April 13, 2017

Honorable Chris Christie
Governor, State of New Jersey
State House
125 West State Street
Post Office Box 001
Trenton, NJ 08625-0001

Dear Governor Christie:


Thank you.

Sincerely,

John G. Donnelly
Board Secretary

Enclosure
April 13, 2017

Honorable Chris Christie
Governor, State of New Jersey
State House
125 West State Street
Post Office Box 001
Trenton, NJ 08625-0001

Dear Governor Christie:


Thank you.

Sincerely,

John G. Donnelly
Board Secretary

Enclosure
NEW JERSEY MOTOR VEHICLE COMMISSION

Minutes by Board Secretary John G. Donnelly of actions taken at the Open Session of the Regular Meeting of the New Jersey Motor Vehicle Commission (MVC) Board held at Floor 8E, Motor Vehicle Commission Headquarters, 225 East State Street, Trenton, New Jersey on Thursday, April 13, 2017.

Present:
Raymond P. Martinez, Chairman
Stephen S. Scaturro, Vice-Chairman
Laurette Asante, Public Board Member (by speakerphone)
Scott Kisch, Public Board Member (by speakerphone)
Walter Orcutt, Public Board Member (by speakerphone)
John Case, Transportation Commissioner Designee (by speakerphone)
James Fruscione, State Treasurer Designee (by speakerphone)
Gary Poedubicky, Attorney General Designee

Governor’s Authorities Unit Assistant Counsel Labinot Berlajolli and Deputy Attorney General Jennifer Jaremback participated.

Chairman Martinez convened the Open Session at 2:00 p.m. in accordance with the Open Public Meetings Act, and led the Pledge of Allegiance.

Agenda Approval. Board Member Kisch moved to accept the proposed agenda, Director Fruscione seconded the motion and it was unanimously adopted.

Chairman’s Report. Chairman Martinez began by welcoming everyone to the summer season, and updated all attendees on these actions since the February 16 Board Meeting:

Organ Donation
April is designated National Donate Life Month. I am thrilled to once again be able to say that the MVC is still the largest source of donor registrations in the state, and that motor vehicle agencies nationwide are responsible for 97% of all donor registrations. In order to raise awareness of the importance of organ donation, I am conducting a number of agency visits to thank our employees for their efforts to register new donors, and later this month I will be visiting the Liberty Science Center’s “Live from Surgery” exhibit that features a twice-monthly live stream of a kidney or heart transplant operation. We are proud of the steps we have taken to make it easier for our customers to register as donors. Last year, customer-facing keypads were installed in all MVC agencies that allow customers to personally indicate and confirm their desire to register as a donor. This helps to ensure that the customer's wishes are accurately and efficiently recorded, and eliminates the need for an MVC employee to manually input this information. Additionally, registering as an organ donor is one of the more than 20 transactions that can be completed online at www.njmv.com. Finally, customers can always request a paper registration form by calling our customer service hotline.
Distracted Driving Awareness Month

On April 8, Deputy Chief Administrator Ashmore and I had the opportunity to join the Attorney General for a press conference to highlight the national, "U Drive, U Text, U Pay" initiative to crack down on distracted driving. This enforcement campaign combines anti-texting law enforcement with advertising and media outreach to let people know about the consequences of distracted driving. This is an ideal complement to our JustDrive.com campaign, which has helped us reach hundreds of thousands of residents through social media, physical advertisements, school visits and partnerships with professional sports teams such as the New York Giants, Jets, Yankees and Mets. I am confident that our efforts will help to make New Jersey's roads safer.

Rebeka Verea Foundation

While we're on the topic of JustDrive, I would like to take a few moments to talk to you about a few special guests we have with us this afternoon. In 2005, Lourdes and Jorge Verea's daughter Rebeka was killed in a tragic car crash involving high speed and reckless driving on the night of her high school graduation. In the aftermath of that fateful night, they created the Rebeka Verea Foundation to raise awareness to youths about the dangers of aggressive and distracted driving. The Foundation raises funds for local high schools' "Project Graduation" activities, which aim to provide teens with a fun and safe way to celebrate on graduation night. In addition, thousands of students and educators have taken part in their educational symposiums that focus on driver safety and injury prevention. I commend the Vereas and their supporters for coming together for the sake of ending the tragic loss of life due to reckless behavior behind the wheel. The Rebeka Verea Foundation is an ideal complement to our JustDrive campaign, and we have been working with them since 2015. I am looking forward to speaking at their educational symposium in Cliffside Park later this month. In recognition of our special partnership, and their continued dedication to such an important cause, I will be making a special presentation to Dr. and Mrs. Verea's later on in this meeting.

After the Chairman's Report, the following Agenda Items were presented for approval:

1704-01: Award to Dr. and Mrs. Verea and the Rebeka Verea Foundation. This action is to meet the statutory requirement of The Motor Vehicle Security and Customer Service Act ("Act"), P.L. 2003, c.13, as the enabling statute that created MVC, and as amended by P.L. 2007, c. 335 and by P. L. 2009, c.298, at Section 2 that MVC inform our customers of the work of MVC, which includes distinguished and invaluable service provided by New Jersey's citizens. The Board approved a resolution to recognize and thank the Rebeka Verea Foundation and Dr. and Mrs. Verea for their effort to raise awareness and educate teenagers regarding the dangers of driving recklessly.

Director Poedubicky moved the resolution with thanks to the Vereas, Vice-Chairman Stephen S. Scaturro seconded it and it was unanimously adopted.

The Chairman and Dr. and Mrs. Verea were photographed with the framed Board Resolution and with a "Traffic Safety Partner" plaque, as the Chairman acknowledged their daily efforts that keep us safe.
1704-02: **Motor Vehicle Dealers Regulation.** This action is to meet the statutory provision of the Motor Vehicle Security and Customer Service Act to promulgate regulations for the proper functioning of the Commission, including this Final Adoption of amendments to the Motor Vehicle Dealers regulation. Richard DelMonaco of the Office of Regulatory and Legislative Affairs, presented the regulation.

Chief of Staff Case moved the resolution, Board Member Orcutt seconded it and it was unanimously adopted.

**Minutes:** **February 16, 2017.** This item is to fulfill the requirements of The Motor Vehicle Security and Customer Service Act and of the Bylaws to approve the minutes of each MVC Board meeting, by approving the Minutes of the MVC Annual Reorganization Meeting of February 16, 2017.

Board Member Asante moved the resolution, Director Poedubicky seconded it and it was unanimously adopted.

**Legislative Report.** A briefing was provided by Legislative Liaison Laura Hahn, including:

**Bills on the Governor’s Desk**

S-2792/A-2087 (Green D14; Turner D15) to grant drivers additional time to resolve parking violations prior to license or registration suspension. Under current law, the Motor Vehicle Commission may suspend a person’s driver’s license or registration upon being notified by a municipal court that a person has failed to pay outstanding parking fines or penalties or respond to the court’s failure to appear notice. This bill requires the commission to delay the effective date of a suspension until 30 days after the date on which the commission mailed a suspension notice to the person. On 02/06/17, the bill was reported out of committee with committee substitute, 2nd reading in Senate; on 03/13/17, A-2087 was substituted by S-2792, Passed in Senate 37-0 and sent to the Governor.

S-3015/A-4623 (Rice D28; Ruiz D29; Sumter D35; Oliver D34; Schae R36; Pintor Marin D29) to study allowing community service in lieu of paying motor vehicle surcharges. The bill requires a 6-month study to determine the administrative efficiency of a program that allows persons to perform community service in lieu of paying motor vehicle surcharges when the person is: (1) Unemployed; (2) Unable to pay certain motor vehicle surcharges; and (3) Enrolled in a job training or education program, including applying for a commercial driver license or endorsement. The study also is to determine the impact of the program on surcharge revenue and the State’s bond and budgetary obligations. On 02/15/17, the bill was received in Assembly without committee reference, 2nd reading in Assembly; on 03/16/17, S-3015 was substituted for A-4623, Passed in Assembly 66-4-4 and sent to the Governor.
**Recent Action on Bills of Note**

**A-219** (DeAngelo D14; Danielsen D17) to authorize a special Combat Action Badge license plate program. An application to obtain Combat Action Badge license plates is to include satisfactory proof that the applicant received the Combat Action Badge. The Chief Administrator of the New Jersey Motor Vehicle Commission is required to annually certify the average cost of producing, issuing, and publicizing the availability of the specialty license plates. If the average cost per plate exceeds $50, the chief administrator may discontinue the Combat Action Badge license plate program. The bill also requires that the Adjutant General of the department appoint a liaison to represent the department in all communications with the commission regarding the Combat Action Badge license plates. On 03/06/17, it was reported out of committee, referred to Assembly Appropriations Committee.

**A-1918** (Wisniewski D19; Webber R26; Rumana R40; DeCroce R26) concerns temporary registration certificates for automobiles. This bill increases the number of days for which a temporary registration certificate issued to an out-of-State purchaser of an automobile is valid from 20 days to 30 days if the vehicle is to be principally garaged, registered, and titled in another state, a federal district, or another county. Under current law, a temporary registration certificate issued to a New Jersey resident is valid for a period of 30 days. The bill also allows a nonresident purchaser of an automobile to receive a second temporary registration for an additional period of 30 days if the permanent registration is delayed by reason of a lost title certificate or failure of a lien holder to turn over a certificate of title. Purchasers who reside in New Jersey may be issued a 30-day second temporary registration under current law. The bill also provides that a temporary registration certificate is not to be issued for a vehicle sold to a nonresident unless the licensed dealer has confirmed that the vehicle is insured pursuant to State law or to the laws of the state in which the vehicle is to be titled and registered. On 03/06/17, it was reported out of committee with committee amendments, 2nd reading in Assembly.

**A-3911** (Wisniewski D19; Vainieri Huttle D37; Mukherji D33) provides that motor vehicle registration expires on registrant's numerical calendar day of birth. Under current law, a person's motor vehicle registration expires on the last day of the 12th month after the registration was issued. This bill provides that the motor vehicle registration expires on the registrant's numerical calendar day of birth in the 12th month after the registration was issued. If the numerical calendar day of the registrant's birth does not correspond to a numerical calendar day in the 12th month or if the vehicle is a leased motor vehicle, the registration is to expire on the last day of the 12th month after the registration was issued. On 03/16/17, it Passed in Assembly 68-6-0.

**A-4185** (Mukherji D33; Bucco R25; Giblin D34) concerns certain business requirements for motor vehicle dealers. This bill amends R.S.39:10-19 to clarify the requirements for an established place of business of a licensed used motor vehicle dealer and allows a licensed dealer of new and used motor vehicles or a licensed dealer of used motor vehicles (dealer) to temporarily remove from the dealer's premises the forms, papers, and records required by the New Jersey Motor Vehicle Commission (MVC), if the documents were removed for a business purpose, including but not limited to, acquiring a motor.
vehicle, certificate of origin, certificate of ownership, or title papers by the dealer. The bill also provides that in the event of an unannounced audit, inspection or investigation by MVC of the premises of the dealer which results in the finding of a record-keeping violation, the Chief Administrator of the MVC (chief administrator) or the chief administrator's agent must permit the dealer three business days, from the time the notice of the violation is received, to provide proof that the dealer was in compliance with the law at the time of the unannounced audit, inspection or investigation. The dealer will not be subject to the imposition of a fine, suspension of license, or revocation of license if the proof provided by the dealer is determined to be sufficient by the chief administrator or the chief administrator's agent. On 03/23/17, it Passed in Assembly 71-0-2.

A-4219 (O'Scanlon R13; Benson D14; Zwicker D16) allows minors 14 years of age or older to authorize organ donation; requires MVC to provide organ donation registration to certain minors. An anatomical gift made by a minor would remain valid when the minor reaches 18 years of age. Current law requires the New Jersey Motor Vehicle Commission (MVC) to provide every adult applicant of a new or renewal driver's license or non-driver photo identification card the opportunity to designate that the person will donate all or any organs or tissues for the purposes of transplantation or therapy. In order to extend the ability to designate organ donor status to younger state residents, this bill requires the MVC to also provide the opportunity to donate to: (1) the holder of an examination permit or a motorcycle-only examination permit, who may be as young as 17 years old; (2) the holder of a special learner's permit, who may be as young as 16 years old; (3) the holder of a moped license, who may be as young as 15 years old; and (4) all holders of non-driver photo identification cards, who may be as young as 14 years old. On 03/23/17, it Passed in Assembly 74-0-0.

A-4504 (Lampitt D6; Barclay D5; Jones D5; Mukherji D33) clarifies that owners of self-driving motor vehicles must comply with existing insurance requirements. Current law provides, with certain limited exceptions, that every owner or registered owner of a motor vehicle registered or principally garaged in this State shall maintain motor vehicle liability insurance coverage. This bill clarifies that this mandate includes self-driving motor vehicles that are capable of operating without active control or monitoring by a human operator. On 02/27/17, it was reported out of committee, 2nd reading in Assembly.

A-4573 (Coughlin D19; Wisniewski D19; Pinkin D18) requires motor vehicle manufacturers doing business in New Jersey to establish motor vehicle emergency contact registry. This bill requires motor vehicle manufacturers that are engaged in the business of distributing vehicles in this State, in conjunction with law enforcement agencies and the National Law Enforcement Telecommunications System, to establish the "National Motor Vehicle Emergency Contact Registry" (NMVECR). The registry is to be capable of storing emergency contact information to be accessible by law enforcement officers. Under the bill, every new motor vehicle dealer and leasing dealer is required to allow a purchaser or lessee of a new motor vehicle to voluntarily register at the point of sale an emergency contact to be stored in the NMVECR. The information is to be available for the exclusive use of law enforcement and is not to be considered a public record. On 03/06/17, it was reported out of committee with committee amendments, 2nd reading in Assembly; on 03/16/17, it Passed in Assembly 62-1-11.
S-1750 (Madden D4; Cruz-Perez D5) establishes special motorcycle license plates for veterans. Under the bill, the license plates authorized are to bear a design approved by the chief administrator identifying the registrant as a U.S. military veteran. The application fee for these plates is $15, in addition to the normal registration fee. The bill permits the surviving spouse of a deceased veteran to retain the plates. On 03/13/17, it Passed in Senate 37-0; on 03/16/17, it was received in Assembly and referred to Assembly Transportation and Independent Authorities Committee.

S-2493 (Scutari D22) requires certain seller of used motor vehicles to notify MVC of sale; limits liability of certain sellers after sale of used motor vehicle. This bill requires the seller of a motor vehicle to notify the Motor Vehicle Commission (MVC) of the sale and limits the liability of the seller after the vehicle is sold. Specifically, under the provisions of this bill, when a motor vehicle is sold in this State, the seller is required to notify the MVC, within five days of the sale, that the vehicle was sold. The notification is required to include the date of the sale, the name and address of the seller and the purchaser, and a description of the motor vehicle. In addition, the bill provides that a seller who has sold and delivered possession of a motor vehicle to a purchaser would not be subject to criminal or civil liability arising out of the operation or use of the vehicle, including parking offenses, if the seller has complied with the bill’s requirements. On 03/13/17, it Passed in Senate 36-0; on 03/16/17, it was received in Assembly and referred to Assembly Transportation and Independent Authorities Committee.

S-2564/A-4115 (Weinberg D37; Bucco R25; Johnson D37; Vainieri Huttle D37; Bucco R25; Quijano D20; Holley D20; Mukherji D33) provides that driver’s license and identification cards expire every four years on licensee or cardholder’s birthday. This bill provides that a person’s driver’s license expires four years after issuing the license on the numerical date of the person’s birthday. Under current law, a person’s driver’s license expires on the last day of the 48th month after the license was issued. Under this bill, a person’s driver’s license would expire during the 48th calendar month after the license was issued and on the numerical calendar day that corresponds to the person’s numerical day of birth. If the person’s numerical day of birth does not correspond with a numerical calendar day in the 48th month, the license is to expire on the last day of the 48th month. According to the sponsor, the intent of this bill is to reduce the lines and wait time at Motor Vehicle Commission offices by having a person’s driver’s license expire on the day of his or her birthday, rather than on the last day of the month. On 03/16/17, S-2564 was amended on Assembly floor, 2nd reading in Assembly, Substituted for A-4115, A-4115 passed in Assembly 74-0-0.

S-2874 (Greenstein D14; Cunningham D31) authorizes use of certain electric school buses. This bill authorizes the use of electric school buses, with a maximum width of 102 inches, excluding accessories. Current regulations restrict the width of all school buses to 96 inches, excluding accessories. The increased permissible width set forth in the bill would apply to electric school buses exclusively, and not those powered by conventional fuel or a combination of power sources. On 03/06/17, it was reported out of committee with committee substitute, 2nd reading in Senate.

Chairman Martinez thanked Laura for the presentation.
Public Comments:
No members of the public sought to make a public comment.

Chairman Martinez thanked everyone for their participation today.

Adjournment:
Since there were no further comments or business, a motion to adjourn was made by Vice-Chairman Scaturro and seconded by Board Member Kisch and unanimously adopted at 2:45 p.m.
NEW JERSEY MOTOR VEHICLE COMMISSION

REGULAR MEETING OF THE BOARD MEMBERS

Commission Headquarters, 8th Floor East Wing
225 East State Street, Trenton, New Jersey

2:00 p.m., Thursday, April 13, 2017

FINAL AGENDA

- 1 – CALL TO ORDER
- 2 – OPEN PUBLIC MEETINGS ACT STATEMENT
- 3 – PLEDGE OF ALLEGIANCE
- 4 – APPROVAL OF AGENDA
- 5 – CHAIRMAN’S REPORT
- 6 – APPROVAL OF ITEM 1704-01 – RESOLUTION IN HONOR OF DR. AND MRS. JORGE VEREA FOR THEIR EFFORTS AT THE REBEKA VEREA FOUNDATION
- 7 – APPROVAL OF ITEM 1704-02 – FINAL ADOPTION – N.J.A.C. 13:21 MOTOR VEHICLE DEALERS REGULATION
- 8 – APPROVAL OF MINUTES OF FEBRUARY 16, 2017
- 9 – LEGISLATIVE REPORT
- 10 – PUBLIC COMMENTS
- 11 – ADJOURNMENT
ITEM 1704-01: Resolution in Honor of Dr. Jorge and Lourdes Verea

BENEFITS:
The Motor Vehicle Security and Customer Service Act ("Act"), P.L. 2003, c.13, as the enabling statute that created MVC, and as amended by P.L. 2007, c. 335 and by P. L. 2009, c.298, requires at Section 2 that MVC inform our customers of the work of MVC, which includes working with, and recognizing, New Jersey citizens and foundations in support of traffic safety.

PURPOSE:
To recognize Dr. Jorge and Lourdes Verea, who established the Rebeka Verea Foundation in honor of their daughter who died in a tragic car crash on the night of her high school graduation in 2005.

The Rebeka Verea Foundation provides these invaluable services: i) hosts annual symposiums alerting teenagers to the dangers of driving reckless or being a passenger in a car with an irresponsible driver; ii) provides financial support to local high school Project Graduations intended to create a safe, drug-free and alcohol-free environment for graduating seniors the evening of their high school graduation, and; iii) instills in the youth of northern New Jersey a sense of responsibility and awareness which will ultimately save lives.

ACTION:
Approval of the attached resolution will recognize the Rebeka Verea Foundation as a "Traffic Safety Partner."

FISCAL IMPACT:
None.
RESOLUTION

WHEREAS, Dr. Jorge and Lourdes Verea have selflessly given of themselves to honor the memory of their daughter Rebeka Verea, who died as a passenger in a tragic car crash on the night of her high school graduation in 2005; and

WHEREAS, Dr. Jorge and Lourdes Verea established the Rebeka Verea Foundation, whose mission is to raise awareness and educate teenagers regarding the dangers of driving recklessly; and

WHEREAS, The Rebeka Verea Foundation works with northern New Jersey high schools by hosting annual assemblies and symposiums alerting teenagers to the dangers of driving recklessly or being a passenger in a car with an irresponsible driver; and

WHEREAS, The Rebeka Verea Foundation provides financial support to local high school Project Graduations intended to create a safe, drug-free and alcohol-free environment for graduating seniors on the evening of their high school graduation; and

WHEREAS, The Rebeka Verea Foundation instills in the youth of northern New Jersey a sense of responsibility and awareness which will ultimately save lives;

NOW, THEREFORE, BE IT RESOLVED, that the Board of the New Jersey Motor Vehicle Commission ("Commission") expresses its profound appreciation and heartfelt thanks to Dr. Jorge and Lourdes Verea for their selfless efforts; and

BE IT FURTHER RESOLVED, that the Commission applauds the Rebeka Verea Foundation and recognizes it as a "Traffic Safety Partner"; and

BE IT FURTHER RESOLVED, that this resolution be spread in full upon the minutes of the meeting of the Commission held on the thirteenth day of April, two thousand and seventeen, and that a copy thereof signed by the Chairman and Board Members be presented with appreciation to Dr. Jorge and Lourdes Verea.
ITEM 1704-02: LICENSED MOTOR VEHICLE DEALERS REGULATION

BENEFITS
The Motor Vehicle Security and Customer Service Act, P.L. 2003, c.13, as the enabling statute that created the New Jersey Motor Vehicle Commission (MVC), and as amended by P.L. 2007, c.335, P.L. 2009, c.298, and P.L. 2013, c.253, at sections 2, 13, 21 and 28 assigns to the MVC the duty to promulgate regulations affecting various programs, including this Final Adoption of regulations pertaining to dealers.

PURPOSE
This is a Final Adoption. The effect of this item is to amend the Licensing Service regulation in order to provide more clarity in the Commission’s oversight and requirements of licensed motor vehicle dealers, signatories, locations, dealer license plates and dealer issuance of temporary registrations.

The proposal was published on June 20, 2016. The comment period expired August 26, 2016. The MVC received timely comments from three commenters and prepared this Final Adoption with responses to those comments.

ACTION
Approval of this item will authorize the Chairman to file this Final Adoption with the Office of Administrative Law (OAL), in substantially the form as attached in Exhibit A.

FISCAL IMPACTS
None.
RESOLUTION

WHEREAS, The Motor Vehicle Security and Customer Service Act, P.L. 2003, c.13, as the enabling statute that created the New Jersey Motor Vehicle Commission (MVC), and as amended by P.L. 2007, c. 335, P.L. 2009, c.298, and P.L. 2013, c.253, at sections 2, 13, 21 and 28 assigns to MVC the duty to promulgate regulations affecting various programs, including this Final Adoption of regulations pertaining to licensed motor vehicle dealers;

NOW, THEREFORE BE IT RESOLVED that the Chairman is authorized to file this Final Adoption with the Office of Administrative Law (OAL), in substantially the form as attached in Exhibit A.
MOTOR VEHICLE COMMISSION

LICENSING SERVICE

New Jersey Licensed Motor Vehicle Dealers

Adopted Amendments: N.J.A.C. 13:21-15

Proposed: June 20, 2016, at 48 N.J.R. 1052.

Adopted: ____________________, by the Motor Vehicle Commission,
Raymond P. Martinez, Chairman and Chief Administrator.

Filed:


Effective Date:

Expiration Date: December 4, 2020.

Summary of Public Comments and Agency Responses:

The written comments received by the Motor Vehicle Commission ("MVC") regarding its June 20, 2016 proposal at 48 N.J.R. 1052(a) are available for inspection at the Office of the Chief Administrator, Motor Vehicle Commission, 225 East State Street, 9th Floor, Trenton, New Jersey. The following individuals submitted timely written comments to the Commission regarding that proposal:

1. A. Matthew Boxer, Esq., Lowenstein Sandler, L.L.P.
2. Jonathan Chang, Esq., Tesla Motors, Inc.
3. Thomas G. Russomano, Esq., Schiller & Pittenger, P.C.

The following individual submitted written comments out of time, which were not considered:


The submitted comments are summarized below and followed by the Commission’s responses thereto. The numbers in parentheses after each comment correspond to the commenter numbers above to indicate the source of the comment.

1. COMMENT: One commenter stated that the exemption for zero emission vehicles ("ZEVs") in the proposed amendment for initial franchise applications (N.J.A.C. 13:21-15.2(m)) is absent from the provision for renewal applications (N.J.A.C. 13:21-
15.2(m)(1)). The commenter expressed concern that the provision could be interpreted to exclude manufacturers of ZEVs from the exemption for renewal applications. The commenter suggested that N.J.A.C. 13:21-15.2(m)(1) be amended to include specific reference to the exemption for both initial and renewal franchise applications for manufacturers of ZEVs that sell directly to consumers. (2)

RESPONSE: The Commission's intention is that the exemption for manufacturers of ZEVs applies to both initial and renewal franchise applications. Accordingly, the Commission will amend the rule on adoption in order to clarify its position. (See Summary of Changes upon Adoption, infra.)

2. COMMENT: One commenter stated that the MVC does not have the statutory authority to promulgate the proposed provisions requiring that new construction or additions to existing structures meet the square footage and display space requirements of N.J.A.C. 13:21-15.4(a)(4); requiring that an authorized signatory shall not simultaneously represent more than one licensee at any given time during business hours in N.J.A.C. 13:21-15.4(c)(2); and requiring compliance with building code and firewall regulations in N.J.A.C. 13:21-15.4(d). The commenter stated that N.J.S.A. 39:10-3, 39:10-4 and 39:10-19 did not authorize the Motor Vehicle Commission to determine what an established place of business is or how a dealer is to conduct business, but only to enact rules to regulate and to control titles to motor vehicles with fraudulent titles. The commenter also claimed that the Motor Vehicle Commission is not a State regulatory board enacted under the "licensing law," N.J.S.A. 45:1-2.1 et seq., to educate and regulate the practice of licensed individuals such as cosmetologists, dentists, optometrists, and physicians; nevertheless, the proposed regulations are more onerous than those proposed by any of the regulatory boards; motor vehicle dealers are different from the other regulated businesses and are dealt with differently by the licensing boards; and if the Commission's authority were as broad as other regulatory boards, the regulations would have been included in the "licensing law." (3)

RESPONSE: The commenter is incorrect in his understanding of the Commission's statutory authority. N.J.S.A. 39:10-4 authorizes the Commission to make rules and regulations necessary for the enforcement of the chapter, of which N.J.S.A. 39:10-19, requiring the establishment of a place of business, is a part. The Commission's statutory authority is further made clear by the provision in N.J.S.A. 39:10-20, giving the Commission the authority to adopt rules and regulations implementing the provisions for dealer licensing and imposing fines for violations of the rules and regulations. Clarifying what constitutes an established place of business is clearly necessary for the enforcement of that statute. Rules governing a dealer's established place of business have been in place without Legislative interference for several decades, persuasive evidence of the Legislature's intent. See, for example, Cedar Cove Inc. v. Stanzione, 122 N.J. 202, 212-13 (1991); Matturri v. Bd. of Trs. of the Judicial Ret. Sys., 173 N.J. 368, 382 (2002).
Additionally, there is no basis to conclude that the Legislature would have included motor vehicle dealers in the "licensing law" if it had intended the Commission to regulate motor vehicle dealers. Further, this rule is not more onerous than that concerning real estate brokers (see, for example, N.J.A.C. 11:5-4.1 through 4.5), who, in fact, maintain no inventory on the premises and yet are required to spend more time at their licensed places of business than are motor vehicle dealers. Moreover, many State agencies, from the Department of Agriculture (see, for example, N.J.S.A. 4:9-21.6) to the Department of Environmental Protection (see, for example, N.J.S.A. 58:11-64, et seq.) to the Department of the Treasury (see, for example, N.J.S.A. 5:12-80) issue licenses and regulate the licensed population to the extent necessary to implement the legislative intent, as does this rule.

3. **COMMENT:** The commenter stated the proposed amendment to N.J.A.C. 13:21-15.4(a)(4) imposes a retroactive limitation on the existing clause, which exempts dealer premises from square footage and display space requirements for those dealers licensed prior to March 6, 2006. The commenter contends that this proposal is prejudicial to dealers who constructed facilities relying on the existing regulation. The commenter contends that the proposed amendment is unconstitutional because it does not bear a real and substantial relation to the general welfare; it imposes an arbitrary restriction on the use of land and interferes with property rights; and it interferes with the conduct of business. The commenter stated that the proposed amendment violates the guidelines of "Common Sense Principles" established by Executive Order No. 2 (Christie 2010). The commenter requested clarification on the authority of the MVC to retroactively limit the grandfather clause; the authority of the MVC to curtail licencees' personal rights, including the manner in which they conduct business; the authority of the MVC to curtail licencees' property rights, including the manner in which they are to use their property; and how the proposed requirements are reasonably adapted to meet the MVC's requirements. (3)

**RESPONSE:** The MVC disagrees that the amendment retroactively limits the existing grandfather clause, exempting the square footage and display space requirements for those dealers licensed prior to March 6, 2006. The square footage and display space requirements apply to new construction or additions extending beyond the existing perimeter of the building, which codifies the existing policy of the MVC since the 2006 amendments were adopted. Moreover, the exemption applies only to dealers who are already licensed, and the premises that were approved as part of the dealer license.

Additionally, and upon further review of the proposed amendment, the MVC has determined that the amendment is not necessary, and will amend the rule on adoption removing this amendment. (See Summary of Changes upon Adoption, infra.)

4. **COMMENT:** Two commenters stated that the provision requiring that an authorized signatory shall not simultaneously represent more than one licensee at any given time during business hours (N.J.A.C. 13:21-15.4(c)(2)) will impose a hardship on a licensee's ability to conduct business off premises. A commenter notes that a small dealer, who is often a one-person operation, cannot be present for the duration of business hours due to off-site demands, and cannot afford to hire an employee as an
exclusive authorized signatory. The commenter stated that the rule will hinder job creation and impede operational efficiency. The commenter contends that he is unaware of any public policy justification or previous problems warranting this amendment. The commenter further notes that wholesalers and exporters have minimal or no walk-in customers because they do not sell to the general public. Therefore, the commenter suggests that the MVC categorize dealer licensees into different types and tailor the availability of an authorized signatory to those particular types of licensees. Another commenter stated that the rule will impede licensees from attending motor vehicle auctions. The commenter contends that the rule is beyond the scope of the MVC's authority; that it is unconstitutional because it does not bear a real and substantial relation to the general welfare, it imposes an arbitrary restriction on the use of land and interferes with property rights, and it interferes with the conduct of business; and that it violates the guidelines of "Common Sense Principles" established by Executive Order No. 2 (Christie 2010). The commenter requested clarification on the authority of the MVC to require licensees or their signatory to be at their place of business; the authority of the MVC to require a licensee or signatory to be at their place of business for a minimum of 20 hours per week; the authority of the MVC to require the hiring of employees; the authority of the MVC to curtail licensees' personal rights, including the manner in which business is conducted; the authority of the MVC to curtail licensees' property rights, including when they are to use their property; the necessity of establishing work hour requirements; how the proposed requirements are reasonably adapted to meet the MVC's requirements; and the number of complaints received by the MVC in the past six (6) years regarding licensees who were not at their place of business, the names of each complainant, and the names of the licensees complained of. (1, 3)

RESPONSE: The Commission does not agree that the rule would adversely impact job creation, violate the "Common Sense Principles" of Executive Order No. 2 (Christie 2010), or be an impediment to operational efficiency to any legitimate used or new car dealer, who is in the business of selling motor vehicles, not simply buying them. The value added to a viable business by an additional employee is the ability of the business to remain in operation at regular hours. A legitimate business will ensure that it is open at regular hours so as to be available to customers. Having the dealer or a legitimate authorized signatory for each individual licensee facilitates customers' expectations for reasonable service, and ensures that an authorized representative for the licensee will be available to State officials during business hours. The rule does not require that a dealer be present in two places at one time. The rule merely requires that an authorized signatory be available to attend to customer and other business needs during the regular business hours. Because N.J.S.A. 39:10-19 requires that a dealer have a physical place of business, the requirement for the presence of an authorized agent logically follows. Further, if the dealer is engaged solely in wholesale, he or she is still in the business of selling motor vehicles and is required to have regular business hours and an authorized agent present. A representative who cannot act for the dealership is not keeping the dealership in operation, but merely maintaining the appearance of a dealership, since business cannot be transacted.
The Commission has sufficient public policy concerns to justify promulgation of this regulation. Used cars are commodities of potentially high value, a business with demonstrated opportunities for theft and fraud, including illegal sales, consumer fraud and tax evasion. N.J.S.A. 39:10-19 requires that the dealer maintain a sufficient and knowledgeable presence at the licensed place of business to be available both to customers and to the officers of regulatory enforcement. New Jersey is not alone in its efforts to regulate dealers. For example, Pennsylvania requires regular business hours to be posted at the place of business. New York requires a licensee to have and continuously maintain a place of business where all sales must be conducted. Off-site sales, Sunday sales, title fraud, tax evasion, consumer fraud, are all activities that are directly related to accommodation addresses (addresses on paper only, where no legitimate business is conducted) and furthered by lax regulatory requirements, like those advocated by the commenters. Illegal practices are evidenced by a multitude of facts, including, but not limited to the increasing volume of dealer reassignments presented on out-of-state titles and electronic temporary registrations processed from unlicensed locations resulting in “skip title transactions” and under-reporting of sales activity; the non-responsiveness from dealers in relation to the numerous of complaints from law enforcement officials and consumers from New Jersey and bordering states; authorized signatories’ general lack of knowledge regarding customer complaints and the inability to supply records, such as sales files, reassignments and payroll records; and the absence of dealers or authorized signatories whatsoever.

Further, the compelling State interest in preventing the use of accommodation addresses is for the protection of consumers and documents. Consequently, dealers must be able to be found at predictable times by regulatory personnel. Thus, unlike that portion of the law found to be unconstitutional in N.J. Used Car Trade Assoc. v. Magee, 1 N.J. Super. 371 (Ch. Div. 1948), there is a clear and direct relation between the conduct regulated and the public welfare as a whole.

The commenter’s statements questioning the statutory authority of the MVC to promulgate the amendment is addressed in response to Comment 2, supra.

Because the Commission recognizes that some dealers may want a certain amount of flexibility and because some dealers may not want to hire a dedicated authorized signatory, which is necessary only if the dealer is to be away from the business during normal business hours, there is no requirement that the business remain open more than 20 hours a week. Thus, it cannot be said that this rule is anything but reasonable or that it imposes an unreasonable burden on a legitimate dealer. The Commission, therefore, declines to eliminate this regulation; it is also noted that elimination of this regulation was not part of the Commission’s proposal.

As to the supplying of the numbers of complaints and names of complainants, this forum is inappropriate for that purpose. The commenter is welcome to submit a request pursuant to the Open Public Records Act (N.J.S.A. 47:1A-1 et seq.).

5. COMMENT: One commenter stated that the amendment of N.J.A.C. 13:21-15.4(d), setting forth requirements for compliance with International Building Code and firewall regulations, is arbitrary and capricious. The commenter contends that the rule is
beyond the scope of the MVC’s authority; and that it is unconstitutional because it does not bear a real and substantial relation to the general welfare, it imposes an arbitrary restriction on the use of land and interferes with property rights, and it interferes with the conduct of business. The commenter stated that the requirements for a firewall are unnecessary because all multi-dealership facilities are already compliant with existing building ordinances and regulations. The commenter contends that the amendment encroaches on the authority of the Department of Community Affairs, and is void. The commenter requested clarification on the authority of the MVC to require a firewall, the authority of the MVC to curtail licensees’ personal rights, including the manner in which they conduct business, the authority of the MVC to curtail licensees’ property rights, including the manner in which they are to use their property, and how the proposed requirements are reasonably adapted to meet the MVC’s requirements. (3)

RESPONSE: The Commission rejects the commenter’s argument that the rule or the proposed amendment is arbitrary and capricious. The proposed amendment only seeks to confirm that changes from the National Building Code, an outdated standard, to the International Building Code, the current standard, adopted by the State in the New Jersey Uniform Construction Code (N.J.A.C. 5:23-3.14), which has also been the practice of the Commission since the National Building Code was superseded by the International Building Code. As to the rule itself, N.J.S.A. 39:10-19 requires a permanent place of business, and Title 39 grants the Commission the authority to promulgate regulations to implement the governing statutes. This includes the dealer facilities. If a dealer’s location is not in a permanently enclosed building or separated by other occupants by a substantial, permanent wall like a firewall, it is not suitable for conducting a motor vehicle sales business. The requirement of a firewall would be unnecessary only if the premises in question were an accommodation address in which the licensee never conducted business. In the absence of business premises located in a permanently enclosed building in which there were no other tenants, a firewall is necessary to protect documents and individuals, both dealers and customers, who are on the premises at the time.

Additionally, investigatory activity has uncovered that much of the illicit activity by dealers engaged in illegitimate business is connected to premises that lack the requisite office facilities, including firewalls that protect documents and individuals. Fire-rated walls provide insufficient protection for documents or individuals located in the inner offices of the facility. Investigation by State authorities has revealed facilities where no dealers were present and no vehicles were for sale. One facility was, and still is, surrounded by barbed-wire chain-link fencing and an expanse of empty pavement sprouting weeds that appeared more like an abandoned warehouse than a legitimate used car dealer facility. The facility houses more than 300 dealer-tenants who operate out of cubicles packed in rows inside the main building. Repeated visits to the facility have shown only empty dealer cubicles behind locked doors with no phones ringing, no sales personnel, no customers, and no inventory.

The commenter’s statements questioning the statutory authority of the MVC to promulgate the amendment is addressed in response to Comment 2, supra.
Without the separation of a firewall, the premises would be suitable only for use as an accommodation address, a business location on paper only, and could not support an established place of business, as contemplated by N.J.S.A. 39:10-19 et seq. Therefore, the Commission declines to eliminate the regulation.

6. COMMENT: One commenter stated that the provisions of proposed amendments to N.J.A.C. 13:21-15.9 and 13:21-15.11 would place undue obstacles on start-up dealers in their ability to issue temporary registrations and obtain dealer license plates that would drive them out of business and result in decreased competition. (1)

RESPONSE: The Commission disagrees with the commenter’s assertion. A legitimate licensee operating in New Jersey, from New Jersey-licensed premises, as opposed to conducting sales in neighboring states, off-site, can reasonably be expected to sell or lease at least four vehicles permanently registered in New Jersey in a twelve-month period in order to maintain the privilege of issuing temporary registrations and obtaining dealer license plates. The failure to sell or lease four vehicles registered in New Jersey in that time period is a strong indication that the dealer is not operating a legitimate business and should not be entitled to issue temporary registrations or obtain dealer plates. This amendment is necessary to reduce the fraudulent practice of issuing New Jersey temporary registrations to vehicles registered out-of-state, and other types of illicit activity as described in response to Comment 4, supra. Therefore, the Commission declines to eliminate this regulation.

7. COMMENT: One commenter stated that he was seeking clarification on the proposed provisions of N.J.A.C. 13:21-15.9 and 13:21-15.11, which set a requirement of a minimum number of permanently registered motor vehicles in New Jersey that were sold or leased in a twelve (12) month period, in order for a licensee to issue temporary registrations and retain dealer plates. The commenter stated that his company’s business model bases its sales on a single delivery location despite having branch locations that only accept orders and initial deposits. Therefore, the commenter requested clarification on whether the proposed amendments will apply the minimum number of transactions Statewide or to each branch location. (2)

RESPONSE: To clarify, in the aforementioned scenario, the amendments will apply the minimum number of transactions to the total Statewide sales and/or leases by the company.

Summary of Changes upon Adoption:

The Commission’s proposal was adopted with various changes described below not requiring additional public notice or comment (see N.J.A.C. 1:30-6.3).

N.J.A.C. 13:21-15.2(m)(1) has been changed upon adoption to clarify that the exemption to the requirements on initial dealer franchise applications also applies to renewal applications for the manufacturers of ZEVs. The change upon adoption provides:
"An applicant for renewal shall submit a copy of the applicant's franchise agreement(s) with any motor vehicle franchisor, as defined in N.J.S.A. 56:10-26. This requirement shall not apply to vehicles or franchisors specifically exempt from N.J.S.A. 56:10-26 through 31."

The amendment of N.J.A.C. 13:21-15.4(a)(4) limiting the exception to the square footage and display space requirements has been removed upon adoption because it was deemed unnecessary upon further review by the MVC.

Summary of Agency-Initiated Changes:

The Commission deleted the definition of "Licensing dealer" in N.J.A.C. 13:21-15.1, because of an inadvertent error in the rule proposal. The definition was supposed to be for "Leasing Dealer," not "Licensing Dealer." In addition, the Commission has deemed the definition unnecessary and redundant, in light of the fact that "Leasing Dealer" is already defined by statute, in N.J.S.A. 56:12-61, as referenced in N.J.S.A. 39:10-19.

Federal Standards Statement

No comparable Federal law or regulation exists; therefore, a Federal standards analysis is not required for the adopted new rules.

Full text of the adopted new rules follows (additions to proposal indicated in boldface with asterisks *thus*; deletions from proposal indicated in brackets with asterisks "[thus]"):

13:21-15.1 Definitions

The following terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

"["Licensing dealer" means a licensed entity 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, and who, in the ordinary course of business, offers or enters into motor vehicle leases or who in the course of any 12-month period offers or enters into more than three motor vehicle leases.]

13:21-15.2 Application

(a) – (l) (No change.)

(m) (No change.)
(1) An applicant for renewal shall submit a copy of the applicant's franchise agreement(s) with any motor vehicle franchisor, as defined in N.J.S.A. 56:10-26. "This requirement shall not apply to vehicles or franchisors specifically exempt from N.J.S.A. 56:10-26 through 31."

(n) (No change.)

13:21-15.4 Established Place of Business

(a) (No change.)

(1) – (3) (No change.)

(4) A dealer licensed prior to March 6, 2006 may continue to maintain a place of business that does not meet the square footage and display space requirements of this subsection, as amended; provided, that the premises meets and continues to meet the requirements of this section prior to March 6, 2006. *[New construction or additions extending beyond the existing perimeter of the building shall not be included in the above exception and a proposed place of business located in such new construction or addition must meet all of the requirements in this section.]*

(5) (No change.)
Approval: Minutes of February 16, 2017

BENEFITS
The Motor Vehicle Security and Customer Service Act, P.L. 2003, c.13, as the enabling statute that created MVC, and as amended by P.L. 2007, c. 335 and by P. L. 2009, c.298, provides at section 17 that the actions taken at MVC Board meetings do not become effective until approved by the Governor. Thereafter, the Minutes are presented to the Board Members for approval consistent with the MVC Board Bylaws.

PURPOSE
The Act at section 17 states that "A true copy of the minutes of every meeting of the Board shall be delivered by and under the certification of the Secretary of the Board, without delay, to the Governor. No action taken at the meeting shall have force or effect until ten days, Saturday, Sundays, and public holidays excepted, after the minutes are delivered, unless during the ten day period the Governor approves the Minutes, in which case the action shall become effective upon approval. If, in that ten day period, the Governor returns copies of the minutes with a veto of any action taken by the Board or any Member, the action shall be null and void and of no effect."

The February 16, 2017 Minutes were delivered on February 16, 2017 to the Governor, and became effective upon expiration of the ten day period on March 3, 2017.

ACTION
Approval of this item by the Board Members indicates acceptance of the February 16, 2017 Minutes.

FISCAL IMPACTS
None.
RESOLUTION

WHEREAS, consistent with the Bylaws the Minutes of actions taken at meetings of the New Jersey Motor Vehicle Commission Board are to be approved by the Board Members; and

WHEREAS, pursuant to section 17 of The Motor Vehicle Security and Customer Service Act, P.L. 2003, c.13, as the enabling statute that created MVC, and as amended by P.L. 2007, c. 335 and by P. L. 2009, c.298, a true copy of the Minutes of the actions taken at the New Jersey Motor Vehicle Commission Board meeting of February 16, 2017 were delivered without delay to the Governor on February 16, 2017; and

WHEREAS, those Minutes do not become effective until expiration of the ten day review period or otherwise approved by the Governor; and

WHEREAS, Minutes of the February 16, 2017 Board Meeting are effective as of March 3, 2017; and

NOW, THEREFORE, BE IT RESOLVED that the Minutes of actions taken at the February 16, 2017 New Jersey Motor Vehicle Commission Board meeting are hereby approved.
NEW JERSEY MOTOR VEHICLE COMMISSION

Minutes by Board Secretary John G. Donnelly of actions taken at the Open Session of the Annual Reorganization meeting of the New Jersey Motor Vehicle Commission (MVC) Board held at Floor 8E, Motor Vehicle Commission Headquarters, 225 East State Street, Trenton, New Jersey on Thursday, February 16, 2017.

Present:
Raymond P. Martinez, Chairman
Stephen S. Scaturro, Vice-Chairman
Scott Kisch, Public Board Member (by speakerphone)
Walter Orcutt, Public Board Member (by speakerphone)
John Case, Transportation Commissioner Designee
Gary Poedubicky, Attorney General Designee
James Fruscione, State Treasurer Designee (by speakerphone)

Laurette Asante, Public Board Member, previously had advised the Chairman that she would not be able to attend today’s meeting.

Governor’s Authorities Unit Assistant Counsel Labinot Berlajolli and Deputy Attorney General Philip Espinosa attended.

Chairman Raymond P. Martinez convened the Open Session at 2:05 p.m. in accordance with the Open Public Meetings Act, and led the Pledge of Allegiance.

Agenda Approval. Board Member Kisch moved to accept the proposed agenda, Director Poedubicky seconded the motion and it was unanimously adopted.

Chairman’s Report
The Chairman then presented this report of key Commission activities since the December 13, 2016 Board Meeting:

Ambitious 2017
Good afternoon, everyone. Thank you for joining us once again. We have a lot on the agenda, so I will keep this brief. It’s my pleasure to greet you formally for the first time in 2017. I hope you all enjoyed the holidays and I want to wish you a happy and healthy year.

Wear Red Day
And as we continue our efforts to remind residents of the dangers of distracted driving, our employees are taking steps to put women’s heart health in the spotlight. Each February the MVC employees take part in the Go Red for Women campaign, and this year, we have raised more than $3,000 for the American Heart Association. We hope that number will increase once all the figures from our field sites have been totaled. As you may recall, we were proud to recognize some of our partners from the American...
Heart Association who help make our annual Wear Red Day efforts possible at our November board meeting. We are proud of our involvement with this important cause and I would like to thank everyone who helped make this year’s event a success.

Skip the Trip
I would now like to take a moment to highlight the continuing success of our Skip the Trip campaign. As of February 10th, approximately 1.7 million residents have taken advantage of this convenient option to renew their driver’s license through the mail. That means 1.7 fewer transactions are conducted in our agencies, and countless hours saved for our customers and staff.

Online Convenience Campaign
In addition to our efforts to promote the availability of Skip the Trip, we are continuing to remind our customers that the MVC offers 20-plus services right at their fingertips through radio, print and online advertising. The “Go Online, Stay out of Line” campaign directs folks to our website where we have conveniently listed all of the available online transactions on one simple page. This is all part of our effort to keep agency wait times down and to inform New Jersey motorists of the many customer service enhancements we have made.

CDL Testing
We have also been busy implementing new Commercial Driver’s License standards mandated by the Federal Motor Carrier Safety Administration (FMCSA). Over the past several months, the pass rate for the new commercial driver skills test has increased 15%, from 41% in October 2016 to 56% in January 2017. We have also seen the average wait time to schedule a commercial driver skills test decline from 61 days to 43 days during the same time period. Implementing these new rules and regulations has been a complex task, but we are proud of the work our CDL Unit has done and continues to do to meet these new federal mandates.

JustDrive School Visits
Since we last met in December, we have continued in our work to bring the JustDrive.com campaign to high schools throughout New Jersey. Students in Egg Harbor, Middletown, North Brunswick, and Westwood took part in our interactive presentation focusing on the dangers of texting and using a cell phone while driving. These presentations feature guest speakers including law enforcement officers and parents who have lost their children to crashes involving distracted driving. In order to ensure that we are able to reach as many students statewide as possible, we are now taking steps to train additional MVC staff members to conduct these JustDrive presentations. We look forward to increasing this program’s reach and hope to continue to build on its success moving forward.

New Staff Appointments
In addition to the aforementioned regulatory changes, I am pleased to announce a few personnel changes within the Commission. On January 23rd, Catherine Cunning was appointed to the position of Director of the Motor Vehicle Commission’s Division of Agency Services. The areas of responsibility under her direction will include our motor vehicle agencies and driver testing centers. Cathy joined the MVC in 1998 and has
served as the Central Regional Manager within the Division of Agency Services since 2005. Prior to this, Cathy was the manager of our Jersey City and North Bergen agencies. She will be tasked with advancing our goal to be the model for excellence in motor vehicle services. Please join me in congratulating Cathy and I ask that you extend your support to her as she takes on this new position.

Retirement
Finally, I would like to take a moment to recognize the service of Jeff Pistol, whose last day with the Commission was January 31st. He was a vital member of our Legal and Legislative Affairs team for 29 years, and he will be missed by all of his colleagues here at the MVC. Although he is not present today, I want to publicly wish him the best of luck in his retirement.

The following Agenda Items were presented for approval:

**Minutes:** December 13, 2016. This item is to fulfill the requirements of The Motor Vehicle Security and Customer Service Act and of the Bylaws to approve the Minutes of each MVC Board Meeting, by approving the Minutes of the MVC Board Meeting of December 13, 2016.

Board Member Orcutt moved the resolution, Board Member Kisch seconded it and it was unanimously adopted.

**1702-01: Vice-Chairman.** This action is to meet the statutory requirement of The Motor Vehicle Security and Customer Service Act that the MVC Board appoint a Vice-Chairman, by designating Stephen S. Scaturro to serve as Vice-Chairman of the New Jersey Motor Vehicle Commission Board through January 1, 2018. Mr. Scaturro is Director of Consumer Affairs for Ocean County.

Board Member Orcutt moved the resolution with appreciation for Mr. Scaturro’s lengthy and valuable years of service, Director Poedubicky seconded it and, after the Chairman’s recognition of Mr. Scaturro’s unwavering dedication to the Commission, it was unanimously adopted.

**1702-02: Board Secretary.** This item is to meet the statutory provision of the Motor Vehicle Security and Customer Service Act for a MVC Board Secretary “who need not be a Board Member,” by appointing a current MVC employee, John G. Donnelly, Esq.

Vice-Chairman Scaturro moved the resolution, Director Fruscione seconded it and it was unanimously adopted.

Mr. Donnelly thanked the Board members for the honor of being reappointed Secretary of the Board.

**1702-03: Charter Bus Regulation.** This action is to meet the statutory provision of the Motor Vehicle Security and Customer Service Act to promulgate regulations for the proper functioning of the Commission, including this Final Adoption amending the
regulations concerning the International Registration Plan's Charter Bus rules. Board Secretary Jack Donnelly presented the Final Adoption, and noted that MVC Director of Business & Government Operations James Walker, who serves as an IRP Commissioner, was instrumental in this policy change at the international level.

Chief of Staff Case moved the resolution, Vice-Chairman Scaturro seconded it and it was unanimously adopted.

1702-04: Entity Identification Regulation. This action is to meet the statutory provision of the Motor Vehicle Security and Customer Service Act to promulgate regulations for the proper functioning of the Commission, including this proposed new rule regarding entity identification numbers. Rebecca Donington of the MVC Office of Regulatory and Legislative Affairs presented the proposed new rule.

Director Fruscione moved the resolution, Chief of Staff Case seconded it and it was adopted.

1702-05: Disabled Veteran and Purple Heart Regulation. This action is to meet the statutory provision of the Motor Vehicle Security and Customer Service Act to promulgate regulations for the proper functioning of the Commission, including this proposed new rule regarding Disabled Veterans and Purple Heart recipients. JoAnne Sutkin of the MVC Office of Regulatory and Legislative Affairs presented the proposed new rule.

Vice-Chairman Scaturro moved the resolution, Board Member Kisch seconded it and it was adopted. Mr. Scaturro exited the meeting at this point due to a prior obligation.

1702-06: Driving Schools Regulation. This action is to meet the statutory provision of the Motor Vehicle Security and Customer Service Act to promulgate regulations for the proper functioning of the Commission, including this proposed readoption with amendments of the Driving Schools regulation. Richard DellMonaco of the MVC Office of Regulatory and Legislative Affairs presented the proposed amendment.

Board Member Orcutt moved the resolution, Director Poedubicky seconded it and it was adopted.

1702-07: Licensing Service Regulation. This action is to meet the statutory provision of the Motor Vehicle Security and Customer Service Act to promulgate regulations for the proper functioning of the Commission, including this proposed amendment of the Licensing Service regulation. JoAnne Sutkin of the MVC Office of Regulatory and Legislative Affairs presented the proposed amendment.

Chief of Staff Case moved the resolution, Director Fruscione seconded it and it was adopted.

1702-08: ZORF Bus Regulation. This action is to meet the statutory provision of the Motor Vehicle Security and Customer Service Act to promulgate regulations for the proper functioning of the Commission, including this proposed readoption with
amendments of the Zone of Rate Freedom regulation. Board Secretary Jack Donnelly presented the Final Adoption, and noted that MVC Director of Inspection Services Thomas Bednarz has been successfully implementing this process for many years.

Chief of Staff Case moved the resolution, Vice-Chairman Scaturro seconded it and it was unanimously adopted.

1702-09:  **Boat Regulation.** This action is to meet the statutory provision of the Motor Vehicle Security and Customer Service Act to promulgate regulations for the proper functioning of the Commission, including this Final Adoption of regulations that MVC promulgates jointly with the Boat Regulation Commission. Board Secretary Jack Donnelly presented the Final Adoption, and noted that MVC Deputy Administrator Kate Tasch coordinated this effort with the Division of Law, Boat Regulation Commission and others.

Vice-Chairman Scaturro moved the resolution, Board Member Orcutt seconded it and it was unanimously adopted.

**Legislative Report.** A briefing was provided by Legislative Liaison Laura Hahn, including:

*Bills Signed by the Governor*

**A-2107/S-2350** (Mukherji D33; Holley D20; Gusciora D15; Pintor Marin D29; Wimberly D35; Ruiz D29; Madden D4) Exempts homeless from fee for non-driver identification cards.

*Effective Date:* September 1, 2017.


**MVC Impact:** The Commission has to determine when to issue a non-driver ID at no cost and Agency Services staff should be made aware of this change. IT changes may be necessary, as well.

**S-727/A-3955** (Cruz-Perez D5; Van Drew D1 / Barclay D5; Wimberly D35; Holley D20) "New Jersey Open Data Initiative;" to require certain information be provided on Internet to public and State agencies.

*Effective Date:* May 7, 2017.

*Chapter Law:* P.L.2017, c.2.

**MVC Impact:** The MVC will need to adopt policies that are consistent with the open data security and technical standards, policies, and practices established by the Chief Data Officer (who is to be designated by the State Treasurer) that govern access to open data and datasets available on the open data website of the agency. In addition, the MVC must create an inventory of all its open data and datasets, provide explanations about the open data, its format, how often the open data and datasets are updated, and how notice regarding such updates can be obtained, and assist users seeking to gain access to the open data and datasets of the agency through the deployment of online access tools, and the development and publication of application program interfaces. The Commission is to either provide datasets to the Chief Data Officer or create and maintain on the MVC's website links to the datasets hosted by the MVC. If the MVC chooses to host its open datasets on the MVC website, links must be provided to the Chief Data Officer for publication on the dedicated website maintained for that purpose by that officer. Unless a
fee is required by law, open datasets are to be provided to the public by an agency without cost to the public.

S-2364/A-3946 (Oroho R24; Stack D33 / Burzichelli D3; Dancer R12; Mukherji D33) Establishes pilot program appointing third party vendors to administer commercial driver license testing.

Effective Date: This act shall take effect immediately. Although, the private third party vendors should be appointed within 90 days following the effective date of this act. Also, an evaluation of the pilot program with recommendations that will facilitate the permanent use of third party vendors should be submitted to the Governor and the Legislature within nine months of the effective date of this act.


MVC Impact: In implementing the pilot program, the bill requires the MVC to identify and compile a list of eligible third party vendors to provide testing. The Commission will need to establish guidelines necessary to oversee the administration of commercial motor vehicle driver testing by private third parties. A new audit group will need to be created to conduct covert and overt mandatory CDL audits to ensure compliance with both State and Federal requirements and deter fraud. The MVC will have to establish a fee schedule for third party testing in addition to the MVC commercial license permit fee of $125. The Commission would also have to establish sanctioning and fines, and tables to regulate discipline for failure to comply. Other efforts would include certifying CDL road test courses and basic skills test courses, ensuring secure offsite storage of records and more. Within nine months of the bill’s effective date, the bill requires the MVC to submit to the Governor an evaluation of the pilot program with recommendations that will facilitate the permanent use of third party vendors.

A-3695/S-2179 (Lagana D38; Singleton D7; Wisniewski D19 / Sarlo D36; Kyrillos R13) Regulates transportation network companies.

Effective Date: May 1, 2017. The Commission had not supported this bill, which has the Commission regulate transportation network companies and is known and cited as the "Transportation Network Company Safety and Regulatory Act." A transportation network company (TNC) is defined as a corporation, partnership, sole proprietorship, or other entity operating in New Jersey that uses a digital network to connect a TNC rider (rider) to a TNC driver (driver) to provide a prearranged ride. The bill establishes safety and insurance requirements for TNCs that conduct business in New Jersey. Under the bill, a TNC is required to obtain a permit from the New Jersey Motor Vehicle Commission (MVC) upon submission of certain information and the payment of an initial and annual $25,000 fee. The MVC may revoke a permit if the TNC does not comply with the bill’s provisions.


MVC Impact: The Commission will have to create an entirely new unit and hire additional staff to accommodate these responsibilities. Under the bill, MVC is charged with creating and managing a permitting process, communicating with the TNC agents, and possibly investigating consumer complaints.
Recent Action on Bills of Note

S-1585/A-3335 (Rice D28; Ruiz D29 / Sumter D35; Spencer D29; Pintor Marin D29) Establishes program allowing certain applicants to perform community service in lieu of paying motor vehicle surcharges. This bill establishes a "Motor Vehicle Surcharge Community Service Program," administered by the Commissioner of Labor and Workforce Development. The program allows a person who is unemployed but has enrolled in an education or job training program to perform community service in lieu of paying motor vehicle surcharges. The bill requires the commissioner to coordinate with the Chief Administrator of the Motor Vehicle Commission (MVC) to waive motor vehicle surcharges imposed on applicants who complete a community service project in participating counties and municipalities.
12/19/2016 - Passed Assembly (Passed Both Houses) (56-20-1).
2/6/2017 - Conditional Veto, Received in the Senate.

S-2175 (Stack D33) Concerns transport of certain materials by motor vehicle. This bill prohibits a person from loading or operating a vehicle loaded in a way that may cause the contents, or any part thereof, to be scattered in any street. The bill amends current law to include furniture, mattresses, or other debris other than farm products within the materials required to be securely fastened. The bill also amends current law to require that a load be securely fastened to the vehicle with rope, straps with ratchet fasteners, or any other similar type of safety harness in addition to being covered by a tarpaulin or other cover.
12/19/2016 - Passed by the Senate (36-0).
12/19/2016 - Received in the Assembly, Referred to Assembly Transportation and Independent Authorities Committee.

S-2564 (Weinberg D37; Bucco R25) Provides that driver's license and identification cards expire every four years on licensee or cardholder's birthday. Under this bill, a person's driver's license or identification card would expire during the fourth calendar year after the license or identification card was issued and on the person's day of birth. If the person's day of birth does not correspond with a calendar day in the fourth calendar year, the license or identification card is to expire on the last day of the month of the person's birth.
12/19/2016 - Passed by the Senate (37-0).
12/19/2016 - Received in the Assembly without Reference, 2nd Reading.

A-1943 (Coughlin D19; Wisniewski D19; Chiaravalloti D31) Establishes electronic lien and titling system for New Jersey motor vehicles. This bill requires MVC to complete a study to determine whether it has the resources and capability to establish and implement, within 12 months of the bill's effective date, an electronic lien and titling system to process and administer, in a cost-effective manner, the notification, recording, and release of security interests and titling information by the lienholders of motor vehicles in lieu of the current paper-based system.
1/27/2016 - Introduced, Referred to Assembly Transp. & Independent Authorities Cmte.
1/19/2017 - Reported and Referred to Assembly Appropriations Committee.
**A-3749** (DeAngelo D14; Land D1; Chaparro D33) **Allows “100 percent Disabled Veterans” to receive parking privileges reserved for persons with disability.** This bill permits a military veteran who is designated by the United States Department of Veterans Affairs as a “100 Percent Disabled Veteran” to park a motor vehicle in parking spaces reserved for persons with a disability. Under the bill, military veterans designated as 100 percent disabled are to receive from the Motor Vehicle Commission (MVC) a person with a disability card, hanging placard, and license plates that display a wheelchair insignia.

1/23/2017 - Passed by the Assembly (69-0-0).
1/30/2017 - Received in the Senate, Referred to Sen. Military and Veterans' Affairs Cmte.

**A-4185** (Mukherji D33; Bucco R25; Giblin D34) **Concerns certain business requirements for motor vehicle dealers.** This bill amends R.S.39:10-19 to clarify the requirements for an established place of business of a licensed used motor vehicle dealer and allows a licensed dealer of new and used motor vehicles or a licensed dealer of used motor vehicles (dealer) to temporarily remove from the dealer’s premises the forms, papers, and records required by the New Jersey Motor Vehicle Commission (MVC), if the documents were removed for a business purpose, including but not limited to, acquiring a motor vehicle, certificate of origin, certificate of ownership, or title papers by the dealer.

9/19/2016 - Introduced, Referred to Assembly Regulated Professions Committee.
1/12/2017 - Reported out of Assembly Committee, 2nd Reading.

**A-4401/S-2854** (Greenwald D6; Land D1; Andrzeiczak D1 / Beach D6; Madden D4) **Authorizes certain benefits for certain family members of military personnel who died while on active duty.** This bill authorizes the Chief Administrator of MVC to approve and issue a driver’s license and an identification card with a Gold Star Family designation for certain family members of servicemen and servicewomen who lost their lives while on active duty for the United States. A Gold Star Family member is defined as a spouse, domestic partner, partner in a civil union, parent, brother, sister, child, legal guardian, or other legal custodian, whether of the whole or half blood or by adoption.

1/19/2017 - Reported out of Asm. Comm. with Amendments, and Referred to Assembly Appropriations Committee.
1/30/2017 - Reported out of Assembly Comm. with Amendments, 2nd Reading.

Chairman Martinez thanked Laura for the presentation.

**Public Comments:**
No members of the public sought to make a public comment.

Chairman Martinez then noted that there was no further business before the Board, and thanked the Board Members and staff for their continuing service.

**Adjournment:**
Since there were no further comments or business, a motion to adjourn was made by Board Member Kisch and seconded by Director Fruscione and unanimously adopted at 3:15 p.m.
New Jersey
Motor Vehicle Commission

STATE OF NEW JERSEY

To: Raymond P. Martinez, Chairman

CC: MVC Board Members

From: Laura Hahn, Legislative Liaison

Date: April 13, 2017

Re: Legislative Report

This Legislative Report provides a summary of legislative activity since the February 2017 Motor Vehicle Commission (MVC) Board meeting.

Bills on the Governor’s Desk

S-2792/A-2087 (Green D14; Turner D15)
Grants drivers additional time to resolve parking violations prior to license or registration suspension.

This bill grants drivers additional time to resolve pending parking violations or satisfy parking fines or penalties prior to having their license or registration suspended. Under current law, the Motor Vehicle Commission may suspend a person’s driver’s license or registration upon being notified by a municipal court that a person has failed to pay outstanding parking fines or penalties or respond to the court’s failure to appear notice. This bill requires the commission to delay the effective date of a suspension until 30 days after the date on which the commission mailed a suspension notice to the person. The bill requires the written notice to provide the reason for the suspension, identify the municipal court that issued the suspension, and inform the person that the suspension may be avoided by contacting the municipal court that issued the notice of suspension within the 30 day period to resolve the pending parking violation.

02/06/17 - Reported out of committee with committee substitute, 2nd reading in Senate
03/13/17 - A-2087 was substituted by S-2792, Passed in Senate and sent to Governor 37-0

S-3015/A-4623 (Rice D28; Ruiz D29; Sumter D35; Oliver D34; Schaer D36; Pintor Marin D29)
Requires study of program allowing community service in lieu of paying motor vehicle surcharges.

This bill requires the Department of Labor and Workforce Development, in consultation with the Department of the Treasury and the Motor Vehicle Commission, to study a program allowing community service as an alternative to paying motor vehicle surcharges under certain circumstances. Specifically, the bill requires this study to determine the
The study also is to determine the impact of the program on surcharge revenue and the State’s bond and budgetary obligations. The bill requires the study to be completed and submitted to the Governor within six months.

02/15/17 - Received in Assembly without committee reference, 2nd reading in Assembly
03/16/17 - S-3015 was substituted for A-4623, Passed in Assembly and sent to Governor 66-4-4

Recent Action on Bills of Note

A-219 (DeAngelo D14; Danielsen D17)
Authorizes special Combat Action Badge license plate program.

This bill authorizes special Combat Action Badge license plates. The license plate is to display the words, "Combat Action Badge" and the Combat Action Badge emblem. An application to obtain Combat Action Badge license plates is to include satisfactory proof that the applicant received the Combat Action Badge. In addition to the required motor vehicle registration fees, there is an application fee of $50 and an annual renewal fee of $10 for the Combat Action Badge license plates. After the deducting the cost of producing and publicizing the plates, the additional fees collected will be deposited into the "Combat Action Badge License Fund" and the funds will be appropriated annually to the New Jersey Department of Military Veterans Affairs (department) for programs to benefit combat veterans.

The Chief Administrator of the New Jersey Motor Vehicle Commission is required to annually certify the average cost of producing, issuing, and publicizing the availability of the specialty license plates. If the average cost per plate exceeds $50, the chief administrator may discontinue the Combat Action Badge license plate program. The bill also requires that the Adjutant General of the department appoint a liaison to represent the department in all communications with the commission regarding the Combat Action Badge license plates.

03/06/17 - Reported out of committee, referred to Assembly Appropriations Committee

A-1918 (Wiszewski D19; Webber R26; Rumana R40; DeCroce R26)
Concerns temporary registration certificates for automobiles.

This bill increases the number of days for which a temporary registration certificate issued to an out-of-State purchaser of an automobile is valid from 20 days to 30 days if the vehicle is to be principally garaged, registered, and titled in another state, a federal district, or another county. Under current law, a temporary registration certificate issued to a New Jersey resident is valid for a period of 30 days. The bill also allows a nonresident purchaser of an automobile to receive a second temporary registration for an additional period of 30 days if the permanent registration is delayed by reason of a lost title certificate or failure of a lien holder to turn over a certificate of title. Purchasers who reside in New Jersey may be issued a 30-day second temporary registration under current law.
The bill amends R.S.39:10-19 to clarify the requirements for an established place of business of a licensed used motor vehicle dealer and allows a licensed dealer of new and used motor vehicles or a licensed dealer of used motor vehicles (dealer) to temporarily remove from the dealer’s premises the forms, papers, and records required by the New Jersey Motor Vehicle Commission (MVC), if the documents were removed for a business purpose, including but not limited to, acquiring a motor vehicle, certificate of origin, certificate of ownership, or title papers by the dealer. The bill also provides that in the event of an unannounced audit, inspection or investigation by MVC of the premises of the dealer which results in the finding of a record-keeping violation, the Chief Administrator of the MVC (chief administrator) or the chief administrator’s agent must permit the dealer three business days, from the time the notice of the violation is received, to provide proof that the dealer was in compliance with the law at the time of the unannounced audit, inspection or investigation. The dealer will not be subject to the imposition of a fine, suspension of license, or revocation of license if the proof provided by the dealer is determined to be sufficient by the chief administrator or the chief administrator’s agent.

03/23/17 - Passed in Assembly 71-0-2

A-4219 (O’Scanlon R13; Benson D14; Zwicker D16)

Allows minors 14 years of age or older to authorize organ donation; requires MVC to provide organ donation registration to certain minors.

This bill establishes the age of 14 as the age at which a person may make an anatomical gift in New Jersey. An anatomical gift made by a minor would remain valid when the minor
reaches the age of 18. Current law requires the New Jersey Motor Vehicle Commission (MVC) to provide every adult applicant of a new or renewal driver's license or non-driver photo identification card the opportunity to designate that the person will donate all or any organs or tissues for the purposes of transplantation or therapy. In order to extend the ability to designate organ donor status to younger state residents, this bill requires the MVC to also provide the opportunity to donate to:

(1) the holder of an examination permit or a motorcycle-only examination permit, who may be as young as 17 years old;
(2) the holder of a special learner's permit, who may be as young as 16 years old;
(3) the holder of a moped license, who may be as young as 15 years old; and
(4) all holders of non-driver photo identification cards, who may be as young as 14 years old.

Under the provisions of the "Revised Uniform Anatomical Gift Act," in the event of the death of an unemancipated minor, a parent is authorized to revoke the anatomical gift of her or his child. This bill does not alter the rights currently afforded to parents under current law. Additionally, the chief administrator of the MVC is currently authorized to provide certain organ procurement organizations with access to donor information, such as each recorded donor's name, address, date of birth, gender, color of eyes, height, and driver's license number. The bill expands the list of accessible information to also include the date a person registered as a donor, and date of removal from the registry, if applicable.

03/23/17 - Passed in Assembly 74-0-0

A-4504 (Lampitt D6; Barclay D5; Jones D5; Mukherji D33)
Clarifies that owners of self-driving motor vehicles must comply with existing insurance requirements.

This bill clarifies that, for the purposes of insurance, a self-driving car must comply with compulsory automobile and motor vehicle insurance requirements. Current law provides, with certain limited exceptions, that every owner or registered owner of a motor vehicle registered or principally garaged in this State shall maintain motor vehicle liability insurance coverage. This bill clarifies that this mandate includes self-driving motor vehicles that are capable of operating without active control or monitoring by a human operator.

02/27/17 - Reported out of committee, 2nd reading in Assembly

A-4573 (Coughlin D19; Wisniewski D19; Pinkin D18)
Requires motor vehicle manufacturers doing business in New Jersey to establish motor vehicle emergency contact registry.

This bill requires motor vehicle manufacturers that are engaged in the business of distributing vehicles in this State, in conjunction with law enforcement agencies and the National Law Enforcement Telecommunications System, to establish the "National Motor Vehicle Emergency Contact Registry" (NMVECR). The registry is to be capable of storing emergency contact information to be accessible by law enforcement officers. Under the bill, every new motor vehicle dealer and leasing dealer is required to allow a purchaser or lessee of a new motor vehicle to voluntarily register at the point of sale an emergency
contact to be stored in the NMVCR. The information is to be available for the exclusive
use of law enforcement and is not to be considered a public record.

03/06/17 - Reported out of committee with committee amendments, 2nd reading in
Assembly
03/16/17 - Passed in Assembly 62-1-11

S-1750 (Madden D4; Cruz-Perez D5)
Establishes special motorcycle license plates for veterans.

This bill authorizes the Chief Administrator of the New Jersey Motor Vehicle Commission
to issue special license plates to veterans who own or lease motorcycles. Under the bill,
the license plates authorized are to bear a design approved by the chief administrator
identifying the registrant as a U.S. military veteran. The application fee for these plates is
$15, in addition to the normal registration fee. The bill permits the surviving spouse of a
deceased veteran to retain the plates.

03/13/17 - Passed in Senate 37-0
03/16/17 - Received in Assembly and referred to Assembly Transportation and
Independent Authorities Committee

S-2493 (Scutari D22)
Requires certain seller of used motor vehicles to notify MVC of sale; limits liability
of certain sellers after sale of used motor vehicle.

This bill requires the seller of a motor vehicle to notify the Motor Vehicle Commission
(MVC) of the sale and limits the liability of the seller after the vehicle is sold. Specifically,
under the provisions of this bill, when a motor vehicle is sold in this State, the seller is
required to notify the MVC, within five days of the sale, that the vehicle was sold. The
notification is required to include the date of the sale, the name and address of the seller
and the purchaser, and a description of the motor vehicle. In addition, the bill provides that
a seller who has sold and delivered possession of a motor vehicle to a purchaser would
not be subject to criminal or civil liability arising out of the operation or use of the vehicle,
including parking offenses, if the seller has complied with the bill’s requirements.

03/13/17 - Passed in Senate 36-0
03/16/17 - Received in Assembly and referred to Assembly Transportation and
Independent Authorities Committee

S-2564/A-4115 (Weinberg D37; Bucco R25; Johnson D37; Vainieri Huttle D37; Bucco
R25; Quijano D20; Holley D20; Mukherji D33)
Provides that driver's license and identification cards expire every four years on
licensee or cardholder's birthday.

This bill provides that a person’s driver’s license expires four years after issuing the
license on the numerical date of the person’s birthday. Under current law, a person’s
driver’s license expires on the last day of the 48th month after the license was issued.
Under this bill, a person’s driver’s license would expire during the 48th calendar month
after the license was issued and on the numerical calendar day that corresponds to the
person’s numerical day of birth. If the person’s numerical day of birth does not correspond
with a numerical calendar day in the 48th month, the license is to expire on the last day of
the 48th month.
According to the sponsor, the intent of this bill is to reduce the lines and wait time at Motor Vehicle Commission offices by having a person's driver's license expire on the day of his or her birthday, rather than on the last day of the month.

03/16/17 – S-2564 was amended on Assembly floor, 2nd reading in Assembly, Substituted for A-4115, A-4115 passed in Assembly 74-0-0

S-2874 (Greenstein D14; Cunningham D31)
Authorizes use of certain electric school buses.

This bill authorizes the use of electric school buses, with a maximum width of 102 inches, excluding accessories. Current regulations restrict the width of all school buses to 96 inches, excluding accessories. The increased permissible width set forth in the bill would apply to electric school buses exclusively, and not those powered by conventional fuel or a combination of power sources.

03/06/17 - Reported out of committee with committee substitute, 2nd reading in Senate