

P.L. 2008, CHAPTER 73, *approved September 6, 2008*
Senate, No. 521 (*First Reprint*)

1 AN ACT concerning off-site motor vehicle sales and amending
2 P.L.2005, c.351.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 3 of P.L.2005, c.351 (C.39:10-19.3) is amended to
8 read as follows:

9 3. a. The Chief Administrator of the Motor Vehicle
10 Commission may issue a provisional permit, subject to a fee, for an
11 off-site sale to a licensed recreational vehicle or used motor vehicle
12 dealer, provided:

13 (1) No more than one permit for a particular location is issued
14 during any calendar quarter;

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

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

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

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

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

29 b. Following the issuance of a provisional permit for an off-site
30 sale, and in the event that the chief administrator determines that
31 neither the dealer, the sponsoring organization, nor the off-site sale
32 location has an unsatisfactory history of violations of Title 39, the
33 chief administrator shall issue a final permit for an off-site sale to
34 the applicant, provided the dealer applicant delivers to the
35 commission, no later than five days prior to the sale []:

36 (1) A] , a surety bond in the amount of [\$500,000; or

37 (2) A] ¹\$500,000 in the case of a permit for an off-site sale to a
38 licensed used motor vehicle dealer; or¹ \$10,000 ¹in the case of a
39 permit for an off-site sale to a licensed recreational vehicle dealer¹
40 issued by a company authorized to transact surety business in this
41 State and payable to the New Jersey Motor Vehicle Commission. If

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate STR committee amendments adopted January 28, 2008.

1 a surety bond is cancelled or terminated for any reason prior to the
2 end date of the sale, the company that issued the surety bond shall
3 immediately notify the chief administrator of the cancellation or
4 termination. The dealer applicant shall immediately obtain and file
5 with the chief administrator a replacement surety bond prior to the
6 end date of the sale that shall cover the uninsured term of the sale.
7 In lieu of a surety bond, a dealer applicant may submit a notarized
8 copy of a certificate of self-insurance issued pursuant to section 30
9 of P.L.1952, c.173 (C.39:6-52).
10 (cf: P.L.2005, c.351, s.3)

11

12 2. This act shall take effect immediately.

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17 Revises surety bond requirements for the off-site sale of certain
18 motor vehicles.

SENATE, No. 521

STATE OF NEW JERSEY 213th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2008 SESSION

Sponsored by:

Senator NICHOLAS J. SACCO

District 32 (Bergen and Hudson)

SYNOPSIS

Revises surety bond requirements for the off-site sale of certain motor vehicles.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



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2

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14 during any calendar quarter;

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

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

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

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

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

29 b. Following the issuance of a provisional permit for an off-site
30 sale, and in the event that the chief administrator determines that
31 neither the dealer, the sponsoring organization, nor the off-site sale
32 location has an unsatisfactory history of violations of Title 39, the
33 chief administrator shall issue a final permit for an off-site sale to
34 the applicant, provided the dealer applicant delivers to the
35 commission, no later than five days prior to the sale

36 (1) **A** , a surety bond in the amount of **[\$500,000; or**

37 (2) **A** \$10,000 issued by a company authorized to transact
38 surety business in this State and payable to the New Jersey Motor
39 Vehicle Commission. If a surety bond is cancelled or terminated
40 for any reason prior to the end date of the sale, the company that
41 issued the surety bond shall immediately notify the chief
42 administrator of the cancellation or termination. The dealer
43 applicant shall immediately obtain and file with the chief
44 administrator a replacement surety bond prior to the end date of the

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Matter underlined thus is new matter.

S521 SACCO

1 sale that shall cover the uninsured term of the sale. In lieu of a
2 surety bond, a dealer applicant may submit a notarized copy of a
3 certificate of self-insurance issued pursuant to section 30 of
4 P.L.1952, c.173 (C.39:6-52).
5 (cf: P.L.2005, c.351, s.3)

6

7 2. This act shall take effect immediately.

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STATEMENT

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12 This bill would reduce the amount of the surety bond a licensed
13 dealer would have to provide in order to conduct an off-site motor
14 vehicle sale involving recreational vehicles, either new or used, or
15 used motor vehicles.

16 Under current law, a dealer applying for a permit to conduct such
17 an off-site sale must provide the New Jersey Motor Vehicle
18 Commission with a \$500,000 surety bond. The provisions of this
19 bill would reduce the amount of that bond to \$10,000.

20 The bill also clarifies that if a dealer's surety bond is cancelled
21 before the end of the off-site sale, the dealer must immediately
22 obtain and file with the Chief Administrator of the Motor Vehicle
23 Commission a replacement surety bond.

ASSEMBLY TRANSPORTATION, PUBLIC WORKS AND
INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 521

STATE OF NEW JERSEY

DATED: MAY 12, 2008

The Assembly Transportation, Public Works and Independent Authorities Committee reports favorably Senate Bill No. 521.

As reported, this bill would reduce the amount of the surety bond a licensed recreational vehicle dealer would have to provide in order to conduct an off-site motor vehicle sale involving recreational vehicles, either new or used.

Under current law, a dealer applying for a permit to conduct such an off-site sale must provide the New Jersey Motor Vehicle Commission with a \$500,000 surety bond. The provisions of this bill would reduce the amount of that bond to \$10,000 for licensed recreational vehicle dealers, while retaining the \$500,000 surety bond requirement in the case of a permit for an off-site sale to a licensed used motor vehicle dealer.

The bill also clarifies that if a dealer's surety bond is cancelled before the end of the off-site sale, the dealer must immediately obtain and file with the Chief Administrator of the Motor Vehicle Commission a replacement surety bond.

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

SENATE, No. 521

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 28, 2008

The Senate Transportation Committee reports favorably Senate Bill No. 521 with committee amendments.

This amended bill would reduce the amount of the surety bond a licensed dealer would have to provide in order to conduct an off-site motor vehicle sale involving recreational vehicles, either new or used.

Under current law, a dealer applying for a permit to conduct such an off-site sale must provide the New Jersey Motor Vehicle Commission with a \$500,000 surety bond. The provisions of this bill would reduce the amount of that bond to \$10,000 for recreational vehicle dealers.

The bill also clarifies that if a dealer's surety bond is cancelled before the end of the off-site sale, the dealer must immediately obtain and file with the Chief Administrator of the Motor Vehicle Commission a replacement surety bond.

The committee amended the bill to retain the \$500,000 surety bond in the case of a permit for an off-site sale to a licensed used motor vehicle dealer, and limit allowance of the \$10,000 surety bond to a permit for an off-site sale to a licensed recreational vehicle dealer.

This bill was pre-filed for introduction in the 2008-2009 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.