

ASSEMBLY, No. 4050

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED FEBRUARY 12, 2026

Sponsored by:

Assemblyman WILLIAM W. SPEARMAN

District 5 (Camden and Gloucester)

Assemblyman ERIK PETERSON

District 23 (Hunterdon, Somerset and Warren)

Co-Sponsored by:

**Assemblymen Sampson, McClellan, Simonsen, Angelozzi and
Assemblywoman Dunn**

SYNOPSIS

Concerns facilities used by new motor vehicle dealer licenses; establishes provisional new motor vehicle dealer licenses.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/28/2026)

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

3

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

6

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

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

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

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

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

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

37 "Nonconventional type motor vehicle" means every vehicle not
38 designed or used primarily for the transportation of persons or
39 property and only incidentally operated or moved over a highway,
40 including, but not limited to, ditch-digging apparatus, well-boring
41 apparatus, road and general purpose construction and maintenance
42 machinery, asphalt spreaders, bituminous mixers, bucket loaders,
43 ditchers, leveling graders, finishing machines, motor graders, road
44 rollers, scarifiers, earth-moving carryalls, scrapers, power shovels,
45 drag lines, self-propelled cranes, earth-moving equipment, trailers
46 and semitrailers which weigh less than 2,500 pounds, except that no

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

Matter underlined thus is new matter.

1 mobile or manufactured home or travel trailer shall be classified as
2 a nonconventional type motor vehicle, motorized wheelchairs,
3 motorized lawn mowers, bogies, farm equipment having a factory
4 shipping weight of less than 1,500 pounds, whether or not
5 motorized, including farm tractors within said weight limitation,
6 industrial tractors, scooters, go-carts, gas buggies and golf carts.
7 The Chief Administrator of the New Jersey Motor Vehicle
8 Commission shall have power to make, amend, and repeal
9 regulations, not inconsistent with the provisions of this paragraph,
10 prescribing what further vehicles or types of vehicles, not specified
11 in this paragraph, shall be included in the category of
12 nonconventional type motor vehicles.

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

27 "Manufacturer's or importer's certificate of origin" means the
28 original written instrument or document required to be executed and
29 delivered by the manufacturer to his agent or a dealer, or a person
30 purchasing direct from the manufacturer, certifying the origin of the
31 vehicle.

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

35 "Assignment" means the execution of a prescribed form
36 transferring ownership of a motor vehicle from the person named
37 therein to the purchaser.

38 "Contract" means conditional sale agreement, bailment, lease,
39 chattel mortgage, trust receipt, or any other form of security or
40 possession agreement executed prior to January 1, 1963, wherein
41 and whereby possession of a motor vehicle is delivered to the buyer
42 and title therein is to vest in the buyer at a subsequent time upon the
43 payment of part or all of the price, or upon the performance of any
44 other condition or happening of any contingency, or upon the
45 payment of a sum substantially equivalent to the value of the motor
46 vehicle, by which contract it is agreed that the buyer is bound to
47 become, or has the option of becoming, the owner of the motor
48 vehicle upon full compliance with the terms of the contract.

1 "Abstract" means the duplicate copy of the original certificate of
2 ownership recording any encumbrance or upon which the existence
3 of a security interest is noted.

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

6 "Chief Administrator" means the Chief Administrator of the New
7 Jersey Motor Vehicle Commission.

8 "Manufacturer" means the person who originally manufactured
9 the motor vehicle.

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

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

23 "New motor vehicle dealer" means **[the agent, distributor, or]** an
24 authorized dealer of [the manufacturer] a motor vehicle franchisor,
25 as defined in this section, of [the] a new motor vehicle who has an
26 established place of business. A new motor vehicle dealer shall sell
27 a minimum of four or more new motor vehicles within a 12-month
28 timeframe and may engage in the business of buying, selling, or
29 dealing in used motor vehicles in this State under the provisions of
30 this chapter.

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

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

46 "Person" includes natural persons, firms or copartnerships,
47 corporations, associations, or other artificial bodies, receivers,
48 trustees, common law or statutory assignees, executors,

1 administrators, sheriffs, constables, marshals, or other persons in
2 representative or official capacity, and members, officers, agents,
3 employees, or other representatives of those hereinbefore
4 enumerated.

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

9 "Seller" means manufacturer, dealer, lessor, bailor, transferor
10 with or without a security interest, and any other person selling,
11 attempting to sell, or delivering a motor vehicle, and their legal
12 successors in interest.

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

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

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

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

32 "Purchaser" means a person who takes possession of a motor
33 vehicle by transfer of ownership, either for use or resale, except a
34 dealer when **[he]** the dealer takes possession through a certificate
35 of origin.

36 "Debtor" means the person who owes payment or other
37 performance of the obligation secured by a security interest in a
38 motor vehicle.

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

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

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

45 "Gross vehicle weight rating" means the value specified by the
46 manufacturer as the loaded weight of the single or combination
47 vehicle and, if the manufacturer has not specified a value for a

1 towed vehicle, means the value specified for the towing vehicle plus
2 the loaded weight of the towed unit.

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

4

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

6 39:10-19. a. No person shall engage in the business of buying,
7 selling, or dealing in motor vehicles in this State, nor shall a person
8 engage in activity that would qualify the person as a leasing dealer,
9 as defined in section 2 of P.L.1994, c.190 (C.56:12-61), unless:

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

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

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

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

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

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

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

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

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

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

33 e. The chief administrator shall issue a provisional license
34 upon the substantial completion of the new motor vehicle dealer
35 license application. The chief administrator shall issue a
36 provisional license to an applicant that is in the process of meeting
37 certain requirements for the issuance of a new motor vehicle dealer
38 license, including, but not limited to, an applicant who is in the
39 process of obtaining a franchise agreement or installing a permanent
40 sign pursuant to subsection g. of this section, provided that the sign
41 has been ordered. The provisional license issued pursuant to this
42 subsection shall be valid for a period of 90 days. The chief
43 administrator may, at the chief administrator's discretion, extend an
44 applicant's provisional license for a one-time additional 90 day
45 period. The chief administrator shall not charge an additional fee
46 for the issuance of a provisional license.

47 f. (1) Any person who possesses a used motor vehicle dealer
48 license at the time of enactment of P.L.2021, c.484 shall maintain

1 an established place of business consisting of a minimum office
2 space of 72 square feet within a permanent, enclosed building
3 located in the State of New Jersey, in addition to complying with all
4 other applicable regulations prescribed by the chief administrator.

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

12 g. An established place of business of a new motor vehicle
13 dealer or a used motor vehicle dealer shall display an exterior sign
14 permanently affixed to the land or building, which sign is consistent
15 with local ordinances and has letters easily readable from the major
16 avenues of traffic. The sign shall include the dealer name or trade
17 name, provided such trade name has been previously disclosed to
18 the chief administrator.

19 h. A license fee of \$200 shall be paid by an applicant upon the
20 applicant's initial application for a license. The chief administrator
21 may renew an applicant's license upon application for renewal on a
22 form prescribed by the chief administrator and accompanied by a
23 renewal fee of \$200. Every license shall expire 24 months from the
24 date on which it is issued. The chief administrator may, at the chief
25 administrator's discretion and for good cause shown, extend an
26 applicant's license for an additional period not to exceed 12 months
27 from the date on which it is scheduled to expire. The chief
28 administrator may, at the chief administrator's discretion and for
29 good cause shown, issue a license which shall expire on a date fixed
30 by the chief administrator. The fee for licenses with an expiration
31 date fixed by the chief administrator shall be fixed by the chief
32 administrator in an amount proportionately less or greater than the
33 fee established herein.

34 i. For the purposes of this section, a leasing dealer or an
35 assignee of a leasing dealer whose leasing activities are limited to
36 buying motor vehicles for the purpose of leasing them and selling
37 motor vehicles at the termination of a lease to the lessee shall not be
38 deemed to be engaged in the business of buying, selling, or dealing
39 in motor vehicles in this State. **【Provided however, that】** However,
40 a leasing dealer who wishes to engage in the business of buying,
41 selling, or dealing in motor vehicles in this State by selling any
42 vehicle at the end of the lease term to a consumer other than the
43 lessee, shall be required to obtain a used car dealer license pursuant
44 to this section.

45 (cf: P.L.2021, c.484, s.1)

46

47 3. This act shall take effect immediately and shall apply to all
48 initial and renewal new motor vehicle dealer license applications

1 and to all initial and renewal new motor vehicle dealer license
2 applications that are currently subject to a pending administrative
3 proceeding pending before the chief administrator or the Office of
4 Administrative Law or on appeal thereof.

5
6
7 STATEMENT

8
9 This bill provides that an applicant of a new motor vehicle dealer
10 license is required to establish a place of business to be used
11 principally for the servicing or display of motor vehicles. Under
12 current law, applicants are required to establish a place of business
13 to be used principally for both the servicing and display of motor
14 vehicles.

15 The bill permits each applicant for a new motor vehicle dealer
16 license (applicant) to utilize space attached to the applicant's
17 established place of business, a separate space on the same property
18 as the established place of business, or to establish an off-site
19 facility within the relevant market area of the applicant's
20 established place of business for the servicing of motor vehicles.

21 Additionally, under the bill, the Chief Administrator of the New
22 Jersey Motor Vehicle Commission (chief administrator) is
23 permitted to issue a provisional new motor vehicle dealer license
24 upon the applicant's substantial completion of the application and is
25 not to withhold the provisional license pending the receipt of a
26 franchise agreement or the installation of a permanent sign that has
27 been ordered, nor charge an additional fee for the provisional
28 license. The provisional license is to be valid for a period of 90
29 days, which period may be extended by an additional 90 days at the
30 discretion of the chief administrator.

31 The bill amends current law to change the definition of "new
32 motor vehicle dealer" to mean, in part, an authorized dealer of a
33 motor vehicle franchisor of a new motor vehicle who has an
34 established place of business. Under current law, the term means,
35 in part, the agent, distributor, or authorized dealer of the
36 manufacturer of the new motor vehicle who has an established place
37 of business. The bill also amends current law to include a
38 definition of "motor vehicle franchisor."

39 Finally, the provisions of the bill are to take effect immediately
40 and are to apply to all initial and renewal new motor vehicle dealer
41 license applications and to all initial and renewal new motor vehicle
42 dealer license applications that are currently subject to a pending
43 administrative proceeding before the chief administrator or the
44 Office of Administrative Law or on appeal thereof.