

reports on time, but was not intended to be unnecessarily punitive. DCR now recognizes that for good cause shown, penalties should be reduced or waived. As the proposed amendment to N.J.A.C. 13:10-2.7 permits the Director to waive or reduce penalties where appropriate, it will have a positive economic impact on those owners who file reports late as a result of exceptional circumstances.

Further, DCR will experience positive economic impact, since the proposed amendment would reduce DCR's costs associated with tracking and collecting late filing penalties. By including a waiver procedure and waiver standards in the rule, DCR will be able to more quickly identify the owners who qualify for waivers, process waiver requests more efficiently, and devote its limited resources to fully enforcing the penalty provisions where owners willfully or repeatedly neglect their filing obligations.

**Federal Standards Statement**

A Federal standards analysis is not necessary because the rules proposed for readoption with amendments are not intended to implement or comply with any programs established under Federal law or under a State statute that incorporates or refers to Federal law.

**Jobs Impact**

The rules proposed for readoption with amendments will not increase or decrease the number of jobs in New Jersey. The rules proposed for readoption with amendments will have no impact on the increase or decrease of staff positions in DCR.

**Agriculture Industry Impact**

The rules proposed for readoption with amendments will not have any impact on the agriculture industry in New Jersey.

**Regulatory Flexibility Analysis**

The Regulatory Flexibility Act (the Act), N.J.S.A. 52:14B-16 et seq., requires DCR to give a description of the types, and an estimate of the number of small businesses to which the MDRR will apply. The rules proposed for readoption with amendments will apply only to owners of multiple apartment developments with at least 25 units, of which there are approximately 3,800 throughout New Jersey. Some of these may be considered a "small business" under the Act. The rules proposed for readoption with amendments will not, however, impose new reporting, recordkeeping, or other compliance requirements on owners of multiple apartment developments. There will be no additional costs to continued compliance or need to employ professional services incident to following the proposed amendment to N.J.A.C. 13:10-2.7. Instead, the proposed amendment provides a process for these owners to apply for a waiver of incurred penalties for good cause shown.

**Housing Affordability Impact Analysis**

DCR anticipates that the rules proposed for readoption with amendments may have an insignificant impact on the affordability of housing in New Jersey and is extremely unlikely to evoke a change in the average costs associated with housing, because the rules proposed for readoption with amendments clarify existing State law, and concern a small percentage of multiple apartment development owners.

**Smart Growth Development Impact Analysis**

DCR does not anticipate that the rules proposed for readoption with amendments will have any impact on smart growth and would pose an extreme unlikelihood to evoke a change housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey because the rules proposed for readoption with amendments clarify existing State law, and provide for waiver or relaxation of penalties for late filing of reports.

**Full text** of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 13:10.

**Full text** of the proposed amendments follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 2. REPORTING

13:10-2.3 Form and contents of report

(a) The report shall be submitted on forms approved by the Attorney General and said forms shall be available on the website of the Division on Civil Rights ([www.NJCivilRights.org](http://www.NJCivilRights.org)) [www.NJCivilRights.gov](http://www.NJCivilRights.gov).

(b) (No change.)

13:10-2.7 Late filing [fees] penalties

(a)-(e) (No change.)

**(f) The Director of the Division on Civil Rights may, in his or her discretion, waive all or part of the penalties incurred with the late filing of a report or reports for good cause shown, so long as such waiver would not compromise the purpose of the reports as set forth in N.J.A.C. 13:10-2.1. An owner of a multiple apartment development may apply to the Director of the Division on Civil Rights for a waiver or relaxation of the penalties incurred because of the late filing or failure to file a report or reports. Such request shall be made in writing, and shall set forth, with specificity, the owner's reasons for late filing or failure to file. If applicable, documentation supporting the request should be included. The Director may consider such factors as the owner's previous filing history, the owner's promptness in filing the report upon notice of delinquency, DCR resources expended on addressing the delinquency, and any exceptional circumstances related to the delinquency (which may include an owner's undue hardship, economic or otherwise).**

**TRANSPORTATION**

**(a)**

**MOTOR VEHICLE COMMISSION**

**Licensing Service  
Entity Identification Number**

**Proposed New Rules: N.J.A.C. 13:21-25**

Authorized By: Raymond P. Martinez, Chairman, Motor Vehicle Commission.

Authority: N.J.S.A. 39:2-3, 39:2A-2, 39:2A-21, 39:2A-28, 39:3-4, and 39:10-4.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2017-057.

Submit comments by June 16, 2017, to:

Kate Tasch  
APO  
Motor Vehicle Commission  
225 East State Street  
PO Box 162  
Trenton, NJ 08666-0162  
or via e-mail to: [rulecomments@mvc.nj.gov](mailto:rulecomments@mvc.nj.gov)

The agency proposal follows:

**Summary**

This notice of proposal is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5 as the public comment period for this notice will be 60 days.

The Motor Vehicle Commission (the Commission) proposes new N.J.A.C. 13:21-25, which would establish procedural requirements for the issuance of an Entity Identification Number. These identification numbers allow businesses, organizations, and government entities to conduct motor vehicle activity, such as titling and registering motor vehicles, obtaining licenses from the Commission, such as a dealer's license, and/or to obtain motor vehicle related information from the Commission, such as by insurance companies, under the name of the entity. The Commission has issued such identification numbers in the past and does so presently. The activities that may be conducted using an

Entity Identification Number would not change as a result of the proposed new rules. The proposed new rules would provide greater clarification in the procedures, eligibility, and other requirements that must be met to obtain an Entity Identification Number.

N.J.A.C. 13:21-25.1 sets forth the purpose and scope of this proposed new subchapter.

N.J.A.C. 13:21-25.2 provides for definitions of “applicant,” “approved entity,” “authorized signatory,” “business organizational documents,” “Chief Administrator,” “Commission,” “entity,” “Entity Identification Number” and “person.”

N.J.A.C. 13:21-25.3 sets forth the requirements for issuance of an Entity Identification Number, which includes the submission of an application along with certain business organizational documents. The section also requires out-of-State residents to submit proof of identification.

N.J.A.C. 13:21-25.4 allows for one Entity Identification Number for each Federal Employer Identification Number (FEIN), except that an entity may receive an Entity Identification Number for each New Jersey Tax Identification Number corresponding to a single FEIN. If an entity has two or more Entity Identification Numbers for a single FEIN, the Commission will consolidate them.

N.J.A.C. 13:21-25.5 requires an entity to update contact and authorization information by submitting a new BA-8 form.

N.J.A.C. 13:21-25.6 sets forth the grounds by which the Chief Administrator may deny, suspend, revoke, or refuse to issue an Entity Identification Number.

N.J.A.C. 13:21-25.7 allows the Commission to inactivate Entity Identification Numbers that have not been used for three or more years and also allows those numbers to be reactivated by submitting an application pursuant to this subchapter.

#### **Social Impact**

The proposed new rules will directly impact entities including, but not limited to, businesses, non-profit and other organizations, and government entities, that conduct motor vehicle transactions. The proposed new rules will provide clear, enumerated procedures, qualifications, and requirements for obtaining an identification number under which these entities may continue to conduct motor vehicle transactions necessary to the success and continued practice of their business.

The proposed new rules will affect a large number of entities that engage in motor vehicle transactions, especially since a significant number of entities own vehicles that are titled and registered in New Jersey. However, the Commission anticipates the impact of these proposed new rules to be minimal. The proposed new rules serve to codify and improve a procedure that is already in place and has been used by entities in the past.

The Commission expects the proposed new rules to be met with a positive or neutral reaction. The improvements made to the existing procedure under the proposed new rules are intended to make the process of obtaining an Entity Identification Number more cohesive and to increase the Commission’s ability to serve the needs of those entities.

#### **Economic Impact**

The proposed new rules will not have a direct economic impact on the general public. There is no cost associated with the generation or application of an Entity Identification Number. The Commission does not anticipate an increase in expenses as a result of the proposed new rules because the rules pertain solely to identification numbers under which an entity may conduct motor vehicle transactions.

#### **Federal Standards Statement**

The proposed new rules have no comparable Federal standard that can be applied; therefore, a Federal standards analysis is not required for this rulemaking.

#### **Jobs Impact**

The Commission does not anticipate that the proposed new rules will have any impact on the generation or loss of jobs. The rules pertain solely to identification numbers under which entities may conduct motor vehicle transactions.

#### **Agriculture Industry Impact**

The Commission does not anticipate that there will be any impact on the agriculture industry as a result of the proposed new rules. The rules pertain solely to identification numbers under which an entity may conduct motor vehicle transactions.

#### **Regulatory Flexibility Analysis**

Some businesses applying for an Entity Identification Number may be small businesses within the meaning of the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., in that they employ less than 100 full-time employees. The businesses will be required to fill out an application form and submit supplemental documentation, including, but not limited to, their business registration documents, as discussed in the Summary above. The cost of compliance with the proposed new rules will be administrative and minimal in nature, as the application merely requires submission of documents the entity will already have in their possession and will not require professional services. The new rules must be uniform for all applicants and licensees, to the extent applicable, to accommodate different models of business organization, in order to preserve the integrity of the Commission’s business licensing and motor vehicle transaction processes occurring under the name of an entity. Accordingly, an exemption from the reporting and recordkeeping requirement of the proposed new rules is not warranted.

#### **Housing Affordability Impact Analysis**

The proposed new rules will have no impact on the affordability of housing and they will not evoke a change in the average costs associated with housing because the rules pertain solely to identification numbers under which entities may conduct motor vehicle transactions.

#### **Smart Growth Development Impact Analysis**

The proposed new rules will have no impact on smart growth and will not evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey because the rules pertain solely to identification numbers under which entities may conduct motor vehicle transactions.

**Full text** of the proposed new rules follows:

### **SUBCHAPTER 25. ENTITY IDENTIFICATION NUMBER**

#### **13:21-25.1 Purpose and scope**

The rules contained in this subchapter establish standards for the issuance, by the Commission, of an identification number to businesses, organizations, and government entities to conduct motor vehicle activities, such as, but not limited to, titling and registering motor vehicles, obtaining licenses from the Commission, such as a dealer’s license, and/or to obtain motor vehicle related information from the Commission, such as by insurance companies, under the name of the entity. An Entity Identification Number is a number used by the Commission to identify an entity and may be issued to any entity, including corporations, limited liability corporations, limited partnerships, sole proprietorships, partnerships, trusts, non-profits, or not-for-profits that are legally registered to conduct business in New Jersey, or any local, state, or Federal agencies, government, or governmental departments. An entity may be required to obtain an Entity Identification Number, pursuant to this subchapter, when conducting motor vehicle transactions under the name of a business, organization, or other entity. This subchapter is not intended to govern the issuance and oversight of identification numbers for individuals.

#### **13:21-25.2 Definitions**

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

“Applicant” means any entity who has initiated the process of applying for an Entity Identification Number.

“Approved entity” means any entity that has submitted the required application and supplemental documents to the Commission requesting an Entity Identification Number and which has been approved to receive the identification number.

“Authorized signatory” is an employee of the applicant who the applying entity has indicated, in writing, may transact business on its behalf, including applying for an Entity Identification Number.

“Business organizational documents” are documents verifying the identity of the applying entity and the legitimacy of its existence. Such documents include, but are not limited to, proof of Federal Employer Identification Number (FEIN) from the Internal Revenue Service; Certificate of Incorporation, Formation or Trade Name, as applicable; a Business Registration Certificate, and a Certificate of Authority from a state that displays the state tax identification number.

“Chief Administrator” means the Chief Administrator of the New Jersey Motor Vehicle Commission.

“Commission” means the New Jersey Motor Vehicle Commission established by section 4 of P.L. 2003, c. 13 (N.J.S.A. 39:2A-4).

“Entity” means any form of business, government, or organization, including, but not limited to, a corporation, limited liability corporation, partnership, limited partnership, sole proprietorship, trust, non-profit, or not-for-profit that is legally registered to conduct business in New Jersey, and any local, state, or Federal agency, government, or governmental department, but does not mean an individual.

“Entity Identification Number” is an alpha-numeric identifier, sometimes referred to as a “Corporation Code” or “MVC Issued Identification Number for an entity,” assigned to an approved entity under which it may identify itself and conduct business with the Commission in the State of New Jersey.

“Person” means an individual or entity, including, but not limited to, a corporation, limited liability corporation, partnership, limited partnership, sole proprietorship, trust, non-profit, or not-for-profit that is legally registered to conduct business in New Jersey, and any local, state, or Federal agency, government, or governmental departments.

13:21-25.3 Requirements for issuance of an Entity Identification Number

(a) Every applicant seeking an Entity Identification Number shall submit an application for approval by the Chief Administrator. Only upon submission of a properly completed application, and thereupon receiving notice of approval, shall an applicant be deemed an approved entity and receive an Entity Identification Number.

(b) The application shall include, but not be limited to, the following information:

1. A completed and executed Corcode Request Form (Form BA-8);
2. The following business organizational documents:
  - i. A document from the Internal Revenue Service displaying the entity’s Federal Employer Identification Number (FEIN);
  - ii. Certificate of Formation, Incorporation, or Trade Name, as applicable;
  - iii. A Business Registration Certificate;
  - iv. A Certificate of Authority from any state which displays the state tax identification number; and
  - v. Any other documentation the Chief Administrator deems necessary to verify the identity and legitimate existence of the applicant;
3. An original letter, or certified copy, of authorization or power of attorney, or, for licensed motor vehicle dealers, an authorized signatory card, indicating that the person applying for the Entity Identification Number is an authorized signatory of the entity; and
4. If the applicant is an out-of-State entity, a color photocopy of the driver’s license or other proof of photo identification, mailing address, fax number, and telephone number of the authorized signatory submitting the application on behalf of the entity. The authorized signatory must accept notices and other communications from and respond to inquiries from the Commission and its representatives concerning the application.

13:21-25.4 Number of Entity Identification Numbers allowed for each entity

(a) Approved entities may hold only one Entity Identification Number for each Federal Employer Identification Number (FEIN) assigned to the entity. If an entity has multiple New Jersey Tax Identification Numbers for a single FEIN, the entity may receive an Entity Identification Number for each New Jersey Tax Identification Number corresponding to a single FEIN.

(b) Entities that were previously issued two or more Entity Identification Numbers under a single FEIN and do not operate under separate State Tax Identification Numbers will receive notification from the Commission of consolidation into one Entity Identification Number.

13:21-25.5 Change of ownership, contact information or entity information

(a) It is the responsibility of each entity to update the contact and authorization information for the entity by submitting a new Corcode Request Form (Form BA-8) with the necessary proof of the change. Upon receipt and approval, the Commission will amend the entity’s information.

(b) If the information being amended includes a different FEIN, the entity will be assigned a new Entity Identification Number.

13:21-25.6 Grounds for rejection or revocation

(a) The Chief Administrator or his or her designee may deny, suspend, revoke, or refuse to issue an Entity Identification Number for any of the following reasons:

1. Failure to comply with the requirements of this subchapter;
2. Upon notification that the entity has a suspended status with the New Jersey Department of the Treasury, Division of Revenue and Enterprise Services, Status and Certification Unit;
3. The entity records with the New Jersey Department of the Treasury, Division of Revenue and Enterprise Services have either been cancelled or purged;
4. The entity is not currently registered with the New Jersey Department of the Treasury, Division of Revenue and Enterprise Services to do business in New Jersey;
5. The applicant or approved entity made a willful misrepresentation or omission in the application or any other documentation provided to the Commission to obtain an Entity Identification Number or to complete a motor vehicle transaction using the assigned Entity Identification Number; or
6. Violations of any statute or regulation.

13:21-25.7 Inactivation of an Entity Identification Number

(a) The Commission may inactivate any Entity Identification Number that has not been used for three or more years. Prior to inactivation, the Commission will notify the entity of its intent to inactivate the number. To prevent the Entity Identification Number from inactivation, the entity must respond to the notification by written request within 90 days of the date of notification to keep the number active.

(b) An entity assigned an Entity Identification Number that becomes inactivated may re-activate that number by submitting an application for the Entity Identification Number to the Commission, pursuant to this subchapter.

(a)

**MOTOR VEHICLE COMMISSION**

**Driving Schools**

**Proposed Readoption with Amendments: N.J.A.C. 13:23**

Authorized By: Raymond P. Martinez, Chairman, Motor Vehicle Commission.

Authority: N.J.S.A. 39:2-3, 39:2A-28, and 39:12-4.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2017-056.

Submit comments by June 16, 2017, to:

Kate Tasch, Administrative Practice Officer  
 Regulatory and Legislative Affairs  
 Motor Vehicle Commission  
 225 East State Street  
 PO Box 160  
 Trenton, NJ 08666-0160  
 or via e-mail to: [rulecomments@mvc.nj.gov](mailto:rulecomments@mvc.nj.gov)