale.
- 5 Finally, the bill would clarify that the statutory prohibition against
- 6 the buying, selling, or exchanging of motor vehicles on a Sunday does
- 7 not extend to the acceptance of a deposit to secure the sale of a mobile
- 8 home or recreational vehicle at an off-site sale on a Sunday.

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

SENATE, No. 2710

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 5, 2005

The Senate Transportation Committee reports favorably and with committee amendments Senate Bill No. 2710.

This amended bill would provide for the issuance of permits authorizing used motor vehicle dealers or new or used recreational vehicle dealers to conduct off-site sales. An off-site sale is defined as "the display and sale of new or used recreational vehicles by a recreational vehicle dealer or used motor vehicles registered in New Jersey by a used motor vehicle dealer...at a location other than the dealer's established place of business," and includes any off-site display of vehicles at which a recreational vehicle or used motor vehicle dealer has a sales person or employee present. The Motor Vehicle Commission has consistently ruled that these types of events are not permitted under current law, which requires motor vehicle dealers to have an established place of business.

The bill authorizes the Chief Administrator of the Motor Vehicle Commission to issue a provisional permit, subject to a fee, for an off-site sale to a licensed recreational vehicle or used motor vehicle dealer who meets certain requirements. The bill would restrict the number of permits for a particular location to one during any calendar quarter and specifies that off-site sales may not be conducted within 1,000 feet of any licensed motor vehicle dealer's established place of business. In addition, the event would be limited to five consecutive days and restricted to members of the sponsoring organization or, in the case of off-site sales of recreational vehicles, only to ticketed individuals.

A final permit for an off-site sale would be issued to a dealer provided neither the dealer, the sponsoring organization, nor the off-site sale location has an unsatisfactory history of violations of Title 39, and the dealer provides a surety bond or notarized copy of a certificate of self-insurance.

The bill would require dealers conducting off-site sales to maintain a booth or desk at the off-site sale premises location for the duration of the sale at which the permit is displayed. In addition, any agreements of sale, offerings, or contracts entered into during the off-site sale would have to include, or have attached, the following

information:

- C The address and telephone number of the established place of business of the dealer;
- C The dealer's license number; and
- C A copy of the final permit for the off-site sale.

Finally, the bill would clarify that the statutory prohibition against the buying, selling, or exchanging of motor vehicles on a Sunday does not extend to the acceptance of a deposit to secure the sale of a recreational vehicle at an off-site sale on a Sunday.

The committee amended the bill to include the display and sale of new or used recreational vehicles by a recreational vehicle dealer under its provisions and provide that a provisional permit issued pursuant to this bill would be subject to a fee.

In addition, the committee amended the bill to provide that the used motor vehicles which are the subject of the bill must be registered in the State of New Jersey and that, in the case of the off-site sales of recreational vehicles, such sales shall be restricted to ticketed individuals only.

FISCAL NOTE
[First Reprint]
SENATE, No. 2710
STATE OF NEW JERSEY
211th LEGISLATURE

DATED: FEBRUARY 21, 2006

SUMMARY

Synopsis: Allows off-site vehicle sales.
Type of Impact: Ongoing expenditure increase, with some revenue offset.
Agencies Affected: Motor Vehicle Commission.

Executive Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$133,849	\$98,849	\$98,849
State Revenue	\$20,000	\$20,000	\$20,000

- ! The Office of Legislative Services **concurs** with the Executive estimate.
- ! The Executive estimate of revenue assumes a permit fee of \$100; this fee can be set at any amount by the Motor Vehicle Commission (MVC).
- ! For the MVC to break even at the participation rate assumed by the Administration, the permit fee would need to be \$669 the first year, and \$494 in following years.

BILL DESCRIPTION

Senate Bill No. 2710 (1R) of 2005 proposes to provide for the issuance of permits authorizing used motor vehicle dealers or new or used recreational vehicle dealers to conduct off-site sales. An off-site sale is defined as "the display and sale of new or used recreational vehicles by a recreational vehicle dealer or used motor vehicles registered in New Jersey by a used motor vehicle dealer . . . at a location other than the dealer's established place of business," and includes any off-site display of vehicles at which a recreational vehicle or used motor vehicle dealer has a sales person or employee present. The MVC has consistently ruled that these types of events are not permitted under current law, which requires motor vehicle dealers to have an established place of business.

The bill would authorize the MVC to issue a provisional permit, subject to a fee, for an off-site sale to a licensed recreational vehicle or used motor vehicle dealer who meets certain

requirements. The bill would restrict the number of permits for a particular location to one during any calendar quarter and specify that off-site sales may not be conducted within 1,000 feet of any licensed motor vehicle dealer's established place of business. In addition, the event would be limited to five consecutive days and restricted to members of the sponsoring organization or, in the case of off-site sales of recreational vehicles, only to ticketed individuals.

A final permit for an off-site sale would be issued to a dealer provided neither the dealer, the sponsoring organization, nor the off-site sale location has an unsatisfactory history of violations of Title 39, and the dealer provides a surety bond or notarized copy of a certificate of self-insurance.

The bill would require dealers conducting off-site sales to maintain a booth or desk at the off-site sale premises location for the duration of the sale at which the permit is displayed. In addition, any agreements of sale, offerings, or contracts entered into during the off-site sale would have to include, or have attached, the following information:

- C The address and telephone number of the established place of business of the dealer;
- C The dealer's license number; and
- C A copy of the final permit for the off-site sale.

The used motor vehicles which are the subject of the bill must be registered in the State of New Jersey and that, in the case of the off-site sales of recreational vehicles, such sales shall be restricted to ticketed individuals only. The bill provides that a provisional permit issued pursuant to this bill would be subject to a fee.

Finally, the bill would clarify that the statutory prohibition against the buying, selling, or exchanging of motor vehicles on a Sunday does not extend to the acceptance of a deposit to secure the sale of a recreational vehicle at an off-site sale on a Sunday.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Administration reports that this legislation would require the Commission to create and administer a separate permit process for off-site sales. This would require the development of an application, and the posting of such an application on the MVC web site. The Commission would also need to have printed copies of the application available to be provided, upon request, to business representatives seeking them at the 45 agencies and four regional service centers.

Upon receipt of a completed application, the Business License Services Unit would need to review them for completeness, including a verification of the appropriate attachments which may be required such as insurance proofs. Staff would need to also be available to answer any questions that may arise about the permit approval process. This would require the creation of support materials for the Telephone Contact Center and the Customer Advocacy Office.

To ensure that applicants are not violating the 1,000 foot rule, the Commission would need to purchase a geo-mapping software that would be linked to the Business License Compliance licensing system. In cases in which an issue arises regarding the 1,000 foot rule, staff may require the applicant to have a survey performed. The resulting survey would then need to be evaluated as well. System programming would be required to create new screens and data fields for the new permit that is envisioned by this legislation.

Costs

System upgrade and programming costs are based upon Office of Information Technology estimates. Applications can be developed internally at no actual cost through minor revisions to existing PC based applications. A field monitoring component has been included incorporating both initial site inspection and identified operating costs.

Site inspection at every permit site and geo-mapping survey for every applicant is necessary to monitor the specific site requirements as stated in the legislation. Since permitting off-site vehicle sales is a relatively new procedure for the MVC, a more aggressive monitoring component where the investigators actually monitor the transaction process and sale location is needed. There is no historical data or similar inspections to use as a comparison, therefore the following assumptions of inspection and monitoring times below were used.

Total site inspection monitor hours travel time	8.25 hours
Site inspection monitoring costs:	
200 sales annually x 8.25 hours	1,650 work hours
Inspection monitoring hours 1,650/1,820	
= 91 percent of annual workload =	1 investigator
Application processing costs:	
200 permits annually times 2 hours	400 hours
Breakdown Annual Operating Costs:	
1 Investigator II P22 @ step 4	\$ 49,254
Clerical processing hours 400 @ 16.52 per hour	
(Support Services Representation II A11 @ step 4 =	
\$30,075/26 pay periods = \$1,157/70 hrs = \$16.52/hr	\$ 6,608
Fringe benefit rate 32.84 percent	\$ 18,345
Total personnel costs	\$ 74,207
Office supplies 6 percent of salaries	\$ 4,452
1 Laptop with port replicator for Investigator	\$ 2,600
Standard software package @ \$200.00	\$ 200
1 portable printer for Investigator	\$ 300
1 Vehicle for Investigator	\$ 13,000
Vehicle maintenance @ \$180.00 per month	\$ 2,160
Fuel @ \$90.00 per month	\$ 1,080
Workstation/electrical work for office computer use	\$ 850
OIT system programming costs	\$ 30,000
Geo-mapping software	\$ 5,000
Total first year annual operating costs	\$133,849

Revenue

The Commission projects approximately 200 permits would be issued annually, based upon the number of customer inquiries regarding the availability of off-site sales. The Administration

assumes that the MVC would establish a fee of \$100 per permit. Using this assumption, revenues would be \$20,000 annually. This legislation allows MVC to charge a fee, in an amount determined by the Chief Administrator, to cover administrative costs. The assumed fee would not cover the initial start-up costs or continued employee monitoring costs.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services concurs with the Executive estimate. The MVC information cites "first-year annual operating costs"; however, it is implied in the fiscal note that the Office of Information Technology system programming costs and the Geo-mapping software would actually be one-time costs of \$35,000. We have interpreted this to mean that second and third year costs would be reduced by that amount. The Administration assumes a permit fee of \$100, but the MVC would be free to establish any amount for the permits. For the MVC to break even at the participation rate assumed by the Administration, the permit fee would need to be \$669 the first year, and \$494 in following years.

Section: *Authorities, Utilities, Transportation and Communications*

Analyst: *Mark J. Trease*
Associate Fiscal Analyst

Approved: *David J. Rosen*
Legislative Budget and Finance Officer

This fiscal note has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY, No. 4196

STATE OF NEW JERSEY
211th LEGISLATURE

INTRODUCED JUNE 13, 2005

Sponsored by:

Assemblyman UPENDRA J. CHIVUKULA

District 17 (Middlesex and Somerset)

SYNOPSIS

Allows off-site vehicle sales.

CURRENT VERSION OF TEXT

As introduced.



A4196 CHIVUKULA

2

1 AN ACT concerning motor vehicle sales, amending P.L.1999, c.90 and
2 supplementing chapter 10 of Title 39 of the Revised Statutes.

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

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7 1. (New section) As used in this act:

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9 a used motor vehicle dealer, licensed under the provisions of
10 R.S.39:10-19, at a location other than the dealer's established place of
11 business. An "off-site sale" includes any off-site display of vehicles at
12 which a used motor vehicle dealer has a sales person or employee
13 present. For the purposes of this act, "off-site sale" does not include:

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

16 b. The sale of a vehicle at an auction at which only wholesale
17 purchases are permitted.

18 "Sponsoring organization" means:

19 a. a credit union, automobile club, or other such organization or
20 entity that makes the opportunity to attend and purchase a motor
21 vehicle at an off-site sale available to its members; or

22 b. a trade show coordinator, or other such organization, entity, or
23 individual that makes the opportunity to attend and purchase a motor
24 vehicle at an off-site sale available to ticketed individuals.

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26 2. (New section) Notwithstanding any other provision of law to the
27 contrary, a used motor vehicle dealer, licensed under the provisions of
28 R.S.39:10-19, may hold an off-site sale provided he is granted a final
29 permit to do so pursuant to section 3 of this act.

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31 3. (New section) a. The Chief Administrator of the Motor Vehicle
32 Commission may issue a provisional permit for an off-site sale to a
33 licensed used motor vehicle dealer, provided:

34 (1) No more than one permit for a particular location is issued to
35 the same dealer during any calendar quarter;

36 (2) A completed application and fee, in an amount determined by
37 the chief administrator, is received by the commission at least 15 days
38 prior to the first day of the sale;

39 (3) The applicant is a used motor vehicle dealer, licensed under the
40 provisions of R.S.39:10-19, in good standing;

41 (4) The sale is not conducted within 1,000 feet of the established
42 place of business of any motor vehicle dealer licensed under the
43 provisions of R.S.39:10-19;

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.

1 (5) The display and sale of vehicles is conducted for no more than
2 five consecutive days; and

3 (6) The sale is not open to the general public, but limited to
4 members of the sponsoring organization or ticketed individuals.

5 b. Following the issuance of a provisional permit for an off-site
6 sale, and in the event that the chief administrator determines that
7 neither the dealer, the sponsoring organization, nor the off-site sale
8 location has an unsatisfactory history of violations of Title 39, the
9 chief administrator shall issue a final permit for an off-site sale to the
10 applicant, provided the dealer delivers to the commission, no later than
11 five days prior to the sale:

12 (1) A surety bond in the amount of \$500,000; or

13 (2) A notarized copy of a certificate of self-insurance issued
14 pursuant to section 30 of P.L.1952, c.173 (C.39:6-52).

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17 maintain a booth or desk at the off-site sale premise location for the
18 duration of the sale. The final permit for the sale and the name of the
19 motor vehicle dealer to whom the permit was issued shall be
20 prominently displayed at the booth or desk at all times during the off-
21 site sale.

22 b. Any agreements of sale, offerings, or contracts entered into
23 during the off-site sale shall include, or have attached, the following
24 information, in a clearly identifiable manner:

25 (1) The address and telephone number of the established place of
26 business of the used motor vehicle dealer conducting the off-site sale;
27 and

28 (2) The used motor vehicle dealer's license number; and

29 (3) A copy of the final permit issued to the used motor vehicle
30 dealer authorizing him to conduct the off-site sale.

31

32 5. Section 4 of P.L.1999, c.90 (C.2C:33-26) is amended to read as
33 follows:

34 4. Sale of motor vehicle on Sunday.

35 A person who engages in the business of buying, selling or
36 exchanging motor vehicles or who opens a place of business and
37 attempts to engage in such conduct on a Sunday commits a disorderly
38 persons offense. The first offense is punishable by a fine not to exceed
39 \$100.00 or imprisonment for a period of not more than 10 days or
40 both; the second offense is punishable by a fine not to exceed \$500 or
41 imprisonment for a period of not more than 30 days or both; the third
42 or each subsequent offense is punishable by a fine of \$750.00 or
43 imprisonment for a period of six months or both. If the person is a
44 licensed dealer in new or used motor vehicles in this State, under the
45 provisions of chapter 10, Title 39 of the Revised Statutes, the person
46 shall also be subject to suspension or revocation of his dealer's license

1 to engage in the business of buying, selling or exchanging in motor
2 vehicles in this State as provided in Title 39, chapter 10, section 10,
3 section 20, for violation of this statute. Nothing contained in this
4 section shall be construed to prohibit a person from accepting a
5 deposit to secure the sale of a recreational vehicle, as defined in
6 section 1 of P.L.1999, c.284 (C.54:4-1.18), at an off-site sale
7 authorized pursuant to section 2 of P.L. , c. (C.) (now pending
8 before the Legislature as this bill), on a Sunday.
9 (cf: P.L.1999, c.90, s.4)

10

11 6. This act shall take effect on the first day of the seventh month
12 after enactment, but the Chief Administrator of the Motor Vehicle
13 Commission may take such anticipatory acts in advance of that date as
14 may be necessary for the timely implementation of this act.

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STATEMENT

18

19 The bill would provide for the issuance of permits authorizing used
20 motor vehicle dealers to conduct off-site sales. An off-site sale is
21 defined as "the display and sale of used motor vehicles by a used
22 motor vehicle dealer...at a location other than the dealer's established
23 place of business," and includes any off-site display of vehicles at
24 which a used motor vehicle dealer has a sales person or employee
25 present. The Motor Vehicle Commission has consistently ruled that
26 these types of events are not permitted under current law, which
27 requires motor vehicle dealers to have an established place of business.

28 The bill would require the Chief Administrator of the Motor
29 Vehicle Commission to issue a provisional permit for an off-site sale
30 to a licensed used motor vehicle dealer who meets certain
31 requirements. The bill would restrict the number of permits for a
32 particular location to one per dealer during any calendar quarter and
33 specifies that off-site sales may not be conducted within 1,000 feet of
34 any licensed motor vehicle dealer. In addition, the event would be
35 limited to five consecutive days and restricted to members of the
36 sponsoring organization or ticketed individuals.

37 A final permit for an off-site sales would be issued to dealers
38 provided neither the dealer, the sponsoring organization, nor the off-
39 site sale location has an unsatisfactory history of violations of Title 39,
40 and the dealer provides a surety bond or notarized copy of a certificate
41 of self-insurance.

42 The bill would require dealers conducting off-site sales to maintain
43 a booth or desk at the off-site sale premise location for the duration of
44 the sale at which the permit is displayed. In addition, any agreements
45 of sale, offerings, or contracts entered into during the off-site sale
46 would have to include, or have attached, the following information:

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5

- 1 C The address and telephone number of the established place of
- 2 business of the dealer;
- 3 C The dealer's license number; and
- 4 C A copy of the final permit for the off-site sale.
- 5 Finally, the bill would clarify that the statutory prohibition against
- 6 the buying, selling, or exchanging of motor vehicles on a Sunday does
- 7 not extend to the acceptance of a deposit to secure the sale of a mobile
- 8 home or recreational vehicle at an off-site sale on a Sunday.

ASSEMBLY CONSUMER AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4196

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 8, 2005

The Assembly Consumer Affairs Committee reports favorably and with committee amendments Assembly Bill No. 4196.

This amended bill would provide for the issuance of permits authorizing used motor vehicle dealers or new or used recreational vehicle dealers to conduct off-site sales. An off-site sale is defined as "the display and sale of new or used recreational vehicles by a recreational vehicle dealer or used motor vehicles registered in New Jersey by a used motor vehicle dealer...at a location other than the dealer's established place of business," and includes any off-site display of vehicles at which a recreational vehicle or used motor vehicle dealer has a sales person or employee present. The Motor Vehicle Commission has consistently ruled that these types of events are not permitted under current law, which requires motor vehicle dealers to have an established place of business.

The bill authorizes the Chief Administrator of the Motor Vehicle Commission to issue a provisional permit, subject to a fee, for an off-site sale to a licensed recreational vehicle or used motor vehicle dealer who meets certain requirements. The bill would restrict the number of permits for a particular location to one during any calendar quarter and specifies that off-site sales may not be conducted within 1,000 feet of any licensed motor vehicle dealer's established place of business. In addition, the event would be limited to five consecutive days and restricted to members of the sponsoring organization or, in the case of off-site sales of recreational vehicles, only to ticketed individuals.

A final permit for an off-site sale would be issued to a dealer provided neither the dealer, the sponsoring organization, nor the off-site sale location has an unsatisfactory history of violations of Title 39, and the dealer provides a surety bond or notarized copy of a certificate of self-insurance.

The bill would require dealers conducting off-site sales to maintain a booth or desk at the off-site sale premises location for the duration of the sale at which the permit is displayed. In addition, any agreements of sale, offerings, or contracts entered into during the off-site sale would have to include, or have attached, the following information:

- C The address and telephone number of the established place of business of the dealer;
- C The dealer's license number; and
- C A copy of the final permit for the off-site sale.

Finally, the bill would clarify that the statutory prohibition against the buying, selling, or exchanging of motor vehicles on a Sunday does not extend to the acceptance of a deposit to secure the sale of a recreational vehicle at an off-site sale on a Sunday.

COMMITTEE AMENDMENTS

At the sponsor's request, the committee amended the bill to include the display and sale of new or used recreational vehicles by a recreational vehicle dealer under its provisions and provide that a provisional permit issued pursuant to this bill would be subject to a fee.

In addition, the committee amended the bill to provide that the used motor vehicles which are the subject of the bill must be registered in the State of New Jersey and that, in the case of the off-site sales of recreational vehicles, such sales shall be restricted to ticketed individuals only.

These amendments make this bill identical to the Senate Bill No. 2710 [1R].

FISCAL NOTE
[First Reprint]
ASSEMBLY, No. 4196
STATE OF NEW JERSEY
211th LEGISLATURE

DATED: FEBRUARY 14, 2006

SUMMARY

Synopsis: Allows off-site vehicle sales.
Type of Impact: Ongoing expenditure increase, with some revenue offset.
Agencies Affected: Motor Vehicle Commission.

Executive Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$133,849	\$98,849	\$98,849
State Revenue	\$20,000	\$20,000	\$20,000

- ! The Office of Legislative Services **concurs** with the Executive estimate.
- ! The Executive estimate of revenue assumes a permit fee of \$100; this fee can be set at any amount by the Motor Vehicle Commission (MVC).
- ! For the MVC to break even at the participation rate assumed by the Administration, the permit fee would need to be \$669 the first year, and \$494 in following years.

BILL DESCRIPTION

Assembly Bill No. 4196 (1R) of 2005 proposes to provide for the issuance of permits authorizing used motor vehicle dealers or new or used recreational vehicle dealers to conduct off-site sales. An off-site sale is defined as "the display and sale of new or used recreational vehicles by a recreational vehicle dealer or used motor vehicles registered in New Jersey by a used motor vehicle dealer . . . at a location other than the dealer's established place of business," and includes any off-site display of vehicles at which a recreational vehicle or used motor vehicle dealer has a sales person or employee present. The MVC has consistently ruled that these types of events are not permitted under current law, which requires motor vehicle dealers to have an established place of business.

The bill would authorize the MVC to issue a provisional permit, subject to a fee, for an off-site sale to a licensed recreational vehicle or used motor vehicle dealer who meets certain

requirements. The bill would restrict the number of permits for a particular location to one during any calendar quarter and specify that off-site sales may not be conducted within 1,000 feet of any licensed motor vehicle dealer's established place of business. In addition, the event would be limited to five consecutive days and restricted to members of the sponsoring organization or, in the case of off-site sales of recreational vehicles, only to ticketed individuals.

A final permit for an off-site sale would be issued to a dealer provided neither the dealer, the sponsoring organization, nor the off-site sale location has an unsatisfactory history of violations of Title 39, and the dealer provides a surety bond or notarized copy of a certificate of self-insurance.

The bill would require dealers conducting off-site sales to maintain a booth or desk at the off-site sale premises location for the duration of the sale at which the permit is displayed. In addition, any agreements of sale, offerings, or contracts entered into during the off-site sale would have to include, or have attached, the following information:

- C The address and telephone number of the established place of business of the dealer;
- C The dealer's license number; and
- C A copy of the final permit for the off-site sale.

The used motor vehicles which are the subject of the bill must be registered in the State of New Jersey and that, in the case of the off-site sales of recreational vehicles, such sales shall be restricted to ticketed individuals only. The bill provides that a provisional permit issued pursuant to this bill would be subject to a fee.

Finally, the bill would clarify that the statutory prohibition against the buying, selling, or exchanging of motor vehicles on a Sunday does not extend to the acceptance of a deposit to secure the sale of a recreational vehicle at an off-site sale on a Sunday.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Administration reports that this legislation would require the Commission to create and administer a separate permit process for off-site sales. This would require the development of an application, and the posting of such an application on the MVC web site. The Commission would also need to have printed copies of the application available to be provided, upon request, to business representatives seeking them at the 45 agencies and four regional service centers.

Upon receipt of a completed application, the Business License Services Unit would need to review them for completeness, including a verification of the appropriate attachments which may be required such as insurance proofs. Staff would need to also be available to answer any questions that may arise about the permit approval process. This would require the creation of support materials for the Telephone Contact Center and the Customer Advocacy Office.

To ensure that applicants are not violating the 1,000 foot rule, the Commission would need to purchase a geo-mapping software that would be linked to the Business License Compliance licensing system. In cases in which an issue arises regarding the 1,000 foot rule, staff may require the applicant to have a survey performed. The resulting survey would then need to be evaluated as well. System programming would be required to create new screens and data fields for the new permit that is envisioned by this legislation.

Costs

System upgrade and programming costs are based upon Office of Information Technology estimates. Applications can be developed internally at no actual cost through minor revisions to existing PC based applications. A field monitoring component has been included incorporating both initial site inspection and identified operating costs.

Site inspection at every permit site and geo-mapping survey for every applicant is necessary to monitor the specific site requirements as stated in the legislation. Since permitting off-site vehicle sales is a relatively new procedure for the MVC, a more aggressive monitoring component where the investigators actually monitor the transaction process and sale location is needed. There is no historical data or similar inspections to use as a comparison, therefore the following assumptions of inspection and monitoring times below were used.

Total site inspection monitor hours travel time	8.25 hours
Site inspection monitoring costs:	
200 sales annually x 8.25 hours	1,650 work hours
Inspection monitoring hours 1,650/1,820	
= 91 percent of annual workload =	1 investigator
Application processing costs:	
200 permits annually times 2 hours	400 hours
Breakdown Annual Operating Costs:	
1 Investigator II P22 @ step 4	\$ 49,254
Clerical processing hours 400 @ 16.52 per hour	
(Support Services Representation II A11 @ step 4 =	
\$30,075/26 pay periods = \$1,157/70 hrs = \$16.52/hr	\$ 6,608
Fringe benefit rate 32.84 percent	\$ 18,345
Total personnel costs	\$ 74,207
Office supplies 6 percent of salaries	\$ 4,452
1 Laptop with port replicator for Investigator	\$ 2,600
Standard software package @ \$200.00	\$ 200
1 portable printer for Investigator	\$ 300
1 Vehicle for Investigator	\$ 13,000
Vehicle maintenance @ \$180.00 per month	\$ 2,160
Fuel @ \$90.00 per month	\$ 1,080
Workstation/electrical work for office computer use	\$ 850
OIT system programming costs	\$ 30,000
Geo-mapping software	\$ 5,000
Total first year annual operating costs	\$133,849

Revenue

The Commission projects approximately 200 permits would be issued annually, based upon the number of customer inquiries regarding the availability of off-site sales. The Administration

assumes that the MVC would establish a fee of \$100 per permit. Using this assumption, revenues would be \$20,000 annually. This legislation allows MVC to charge a fee, in an amount determined by the Chief Administrator, to cover administrative costs. The assumed fee would not cover the initial start-up costs or continued employee monitoring costs.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services concurs with the Executive estimate. The MVC information cites "first-year annual operating costs"; however, it is implied in the fiscal note that the Office of Information Technology system programming costs and the Geo-mapping software would actually be one-time costs of \$35,000. We have interpreted this to mean that second and third year costs would be reduced by that amount. The Administration assumes a permit fee of \$100, but the MVC would be free to establish any amount for the permits. For the MVC to break even at the participation rate assumed by the Administration, the permit fee would need to be \$669 the first year, and \$494 in following years.

Section: *Authorities, Utilities, Transportation and Communications*

Analyst: *Mark J. Trease*
Associate Fiscal Analyst

Approved: *David J. Rosen*
Legislative Budget and Finance Officer

This fiscal note has been prepared pursuant to P.L.1980, c.67.